

Appeal No. VA98/2/008

AN BINSE LUACHÁLA
VALUATION TRIBUNAL
AN tACHT LUACHÁLA, 1988
VALUATION ACT, 1988

Dr. Frances Sheehan

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Surgery, small garden at Map Reference 96A Lower Kilmacud Road, Stillorgan, Co. Dublin

Quantum - Appropriate comparisons

B E F O R E

Liam McKechnie - Senior Counsel

Chairman

George McDonnell - F.C.A.

Member

Finian Brannigan - Solicitor

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 29TH DAY OF MARCH, 1999

By Notice of Appeal dated the 20th day of April 1998 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £60 on the above described hereditament.

The Grounds of Appeal as set out in the said Notice of Appeal are that; "the rateable valuation is excessive having regard to the location of the property, the level of rent payable for doctor's surgeries generally and the tone of the list".

The Appeal proceeded by way of an oral hearing that took place at the Tribunal Offices, in Dublin on 8th January 1999. The Appellant was represented by Mr. Conor O’Cleirigh MIAVI, ARICS ASCS of Conor O’Cleirigh & Company, Chartered Valuation Surveyors and the Respondent was represented by Mr. Damien Curran, District Valuer with 18 years experience in the Valuation Office. In accordance with the rules of the Tribunal and following established practice the parties had, prior to the hearing, exchanged their written submissions. At the oral hearing both valuers, having taken the oath, adopted their written submissions respectively as their evidence-in-chief.

Facts agreed or found by the Tribunal

The Property

The property, which extends to a total lettable floor area of 1,151 sq. ft., comprises mainly a new single storey medical building which interconnects at ground floor level with part of an adjoining two storey residence (96 Lower Kilmacud Road). The first floor accommodation is not occupied by the Appellant and therefore does not form part of this Appeal.

Stillorgan is a major suburb of Dublin situated some four miles due East of the city centre and is centred on the junction of Kilmacud Road Lower and the Stillorgan Road. The area is well served by shopping, leisure and educational facilities. The subject property is situated on the Southern side of Kilmacud Road. Lower between the intersections of Dale Drive and Sweetbriar Lane, three quarters of a mile from Stillorgan Centre and one mile from Dundrum Village.

The construction is of concrete block walls with pebble dash external rendering and a pitched concrete tile roof. The floors are mainly concrete and windows are a mix of P.V.C. framed and aluminium framed double glazed type. Internally the property is fitted as a medical facility with tiled and carpeted floor covering, plaster/painted walls and panelled ceiling in part.

Off-street car parking is provided to the front of the property with cobble-block surfacing. This has approximately eight car spaces.

Valuation History

The subject premises was revised in November '96 when the R.V. was fixed at £60. This valuation was appealed but no agreement was reached with the Valuation Office. The Commissioner issued his decision in March '98 with no change to the R.V. of £60.

Evidence and Submissions of the Parties

Mr. O'Cleirigh said that the subject property is located in an established residential area, which comprises mainly semi-detached housing dating from the late 1960's. In analysing open market rental evidence in respect of medical surgeries, he relied on those lettings which, in his opinion, were arms-length transactions reflecting true "bricks and mortar" rent and free from any goodwill element. Mr. O'Cleirigh contended that rental agreements between medical practitioners can often include an element of goodwill as one of the parties' may benefit from the agreement (for e.g., the Doctor by way of referrals). In his view, rents payable for medical surgeries where the landlord is a traditional investor and not a medical practitioner provides a more accurate basis for comparative purposes.

Mr. O'Cleirigh produced four comparisons for consideration. Comparison number one was Nutgrove Veterinary clinic at 174, Nutgrove Avenue. This consists of 956 sq. ft. and was revised in 1996 at an R.V. of £40 (£6.64 p.sq.ft.). He explained this was a purpose-built medical centre with quality fit-out and broadly similar to the subject.

Mr. O'Cleirigh produced three other comparisons for consideration. The first was a dental surgery at 39, Lower Leeson St., which consisted of the first and second floors of a Georgian building with a total area of 340 sq. ft. The second was a dental surgery at Waveryville, Kenilworth Road, Harold's Cross with a total net internal area of 495 sq. ft. The third comparison was at No. 24, Lower Baggot St. which consisted of two first floor rooms of a Georgian building comprising 620 sq.ft..

Mr. Curran, on behalf of the Valuation Office, submitted five comparisons for consideration, none of which had been put forward by the Appellant. The first comparison was at 96B, Kilmacud Rd. Lower with an area of 465 sq. ft. and an N.A.V. of £7 p.sq.ft. This is located on the first floor of the older section of the subject property. The second comparison is at 130, Mount Merrion Avenue with an area of 231 sq.ft. and an N.A.V. of £10 p.sq.ft. The third comparison at 66B, Trees Rd., Mount Merrion has an area of 213 sq.ft. and an N.A.V. of £9 p.sq.ft. The fourth comparison is at No. 6, Kilmacud Road Lower with an area of 600 sq.ft. and an N.A.V. of £10 p.sq.ft. The final comparison put forward was in respect of the property at 1C/24-26 Kilmacud Road Lower with an area of 1,286 sq.ft. and an N.A.V. of £8 p.sq.ft. This consists of a large surgery in a semi-detached residence with single storey flat-roofed extension. Originally the property had a domestic layout quite similar to the subject.

Findings and Determination

The Tribunal has considered the submissions and the evidence submitted and the matters raised at the oral hearing by both the Appellant and the Respondent. Both parties have relied substantially on comparative evidence as the basis for their valuations and the Tribunal has had regard to same. In the opinion of the Tribunal, the appellant's comparisons, other than that of Nutgrove Veterinary Clinic are not directly comparable as in all three cases, their size is significantly smaller. In addition, two of them are contained within Georgian buildings and all three are geographically located quite some distance from the subject.

While the Tribunal accepts that the comparison put forward by the Appellant in respect of the Nutgrove Veterinary Clinic, 174, Nutgrove Avenue, Dublin 14 is a purpose-built single storey property, somewhat similar to the new single storey extension to the subject property, nevertheless it was stated at the hearing by the Respondent that rental levels in the Stillorgan area are higher than at Nutgrove and this was not contested.

The Tribunal does not accept the contention put forward by the Appellant that rental agreements between medical practitioners can often include an element of goodwill, which may have the effect of increasing N.A.V. In the Tribunal's view, there is no substantial evidence to support this opinion.

With regard to the comparative evidence provided by the Valuation Office, the Tribunal finds the comparisons more appropriate. While the first four were all smaller than the subject, they all consist of surgeries, and are based in the general area. In particular, we find the comparison with the surgery at 1C/24-26 Kilmacud Rd. Lower to be particularly relevant. This has an area broadly similar to the subject and is located only a short distance away. Construction is broadly similar, it has a single storey extension and the original property had a domestic layout. We also note that the subject property has approximately eight car parking spaces, which facilitates movements to and from the surgery.

In the circumstances and in the light of the evidence provided, the Tribunal affirms the decision of the Commissioner of Valuation in placing an R.V. of £60 on the subject hereditament, calculated as follows :

	<i>Sq.ft.</i>	<i>£</i>
Purpose-built medical suite	806 @ £9 p.sq.ft.	7,254
Older section of property (formerly domestic layout)	308 @ £8 p.sq.ft.	2,464
Store no's 1 and 2	<u>37</u>	<u>-</u>
	1,151	£9,718
	N.A.V. =	£9,718
	R.V. @ 0.63 % =	£61,22
		R.V.
	(say) £60	