Appeal No. VA14/5/202

AN BINSE LUACHÁLA

VALUATION TRIBUNAL

AN tACHT LUACHÁLA, 2001

VALUATION ACT, 2001

Moneymate Limited **APPELLANT**

and

Commissioner of Valuation **RESPONDENT**

In relation to the issue of Quantum of Valuation in respect of:

Property No. 2188740, Office, Ground & 1st Floors, 56 Sir John Rogerson Quay, County Borough of Dublin.

JUDGMENT OF THE VALUATION TRIBUNAL

ISSUED ON THE 14TH DAY OF JULY, 2016

BEFORE:

Barry Smyth – FRISC, FSCSI, MCI Arb	**Deputy Chairperson**
Dolores Power – MSCSI, MRICS	**Deputy Chairperson***
Frank Walsh – QFA, Valuer	**Member**

By Notice of Appeal received on the 4th day of September, 2014 the Appellant appealed against the determination of the Commissioner of Valuation in fixing a net annual value of €209,000 on the above described relevant property on the grounds as set out in Appendix 1.

**Ms Power was an Ordinary Member at the time of the hearing of this appeal.*

The Tribunal, having examined the particulars of the property the subject of this appeal; having confirmed its valuation history; having examined and considered the written evidence and having heard the oral evidence adduced before us by Mr Ian Given MSCSI MRICS of BNP Paribas Real Estate for the appellant and by Mr Joseph Turley Dip AVEA BSc (Hons) Surv, MSCSI MRICS of the Valuation Office for the respondent on the 19th day of August 2015,

DETERMINES

That the net annual value of the subject property be as set out below:
€133,250 calculated as follows:

First Floor Offices –	696.72 sq. metres @ €150 per sq. metre	€104,508.00
Entrance Lobby –	27.72 sq. metres @ €135 per sq. metre	€ 3,742.20
Stores		€ 5,000.00
Cars	8 @ €2,500 each	€ 20,000.00
Total		€133,250.20
		Say €133,250.00

The reasoning being as follows:

1. Although this is a modern building constructed in or about the same time as many third generation office buildings, it is not comparable with such third generation buildings not least because of the predominately residential nature of the building.

2. From the evidence adduced it is clear that the accommodation is not to a good standard and that there are constant maintenance issues.

3. Because of the poor condition of the building the Tenant entered into an Internal Repairing Lease only and would not accept responsibility for external repairs.

4. Section 48 clause 3 of the Valuation Act, 2001 defines “net annual value” in relation to a property as the rent for which, one year with another, the property might, in its actual state, be reasonably expected to let from year to year, on the assumption that the probable average annual cost of repairs, insurance and other expenses (if any) that would be necessary to maintain the property in that state, and all rates and other taxes and charges (if any) payable by or under any enactment in respect of the property are borne by Tenant.

Thus the NAV is assessed on effectively a full repairing basis. On the basis of *rebus sic stantibus* the hypothetical tenant is obliged to keep the premises as found in that state.

In this instance there is a passing rent agreed initially in October 2011, although the Lease did not commence until May 2012. The reserved rent is €143,989.50 per annum and the Tenant had the benefit of a 12 month rent free period. It is clear from the terms of the Rent Review in the Lease and the evidence presented that the ground floor entrance lobby was not rentalised and is not to be rentalised for the purpose of rent review. Thus the analysis of the passing rent having allowed for car parking at €2,000 per space and the stores at €5,000 equates to €155 per sq. metre having allowed for 12 months' rent free.

5. Although the ground floor lobby is not rentalised for rent review purposes nor rentalised in the initial rent, that is an agreement between the parties to the Lease and does not remove that element of the property from liability for rates. It is accepted that two other commercial Tenants within the overall building have a right of way through the ground floor reception/lobby to access the car parking. However they do not have occupation of the space which is with the present Tenant who has a reception arrangement there.

6. The analysed rent of €155 per sq. metre has been adjusted to allow for the difference between it being determined on the basis of interior repairs and the hypothetical tenant being responsible for all repairs.

7. The rent applied to the reception/lobby at ground floor level has been reduced by 10% to allow for the inconvenience of others having a right of way through that space.

8. The Parties were agreed on the appropriate NAV applicable to the stores and the car parking spaces.

And the Tribunal so determines.