

Appeal No. VA14/5/616

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

Professional Insurance Brokers Association Ltd

APPELLANT

and

Commissioner of Valuation

RESPONDENT

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

Property No. 2207031, Office(s) at Unit 14B, Block C, Cashel Business Centre, Cashel RD
Kimmage, County Borough of Dublin.

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 9TH DAY OF SEPTEMBER, 2016

BEFORE:

John Stewart – FSCSI, FRICS, MCI Arb

Deputy Chairperson

Aidan McNulty - Solicitor

Member

David Gill – FSCSI, FRICS, FCI Arb, Dip Arb Law

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 €32,500 on the above described relevant property on the grounds as set out in the Notice of Appeal as follows:

"Estm. NAV is excessive and inequitable. The current scheme for offices in Dublin city places this as one of the most valuable office developments anywhere outside the city centre. The subject is also valued higher than many own door offices in the city centre. The hypothetical tent (sic) would not be willing to offer the proposed rent for the subject property under section 48 (3) of the Valuation Act, 2001, particularly in view of the Commissioner's approach to other offices in the rating area under the revaluation"

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 on the 26th day of April, 2016 adduced before us by Mr Eamonn Halpin on behalf of the Appellant, who contended for a net annual value of €16,900, and Paul Murray on behalf of the Respondent to the appeal,

DETERMINES

That the net annual value of the subject property be as set out below:

Office	211.46 sqm	€110.00	€23,260
Car parking	8	€300.00	€2,400
			€25,660

NAV €25,660

Location:

The subject property is situated on Cashel Road Kimmage a mainly residential location adjacent to a number of industrial premises.

Subject Property:

The subject property comprises a modern third generation second floor office suite and 8 car parking spaces in Unit 14B Cashel Business Centre. The floor area has been agreed at 211.46sqm together with 8 car parking

Tenancy:

The property is held on a 20 year lease from 8th February 2010 at €50,152pa having previously been held on a 3 year lease from 2007 at €41,500pa.

Issue:

The sole issue in dispute in this appeal is the quantum of the valuation of the property concerned.

The Tribunal noted the limited availability of evidence of suitable comparisons with respect to the valuation date and, having reviewed the evidence adduced comments as follows:

Appellant's Evidence

The terms agreed at lease renewal in February 2010 for the subject property 14B Cashel Business Centre reflected an increase in rent of over 20% from the rent settled in February 2007 against a backdrop in the market for offices where, as reported in a published CBRE survey office rents had fallen by some 42% from Q3 2008 to Q1 2011. The appellant's valuer contended that the tenant had not been professionally advised on the renewal terms. While the S.45 form referred to Market Rental Value, the Tribunal was not persuaded that the 2010 renewal rent of €50,152.00 (referred to by both valuers) was representative of market rent.

In light of cross-examination by the respondent, the Bridgecourt and Crumlin Business Park comparisons were not regarded as like with like comparisons as they contained an industrial/warehouse element. Consequently, the Tribunal accorded them limited weight as comparisons.

From the information provided the building occupied by Newworld Assocs at 9 Greenmount Avenue appeared to be generally comparable to the subject property. While to a degree it did assist the Tribunal this building is much larger than the subject property and the absence of detail in relation to its specification was a limitation. Nonetheless the Tribunal noted the NAV analysed at €80.00 psm with no extra for car spaces.

The Steelworks comparison is in a significantly different area of the city and although the Steelworks has clearly better transport modes, the Tribunal took account of the contention by the Valuer for the Commissioner that the NAV in this area had been determined with reference to particular local issues and therefore weighted this evidence accordingly

Hainault House in St. Stephens Green was not considered by the Tribunal to be comparable in terms of location or specification.

24 Holles Street had been analysed on an overall basis. It is located in the city centre and comprised a very different style of office accommodation laid out over three floors. No information on specification was provided.

Respondent's Evidence:

The 2010 terms for lease renewal for the subject property, 14B Cashel Business Centre has been referred to above.

The Tribunal concluded that 32B Greenmount Office Park was approximately one third the size of the subject property and also was in a better location and therefore weighted this comparison to reflect these factors.

Likewise Blackhall Green in Blackhall Place Dublin 7 related to a smaller office unit and in a geographically different location. This goes to weight.

The Tribunal noted the analysis of NAV comparison 1AB/Unit 7 Block C Cashel Business which reflected €135.00 psm for the offices and €500 per car space. Two other NAV's from Coolock and Donaghmede were provided by the respondent's valuer and it was argued that these evidenced a case for the application of a NAV of €135.00 psm on suburban offices.

There was apparent discrepancy between the S45 reported figure and the rental figure referred to by the two valuers. The Tribunal noted that the S45 Report showed a rent of €44,709.50 from 08/02/2010 on a 10-year lease. Both valuers however referred to a rent of €50,152pa from 2010 on a 20-year term. Having reviewed this information the Tribunal took the view that the rent of €50,152 pa being paid was not of itself conclusive evidence of market rent at the valuation date.

The Tribunal felt that there were shortcomings generally with regards to evidence and a difficulty in identifying a 'best' comparison. In the view of the Tribunal neither valuer established a sufficiently compelling case and, having reviewed the totality of the information submitted the Tribunal determined that the NAV should be fixed at €25,660 as above.