

Appeal No. VA14/5/891

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

Shortt Stainless Steel Ltd

APPELLANT

and

Commissioner of Valuation

RESPONDENT

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

Property No. 1141707, Industrial Uses at 5A Naas Road Business Park, Naas Road, Inchicore, County Borough of Dublin.

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 19TH DAY OF SEPTEMBER, 2016

B E F O R E:

Niall O’Hanlon – BL

Deputy Chairperson

Carol O’Farrell – BL

Member

Frank O’Donnell – FRICS, B Agr Sc, MIREF

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 €32,300.00 on the above described relevant property on the grounds as set out in the Notice of Appeal as follows:

“The subject property’s estimate of net annual value is excessive and inequitable. The buildings are larger than the yard in this instance and it is broadly circulation. It is inappropriate in these circumstances to add for the yard, as no hypothetical tenant would pay more for the yard in these circumstances.”

“Additionally, the Commissioner has failed to accurately bench the subject development in terms of other comparable developments in the vicinity. At €54/m² the subject property remains in the highest bracket for industrial property, which does not reflect its early 1990s construction [sic], particularly in view of modern units in similar locations valued by the Commissioner at a lower level.

Hearings in respect of this Appeal were held on the 26th of May, 2015 and the 11th of April, 2016. Mr. Eamonn Halpin appeared on behalf of the Appellant whilst Mr. John O’Connor appeared on behalf of the Respondent. For the purposes of the present Appeal the Valuation Date was the 7th of April, 2011.

The property the subject of the Appeal (hereafter “the Property”) is located in the Naas Road Business Park. The Property is behind other industrial buildings which front the Naas Road. The Business Park is located at the junction of the Naas Road and Muirfield Drive, in Dublin 12, approximately seven kilometres south-west of Dublin City Centre. The Property is an end of terrace industrial building. It consists of ground floor offices to the front with warehousing to the rear and an enclosed yard to the side. The offices have suspended ceilings, electric storage heating, carpeted floors and plastered and painted walls. The unit has a 4.4 metre roller door. It was the evidence of the Appellant that the Property was built, along with others in the development, in the early 1990’s. It was also the evidence of the Appellant, and it was not contested by the Respondent, that the Property was held on a freehold or equivalent basis.

The Gross External Area of the Property were agreed between the parties as follows:

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|---|----------------------|
| Ground Floor Offices: | 101.07m ² |
| Warehouse: | 458.15m ² |
| Enclosed Yard (less 20% Circulation Allowance): | 401.70m ² |

In arriving at a Net Annual Valuation of €32,300 the Respondent valued the ground floor offices and warehouse at a rate of €54 per square metre and the enclosed yard at a rate of €5.40 per square metre. The Appellant argued for a Net Annual Valuation of €25,100, applying a rate of €45 per square metre to the ground floor offices and warehouse and a nil rate to the enclosed yard.

The Appellant adduced evidence of six comparable properties, one of which was located in the Naas Road Business Park, whilst the Respondent adduced evidence of three key market transactions, all of which related to properties in the Naas Road Business Park and three comparable properties, two of which were located in the Naas Road Business Park. The Tribunal finds the evidence relating to properties in the Naas Road Business Park to be of the greatest relevance given the evidence before it that the properties in the said Business Park were constructed in or about the same time.

The Respondent relied on three key market transactions in respect of Property Numbers 1141705, 1141709 and 1141710. Each of these properties are located in the same Business Park as the Property and each was held under a lease as at the Valuation Date. It was the evidence of the Respondent that, as at the Valuation Date, the Net Effective Rent of the first property was €71.45 per square metre; of the second property was €62.07 per square metre, and; of the third property was €53.26 per square metre. A Net Annual Value of €57 per square metre was applied by the Respondent to each of the said properties. The evidence was that a

Net Annual Value of €57 per square metre applied to the first of the two comparable properties located in the Naas Road Business Park upon which the Respondent placed reliance (Property Number 1141713) and that a Net Annual Value of €54 per square metre applied to the second of the two properties (Property Number 1141701).

The Tribunal notes that the Appellant argued that a Net Annual Value of €54.74 per square metre applied to Property Number 1141711, also located in the Naas Road Business Park, but that when factors such as the short length of the lease and its internal and repairing nature were taken into account that this would imply a rate in the region of €45 – €48 per square metre and a rate of €42 – €45 per square metre for the Property given its quantum, configuration and shared access. However, the Tribunal also notes that the Appellant accepted as a matter of fact that smaller industrial/office units in the Naas Road Business Park are valued at a Net Annual Value of €57 per square metre and that larger industrial/office units in the Business Park are valued at a Net Annual Value of €54 per square metre.

The Tribunal holds, having regard to the preponderance of the evidence, particularly in relation to key market transactions, and notwithstanding the analysis offered by the Appellant in relation to Property Number 1141711, in favour of the Net Annual Value of the Property argued for by the Respondent in this Appeal.

Accordingly,

Determination

The Tribunal confirms the valuation of €32,300 as assessed by the Commissioner of Valuation for the subject property.

The Valuation

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|------------------|-----------------------|---|--------|---|-------------------|
| Office/warehouse | 559.22 m ² | @ | €54.00 | = | €30,197.88 |
| Yard | 401.70 m ² | @ | € 5.40 | = | <u>€ 2,169.18</u> |
| | | | | | €32,367.06 |