

Appeal No. VA14/5/297

**AN BINSE LUACHÁLA**  
**VALUATION TRIBUNAL**  
**AN tACHT LUACHÁLA, 2001**  
**VALUATION ACT, 2001**

**ATC Languages & Travel Ltd**

**APPELLANT**

**And**

**Commissioner of Valuation**

**RESPONDENT**

**In Relation to the Issue of Quantum of Valuation in Respect of:**

Property No. 788511, Office, Floors 1, 2, 3, 4, 5, 34-35A William Street South, County Borough of Dublin.

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 12<sup>th</sup> DAY OF JULY 2016**

**B E F O R E**

**Niall O Hanlon - BL**

**Deputy Chairperson**

**Michael Lyng – Valuer**

**Member**

**Mairead Hughes – Hotelier**

**Member**

By Notice of Appeal received on the 4<sup>th</sup> day of September, 2014 the Appellant appealed against the determination of the Commissioner of Valuation in fixing a net annual valuation of €125,600 on the above described relevant property on the grounds as set out in the Notice of Appeal as follows:

*"Valuation is out of line with similar properties in the area."*

The Appellant was represented by Mr Brian Bagnall, F.R.I.C.S, F.S.C.S.I, Bagnall Doyle McMahon, 29 Dawson Street, Dublin 2, while the Respondent was represented by Mr David O'Brien, MSc. Surv., Valuer of the Valuation Office. Hearings in respect of this appeal were held on the 18<sup>th</sup> of May, 2015 and the 26<sup>th</sup> of June, 2015.

The subject property is located at the southern end of William Street close to the junction of Johnson Place, King Street South and Mercer Street Lower. The surrounding area is predominantly commercial in character comprising in the main retail units on the ground floor with office accommodation on the upper floors. The subject property, which is close to a number of multi storey car parks, was built in the early 1980's. It is a 6-storey over-basement building. The ground floor and basement are valued separately. The ground floor is in retail use. Lift access is provided to all floors except the 5<sup>th</sup> floor. The 5<sup>th</sup> floor is accessed only by way of a stairwell.

The Tribunal notes that the Net Annual Value (NAV) contended for by the Respondent at the hearing was reduced to €123,000. This followed from a 20% reduction to the level of €160 per square metre initially applied to the 5<sup>th</sup> floor. This reduction was made due to there being no lift access to the 5<sup>th</sup> floor of the subject property.

The Tribunal further notes that at the first hearing, Mr. O'Brien, on behalf of the Respondent, indicated that the Net Effective Rent (NER) of the subject property should be increased from €94,242 per annum to €124,615 per annum.

**The Appellant contended for a valuation as follows:**

Floors 1 – 4	Office	703.28 sq. m. @ €110 per sq. m.	=	€77,360.80
Floor 5	Office	82.02 sq. m. @ €90 per sq. m.	=	€7,381.80

Mr Bagnall adduced evidence of 2 comparisons adjoining the subject property and both of which were valued at €110 per sq. m. Mr. Bagnall indicated that the comparisons were similar to the subject property.

Mr. Bagnall gave evidence that the subject property comprised a six storey building with restaurant use at ground floor and a language school on the five floors overhead. It was constructed in 1982 and had the following features: -

- Solid floors with no under floor trunking or raised access;
- Perimeter trunking;
- Gas fired heating;
- Air conditioning on floors 1 – 4;
- Original aluminium single glazed windows;
- Lift access to floors 1 – 4 with stairs only access to the 5th floor.

Mr. Bagnall gave evidence that the property was let for five years from May 2012 with an option to renew for a further five years in favour of the tenant and that under the terms of the lease the tenant was liable for internal and external repairs and insurance. The initial rent was €120,000 per annum, however the landlord gave an allowance of €146,000 towards fit out works and improvements by the tenant. Mr. Bagnall's evidence was that when these allowances were analysed over the first five-year term of the lease a net adjusted rent of €90,800 per annum applied, analysed as follows: -

- Floors 1 – 4 703.28 sq. m. @ €120 per sq. m.
- Floor 5 82.02 sq. m. @ €100 per sq. m.

It was argued on behalf of the Appellant that the net adjusted rent of €90,800 in or about one year after the valuation date supported a figure of €110 per square metre as at the valuation date.

**The Respondent contended for a valuation as follows:**

Levels 1 – 4	Office	703.28 sq. m.	@	€160 per sq. m.	=	€112,524.80
Level 5	Office	82.02 sq. m.	@	€128 per sq. m.	=	€10,498.56

The informers adduced in evidence on behalf of the Respondent were valued at €160 per square metre. The Tribunal was not clear from the evidence as to how this figure was arrived at as the net equivalent rent per square metre was €208 in the case of Informer 2, €195 for Informer 3 and €132 for Informer 4. The subject property was Informer 1. The seven comparisons adduced in evidence by the Respondent did not significantly help the Tribunal in that they simply demonstrated the application of a €160 per square metre rate to a variety of properties.

The Tribunal notes that in the précis provided by the Respondent in advance of the first hearing date in respect of this appeal it was stated that the net effective rent (NER) for the subject as at the 7<sup>th</sup> April 2011 was €94,242 per annum, whilst the NAV at that date was €123,000. In the course of giving his evidence Mr. O'Brien stated that he was changing his view regarding the NER of the property and that instead of being €94,242 it should be €124,615. The Tribunal notes that Mr. O'Brien made this change after being asked to explain the difference between an NER of €94,242 and an NAV of €123,000.

Mr Bagnall for the Appellant expressed surprise at this change and the Tribunal then directed that the Appellant was entitled to a proper précis of the Respondent's evidence. Accordingly, the hearing was adjourned to allow the Respondent provide both the Appellant and the Tribunal with a revised précis. Thereafter, on the 11<sup>th</sup> of June, 2015, a document was provided to the Tribunal, indicating a further increase to the NER, bringing it to a figure of €126,483.37. No explanation was provided as to why this amount replaced the figure of €124,615 that Mr. O'Brien had advanced after resiling from his earlier figure of €94,242.

The Tribunal notes that the comparisons relied upon by the Appellant were adjoining properties that were similar to the subject property and that the Appellant adduced rental evidence in respect of the subject property.

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 by the parties to the appeal on the 18<sup>th</sup> May 2015 and the resumed hearing on the 26<sup>th</sup> June 2015,

## **DETERMINES**

That the NAV of the subject property is as follows:

Levels 1 - 4	Office	703.28 sq. m. @ €110 per sq. m.	=	€77,360.80
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Level 5	Office	82.02 sq. m. @ €90 per sq. m.	=	€7,381.80
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<b>Total NAV</b>				<b>€84,742.60</b>
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**Say €84,700**