

Appeal No. VA98/2/013

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

An Post

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Post Office at Lot No. 4 (pt). 6, Upper Rathmines Road, Ward: Rathmines West C,
Dublin 6. County Borough of Dublin

B E F O R E

Con Guiney - Barrister at Law

Deputy Chairman

Finian Brannigan - Solicitor

Member

Anita Geraghty - Solicitor

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 1ST DAY OF NOVEMBER, 1999

By Notice of Appeal dated the 27th day of April 1998 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £420 on the above described hereditament.

The Grounds of Appeal as set out in the said Notice of Appeal are that "the R.V. is excessive, inequitable and bad in law".

The appeal proceeded by way of an oral hearing, that took place in the Tribunal Offices in Dublin on the 18th day of January 1999. The appellant was represented by Mr Alan McMillan M.I.A.V.I. A.S.C.S., a Director of GVA Donal O'Buachalla. Mr Liam Cahill B.A., G. Dip. P & D Economics, Valuer with the Valuation Office represented the Respondent.

Prior to the oral hearing written submissions were received from Mr. McMillan on behalf of the Appellant and from Mr Cahill on behalf of the Commissioner of Valuation. At the oral hearing both valuers adopted their written submissions as their evidence-in-chief given under oath.

From the evidence so tendered the following facts either agreed or so found are considered by the Tribunal to be relevant to this appeal.

The property comprises a post office, sorting office and ancillary accommodation located on the East Side of the Rathmines Road Upper and close to its intersection with Rathgar Road. It comprises a portion (principally on the ground floor) of a purpose built post office and sorting office. The remainder of the premises is occupied by Bord Telecom and the rear yard and access is shared. The main front building (two storey) is a concrete framed construction and dates from 1934. The front façade is finished with stone cladding and incorporates tall narrow metal-framed single glazed windows. The front elevation incorporates three doorways, two of which lead directly to the post office with a third providing shared access to a corridor and stairs.

Valuation History

Prior to the 1985 Annual Revision, the premises together with that portion now occupied by (and separately valued to) Bord Telecom was assessed at R.V. £550.

As a result of the 1985 Revision the subject was separately valued at R.V. £365 with the Telecom area being valued at R.V. £345 and at 1985 first appeal the R.V. was reduced to £260 by agreement. The Telecom R.V. was reduced to £180.

In the 1997/2 revision the R.V. of £260 was increased to R.V. £420 to include ref. 6 which was previously separately valued at R.V. £57 (1990/2). On first appeal no change was made to the valuation and the appellant now appeals the valuation of £420 in respect of lot

4(pt). 6 to the Valuation Tribunal.

SUBMISSIONS OF THE PARTIES

Mr McMillan indicated that he had agreed the floor areas with Mr Cahill but differed with Mr Cahill in relation to the number of car parking spaces.

Mr McMillan said that the premises comprises a portion (principally the ground floor) of a purpose built post office and sorting office. The remainder of the premises is occupied by Bord Telecom and the rear yard and access is shared.

He said internally the ground floor post office headroom is fourteen to fifteen feet in the original area reducing to some ten feet in the area described as ref. 6. The floor area is above pavement level and approached by two internal steps. An internal ramp has been provided within the ref. 6 area. He said a canteen is provided at first floor being that area formally part of ref. 6. At the rear of this front building is located the Overseer's office, staff cloakrooms and stores.

To the rear and interconnecting with this front block is a Sorting Office which is of brick construction and also dating from 1934. Headroom varies from eight and a half feet at the front and rear section, rising to fifteen feet in the larger middle area. The floor is of concrete with timber block finish and the walls are rendered internally. There is a suspended ceiling fitted in the higher area with inset fluorescent lighting. Windows are dated and are metal or timber framed with single glazing. The first floor, which has been added over the main area of the Sorting Office area, is occupied by Telecom. Externally and with access from the yard, is a separate canteen for the Sorting Office staff of basic rendered (probably brick or concrete block) construction and finish with a headroom of approx. ten feet. Also located in the yard is a basic open fronted structure with a corrugated iron roof and used as a cycle store.

A small open yard to the rear of the building is accessible from Church Gardens and also along the southern flank of the building to Rathmines Road Upper. This yard is common and provides vehicular access for both Telecom and An Post. Limited car parking is available and used principally by An Post.

Mr McMillan stated that the floor areas are agreed as follows:

	<i>Sq. m.</i>	<i>Sq. ft.</i>
Public Office	139.7	1,504
Sorting Office etc.	519.1	5,588
Canteen (first floor)	36.0	387
Canteen (outdoor)	76.2	820
Cycle Shed	37.9	408

The premises are serviced with mains, water, electricity and drainage and have central heating via low-pressure warm water radiators. The lighting consists of fluorescent fittings mainly and the toilets are adequate, though basic with separate male and female toilets provided off common corridors. Mr McMillan said the subject enjoys a reasonable location with good frontage onto Upper Rathmines Road.

However he stated this is markedly secondary in local terms with the prime location being on the East Side of Rathmines Road Lower from its junction with Castlewood Avenue northwards. He said the premises is not self-contained and that portion of the public office formerly separately valued at ref. 6, is not fully integrated and served principally as an entrance lobby. In considering his valuation he had regard to the comparisons set out at Appendix I and he said that he included one of particular relevance to the Sorting Office.

Mr McMillan stated in his opinion a reasonable estimate of R.V. is in the sum of £305, calculated as follows:

Public Office	1,504 sq.ft. @ £14	=	£21,056
Sorting Office etc.	5,588 sq.ft. @ £ 4	=	£22,352
Canteen 1st fl.	387 sq.ft. @ £ 5	=	£ 1,935
Canteen (outdoor)	820 sq.ft. @ £ 3	=	£ 2,460
Cycle Shed.	408 sq.ft. @ £ 1	=	£ 408
	TOTAL	=	£48,211
	R.V. @ 0.63%	=	£ 303.72
	Say	=	£ 305

Under cross-examination by Mr Cahill on behalf of the Respondent Mr. McMillan stated that in his opinion the prime location in the area is on the East Side from Castlewood Avenue to McDonalds. Mr. Cahill asked Mr McMillan if he would regard his comparison C (McQuaid's Cycle Shop) as being inferior to the Subject premises and Mr. McMillan agreed that he would. Mr Cahill questioned Mr McMillan as to why he did not resort to zoning and Mr McMillan replied that the market would zone shops in Grafton Street but not on the Rathmines Road. He pointed out that in the matter of AIB -V- Commissioner of Valuation the Tribunal in its decision VA 97/2/007 did not zone the premises. Mr McMillan accepted that his comparison (D) Eurovision at 40 Castlewood Avenue had ceased to trade but in reply to a question from Mr Cahill in relation to the frontage at Lenehan's which is comparison (E) at 79 Rathgar Road, Mr McMillan stated that Lenehan's was all retail whereas the Subject premises was not. Mr McMillan went on to say that in the premises at 2 Rathmines Road Upper he had evidence of rent in 1988 at £8,000 which on an analysis of rental as of 1988 showed a valuation of £14.25 per sq.ft. on the ground floor and £6 p.s.f. on the 1st floor.

Mr Liam Cahill adopted his written submissions and stated that the basic difference between himself and Mr McMillan was that he regarded the Subject premises as being situate in a prime location whereas Mr McMillan did not. Mr Cahill said that Tesco's was located across the road from the Subject premises and the Swan Centre had Dunnes Stores and that there was parking in Tesco's and pedestrian traffic therefore concentrated between Tesco's and the Swan Centre. He stated that Castlewood Avenue however had low pedestrian numbers. He said that there were four retail units vacant in the Swan Centre itself together with one at the entrance to Castlewood Avenue giving five vacant units in all. He said the problem with Lenehan's was that it was on the Rathgar Road with heavy traffic but there was no parking and that Eurovision closed in October and planning permission was being sought there for a Bookies Shop. He said there was little commercial activity in Castlewood Avenue where Eurovision was located. He estimated the net annual value and rateable value of the Subject premises as follows:

	£/sq.ft.	NAV
Public office	1,504 sq.ft. @ £18.00 =	£27,072
Sorting office, etc.	5,588 sq.ft. @ £ 6.00 =	£33,528
Canteen (first floor)	387 sq.ft. @ £ 6.00 =	£ 2,322
Canteen (outside)	820 sq.ft. @ £ 3.00 =	£ 2,460
Cycle shed	408 sq.ft. @ £ 1.00 =	£ 408
Car Park	5 spaces @ £300 each	<u>£ 1,500</u>
		£67,290 NAV
Net annual value	£67,290 @ 0.63% =	£424 R.V.
	Say =	£420 R.V.

He gave as his comparative evidence the comparisons set out in Appendix II.

With regard to Comparison No. 7 – Telecom Eireann, 4 (pt) Rathmines Road Upper he said the ground floor accommodation suffers from poor access and consists of a number of rooms with poor natural light, not suitable for office use. The first floor exchange houses outdated analogue telephone exchange equipment. At the time of his inspection, Telecom was in the early stages of installing digital equipment. Having regard to the first floor location and restricted access, the demand for this type of space would be limited.

Mr Cahill said that he agreed the figures set out in comparison (I) in Mr McMillan's précis for the Fortfield Road, Terenure Sorting Office. He stated that his comparison number 6, An Post, 7e Shelbourne Road, Ballsbridge was a building where the windows were at a height of six foot upwards and was not therefore suitable for office work as such but would be suitable as a sorting office but that internally the sorting office in the Shelbourne Road premises was the same as that in Rathmines, a basic premises with no frills. He said that the A.I.B. in Rathmines Road Lower enjoyed a good frontage but it was inferior to that of the Subject

premises frontage. While stating that the ACC had inferior frontage to the Subject premises he agreed that the F.N.B.S. premises had a double frontage onto Rathmines Road Lower and Castlewood Avenue but he did not regard Castlewood Avenue as a good retail location. Under cross-examination by Mr McMillan, Mr Cahill stated that he accepted there was a difficulty in crossing to the Pizza Hut from the East Side of the road. Mr Cahill further stated that his comparison number 6, An Post at 7e Shelbourne Road, Ballsbridge was close to the Berkley Court Hotel and that it was in fact a custom built sorting office which was constructed in the 1970's.

In his final submissions Mr Cahill said that in his opinion north of Castlewood Avenue was not the only prime area and the Subject premises had excellent frontage with plenty of space at the front unlike Lenehan's which was narrow. He said that Eurovision was in a secondary location and McQuaid's was up the road and in an inferior position and that his preferred comparison was the A.I.B. at 224/228 Rathmines Road Lower with £21 p.s.f. in the banking hall and that he would give an allowance of 10% against this for the Subject premises to take into account a slight locational difficulty of the Subject premises on the edge of the prime area. He further said that the Fortfield Road premises were of an industrial nature and the sorting office in Rathmines had good access.

In his submissions Mr McMillan disagreed that the Subject premises was located in a prime area and that rental evidence showed a distinction if you moved across the street or further to the south. He said the premises was a hybrid premises with two separate functions of post office and sorting office and that the sorting aspect was more of an industrial function. He said that the Shelbourne Road comparison of Mr Cahill's was an exception and that the Fortfield Road premises was more appropriate. He said that he believed £18 per sq.ft. was an unsustainable valuation but he agreed, in response to a question from the Chairman that provision should be made for car parking and that he would agree to accept that there were two spaces but not five as there was a problem with regard to people blocking access for others in the car parking area. Mr. McMillan emphasised that the premises was a listed building and that there would be a difficulty in altering the façade and that number 6 Rathmines Road Upper was incorporated into the Subject premises at a cost to internal area to create disabled access by building a ramp.

DETERMINATION

Having taken the written submissions, oral submissions and the comparisons into consideration, the Tribunal accepts Mr McMillan's assertion that the Subject premises is just outside the prime area which appears to concentrate on the east side of Rathmines Road Lower from Castlewood Avenue northwards to the Swan Centre. The Tribunal believes that the valuation of the Public Office area should be set at £14 per sq.ft. for 1,504 sq.ft. to take this into consideration.

The Tribunal accepts the valuation office figure of £6 per sq.ft. in relation to the sorting office area of 5,588 sq.ft. since the Tribunal believes it would be more valuable than the Fortfield Road premises but less valuable than the Shelbourne Road premises both of which were submitted as comparisons. The Tribunal accepts Mr McMillan's figure of £5 per sq.ft. in relation to the first floor canteen the area of which is 387 sq.ft. and accept the figure given by both parties for the outdoor canteen at £3 per sq.ft. for 820 sq.ft. The Tribunal also accepts the figure given by both parties of £1 per sq.ft. for 408 sq.ft. in respect of the cycle shed.

The Tribunal finds that the valuation office are correct in putting a value on the parking spaces but find that there is a problem with regard to parking as some people may block others and as a result of this, accept that there are two spaces as conceded by Mr McMillan and the Tribunal puts a value of £300 per parking space per annum which comes to £600.

The Tribunal takes into consideration the evidence of passing rent in 1988 with regard to number 2 Rathmines Road which is a smaller premises at £14.25 per sq.ft. for the ground floor and also takes into consideration that the Subject premises is a listed building and therefore cannot be interfered with to a major extent on the outside which reduces the benefit of its undoubtedly good road frontage.

In the light of all these factors the Tribunal determines that the following NAV applies to the property:

1.	Public office	1,504 sq.ft. @ £14 p.s.f.	NAV	£21,056
2.	Sorting office etc.	5,588 sq.ft. @ £6 p.s.f.	NAV	£33,528
3.	Canteen (1st floor)	387 sq.ft. @ £5 p.s.f.	NAV	£ 1,935
4.	Canteen (outside)	820sq.ft. @ £3 p.s.f.	NAV	£ 2,460
5.	Cycle shed	408 sq.ft. @ £1 p.s.f.	NAV	£ 408
6.	Car park	2 spaces @ £300 each	NAV	£ 600

TOTAL = £59,987

Net annual value £59,987 @ 0.63% = £377.92

SAY = £378

The Tribunal therefore determines that the rateable valuation of the subject premises is £378.