

Appeal No: VA17/5/180

**AN BINSE LUACHÁLA
VALUATION TRIBUNAL**

**AN tACHTANNA LUACHÁLA, 2001 - 2015
VALUATION ACTS, 2001 - 2015**

EOCHIALL ENTERPRISE LIMITED

APPELLANT

AND

COMMISSIONER OF VALUATION

RESPONDENT

**In relation to the valuation of
Property No. 1994742, Health at 11F Oghill, Monasterevin, County Kildare.**

B E F O R E

Barry Smyth – FRICS, FSCSI, MCI Arb

Deputy Chairperson

Rory Hanniffy - BL

Member

Barra McCabe – BL, MRICS, MSCSI

Member

**JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 13TH DAY OF NOVEMBER, 2019.**

1. THE APPEAL

1.1 By Notice of Appeal received on the 5th day of October, 2017 the Appellant appealed against the determination of the Respondent pursuant to which the net annual value ‘(the NAV’) of the above relevant Property was fixed in the sum of €94,500.

1.2 By letter dated 10th of July 2018 the Appellant made a request to change the grounds of appeal. Following a preliminary application made by the Appellants on 24th July 2018, and on hearing oral submissions from both the Appellant and the Respondent, the Tribunal agreed to grant the application to amend the grounds of appeal. The amended Grounds of Appeal are stated as follows:

- The assessment of NAV on the subject property is excessive and inequitable. The type and nature of the accommodation and its physical location has not been adequately provided for, in accordance with its relative value.

1.3 The Appellant considers that the valuation of the Property ought to have been determined in the sum of €20,060.

2. REVALUATION HISTORY

2.1 On the 10th day of March, 2017 a valuation certificate proposed to be issued under section 24(1) of the Valuation Act 2001 (“the Act”) in relation to the Property was sent to the Appellant indicating a valuation of €114,000.

2.2 Being dissatisfied with the valuation proposed, representations were made to the valuation manager in relation to the valuation. Following consideration of those representations, the valuation of the Property was reduced to €94,500.

2.3 A Final Valuation Certificate issued on the 7th day of September, 2017 stating a valuation of €94,500.

2.4 The date by reference to which the value of the property, the subject of this appeal, was determined is the 30th day of October, 2015.

3. THE HEARING

3.1 The Appeal proceeded by way of an oral hearing held in the offices of the Valuation Tribunal at Holbrook House, Holles Street, Dublin 2, on the 20th day of September, 2018. At the hearing the Appellant was represented by Mr Eamonn Halpin BSc (Surveying), MRICS, MSCSI of Eamonn Halpin & Co Ltd and the Respondent was represented by Mr David Dodd, BL, instructed by the Chief State Solicitor and Mr Alan Sweeney BSc (Property Val and Mgmt), MSCSI, MRICS of the Valuation Office, gave evidence on behalf of the Respondent.

3.2 In accordance with the Rules of the Tribunal, the parties had exchanged their respective reports and précis of evidence prior to the commencement of the hearing and submitted them to the Tribunal. At the oral hearing, each witness, having taken the oath, adopted his précis as his evidence-in-chief in addition to giving oral evidence.

4. ISSUES

4.1 The Appellants stated that the NAV of the subject property is excessive and inequitable, and the type and nature of the accommodation and its physical location has not been adequately provided for, in accordance with its relative value. The Commissioner has assessed nursing homes on a 'price per bed' basis. The Appellant holds that in theory, while there is nothing wrong with this method of valuation, it must be grounded in open market information and checked against the receipts and expenditure of the nursing home. The Appellant holds that in the absence of any open market rental evidence the Commissioner should rely solely on the 'Receipts and Expenditure' (hereafter "R&E") method in accordance with the Tribunal's decision in VA10/5/080, (Dundas Ltd v Commissioner of Valuation), wherein a 15 bed nursing home in the Fingal Revaluation was determined by the Tribunal, and upon the now updated 2017 VOA guidance note on the R&E method. In the R&E method, directors remuneration can only be added back if it is felt that the hypothetical tenant could manage without this cost. The Appellant points out that that the directors of the company are all integral to the day to day running of the business and the remuneration within the accounts acts as their only salary, as opposed to a financial reward for executive decisions. As such they hold that, in an R&E valuation of Oghill Nursing home, directors remuneration should not be added back because the hypothetical tenant could not manage without this cost. Taking this into consideration the Appellant seeks to have their NAV in line with their actual rental potential, as determined by the R&E method.

5. RELEVANT STATUTORY PROVISIONS:

5.1 The net annual value of the Property has to be determined in accordance with the provisions of section 48 (1) of the Act which provides as follows:

"The value of a relevant property shall be determined under this Act by estimating the net annual value of the property and the amount so estimated to be the net annual value of the property shall, accordingly, be its value."

5.2 Section 48(3) of the Act as amended by section 27 of the Valuation (Amendment) Act 2015 provides for the factors to be taken into account in calculating the net annual value:

"Subject to Section 50, for the purposes of this Act, "net annual value" means, in relation to a property, the rent for which, one year with another, the property might, in its actual state, be

reasonably be expected to let from year to year, on the assumption that the probable 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 in respect of the property, are borne by the tenant.”

Subject to section 19(5) of the Act (as amended) there is a requirement that the valuation list shall be drawn up and compiled by reference to relevant market data and other relevant data available on or before the date of issue of the valuation certificates concerned, and shall achieve both (insofar as is reasonably practicable)—

(a) correctness of value, and

(b) equity and uniformity of value between properties on that valuation list,

and so that (as regards the matters referred to in *paragraph (b)*) the value of each property on that valuation list is relative to the value of other properties comparable to that property on that valuation list in the rating authority area concerned or, if no such comparable properties exist, is relative to the value of other properties on that valuation list in that rating authority area.

6. APPELLANT’S CASE

6.1 Mr Eamonn Halpin on behalf of the appellants, contends that the Commissioner has assessed the nursing homes on a ‘price per bed’ basis. He posits that while in principal there is nothing wrong with this method, it must be grounded on open market rental information and checked against the full receipts and expenditure of the subject nursing home. Mr Halpin further posits that in the absence of open market rental evidence, only the R&E method of valuation should be utilised. He relies on the Tribunal’s decision in VA10/5/080 (Dundas v Commissioner of Valuation) and determinations in 15 other nursing homes in the 2010 Fingal Revaluation as well as the United Kingdom, Valuation Office Agency (VOA) guidance note updated on 5th May 2017, in support of this claim.

6.2 Mr Halpin said that previous decisions of the Tribunal either do allow or do not allow directors remuneration to be deducted based on the factual circumstances of each property. This is a family run nursing home and the five directors work 100% in the subject property. One of the five directors, Noel Mahon received no remuneration and the other four directors undertake tasks that would be normally be done by fully paid staff. He argues that for the

purposes of a hypothetical tenant, the director's costs are real and as such should be allowed in full. The R&E method is the most appropriate way to value this nursing home, an approach which has been supported by the Tribunal previously. The rent per bed system employed by the Respondent does not reflect the reality of the local conditions.

6.3 Mr Halpin claimed that since 2010 older nursing homes such as Oghill are closing down because there is no market for them and nursing homes of this age, size and construction cannot run profitably otherwise than by family owners. He said that Oghill Nursing home was a 38 bed but is now 34 beds due to tightening HIQA regulations and the nature of the accommodation is that most of the double rooms are not en suite and there are a large proportion of shared washing facilities and bathrooms. The location of this older style family run nursing home is rural, mainly farmland and that a hypothetical tenant would not rent the subject property.

6.3 Mr Halpin provided no rental comparisons in his précis. He noted however, that while the Appellant was happy to accept the (rental) values in the Valuation List were correct as per section 63 of the Valuation Act 2001, no reference was made therein to the valuation method applied and as such the tone of the list could be not be relied upon as a basis for establishing the tone.

6.4 Under cross examination by Mr Dodds BL on the state of the nursing home market, Mr Halpin said that in his experience, nursing homes such as Oghill were not selling as nursing homes because they were not being marketed privately as nursing homes, due to the state of the market and the number of new generation, owner operated, larger, purpose built homes. While acknowledging that rental evidence was the best rental evidence, he said that there was no relevant market evidence available and any available comparables were compromised and the primary facts for the purpose of the Oghill valuation related to the financial accounts. Mr Halpin did not accept the contention in the Cushman & Wakefield 'Irish Nursing Home Market Report 2016' that new generation larger 100 + bed homes continued to play a minor role the sector and that he was speaking in terms of 70+ bed homes, not 100 + bed homes. Mr Halpin disputed Mr Dodd's claim that Oghill effectively had full occupancy and said that the occupancy rate was 78% on the date of the HIQA inspection in September 2016. He said that while the VOA Guidance Report specified three years prior accounts should be used for the R&E method the Commissioner based their calculations on the years 2013 to 2016 but that

accounts for the year/s after could be used to confirm a trend. While the amount of beds available in Oghill was 30 in 2015 and 31 for part of 2016, this increased to 34 beds for the rest of that year. Mr Halpin said that the variation in wages of 60% in the Dundas case to 71% excluding pension, was explained by the large amount of high dependency patients resident at Oghill, which wouldn't be acceptable to a hypothetical tenant.

6.5 In summary Mr Halpin said that this is an older, family run nursing home, which would be too small for a large professional organisation and the hypothetical tenant would not rent it. Directors remuneration should have been treated as salary and allowed in the R&E calculation. He said the R&E method, in the absence of reliable market comparables, is the most appropriate way to value the subject property, an approach which has been supported by the Tribunal previously. He said the comparables provided by the Respondent are contaminated and as such do not offer sufficient guidance in valuing the property. The system of rent per bed utilised by the Respondent to value the subject property did not reflect the reality of the local conditions.

6.6 Mr Halpin requested that the Tribunal find for the Appellant at a NAV of €20,060.

7. RESPONDENT'S CASE

Mr Sweeney's Evidence

7.1 Mr Alan Sweeney, on behalf the Respondent, said he was the sole valuer on nursing homes in the Valuation Office and his knowledge of the market came from different sources including the main real estate annual reviews, attendance at the 2011, 2013 and 2017 NHI Conference and the NHI Annual Report.

7.2 Mr Sweeney claimed that approximately 90% of the NTPF was negotiated through the Fair Deal Scheme (hereafter "the Scheme"). This accounts for about 70% of nursing homes in Dublin and the Scheme has brought stability to the market. He said the NTPF rate was €820 per week, per resident on the valuation date, the lowest for the Kildare area. Mr Sweeney said that an incremental increase in the NTPF was a relatively new phenomenon and that the rate would eventually increase to €1,025 per week, per resident. In his view, fully occupancy is 90% to 94% occupancy and there was no suggestion that there was an occupancy problem with the subject property.

7.3 Mr Sweeney relied on 6, 'key rental transactions', which are contained in the Appendix 1 of this judgment. These details cannot be published on the 'Judgments' section of the Valuation Tribunal website, arising out of requirements from Regulation (EU) 2016/679 (General Data Protection Regulation).

Comparable #1 is the subject of an appeal to the Valuation Tribunal. Comparable #2 was subject to representations by occupier but was not appealed to the Valuation Tribunal. Comparable #3 was subject to representations by the occupier but was not appealed to the Valuation Tribunal. Comparable #4 was not subject to representations by the occupier but was not appealed to the Valuation Tribunal. This property was on the market when inspected and the Appellant claims the rent was agreed under a sale and leaseback agreement. Comparable #5 was not subject to representations by the occupier and was not appealed to the Valuation Tribunal. Comparable #6 was subject to representations by the occupier but was not appealed to the Valuation Tribunal.

7.3 Mr Sweeney provided 7 NAV comparisons for Kildare county, which are contained in Appendix 2 of this judgment. These details cannot be published on the 'Judgments' section of the Valuation Tribunal website, arising out of requirements from Regulation (EU) 2016/679 (General Data Protection Regulation). All 7 of the NAV comparisons were subject to representations, 3 of which are under appeal to the Tribunal and identified in **bold font** at Appendix 2 of this judgment.

7.4 The Respondent requested the Tribunal to affirm the NAV of €94,500 based on 34 bed spaces at a bed per rent of €3,000 less an End Allowance of €7,500.

7.5 Mr Sweeney said that in order to assess the applicable rent per bed, he also undertook a Receipts and Expenditure valuation and this scheme of valuation had been used successfully in the revaluation of 15 nursing homes in Dublin City in 2011, 6 nursing homes in Waterford in 2012 and also in Limerick the same year. The assessment of rent was not based on development costs, not tax driven and didn't include connected party leases as was illustrated in the comparables provided. He claimed that there had not been any significant increase in the value of nursing homes until very recently.

7.6 In the Respondent's view the rent per bed of €2,779 for the subject property was not too high and the best comparables were No.s 1,4 and 5. He said the valuation exercise was undertaken on the hypothetical tenant and as such the Respondent was valuing the property, not the business. In addition, there was no evidence to suggest that nursing homes were shutting down except for those that did not meet the HIQA standards and Oghill was a HIQA designated centre.

7.7 A review was undertaken of the R&E methodology employed by the Respondent for Oghill for the years 2013 to 2016. Mr Sweeney said that wages, excluding Director's remuneration, equated to 60% of turnover. He said the 2015 NHI / BDO Simpson Xavier Report, indicated wages and salary costs were on average 61% of turnover. In the Valuation Tribunal case of Dundas Ltd case, wages and salary costs were 55% of turnover, wherein the valuation date was in 2005 and the appeal hearing was in 2010. In that case the accounts for the years 2002, 03 and 04 were used to undertake the R&E valuation. The Respondent applied 60% for wages and salaries in their R&E calculation. Mr Sweeney said that the HIQA 'Compliance Monitoring Inspection report' did not state that the subject property was a high dependency unit. He said that Oghill had a higher number of staff than other nursing homes in the Kildare region, based on the number of beds. In addition, en suite bathrooms are not required for HIQA designation but that new purpose built nursing homes would typically comprise about 80% single rooms with en suite facilities. The large majority of existing nursing homes would have single rooms without en suite bathrooms but NTPF payments were not affected by the standard of room and whether they had en suite bathrooms, and the NTPF criteria for regulating rates had changed from previous years.

7.8 Under cross examination Mr Sweeney accepted that each of the Directors work at the property for 40 hours a week but he said the present case was one of a hypothetical tenant. He did not know what the typical salary level of a Director of Nursing would be but did not agree that a senior nurse would earn in the region of €60,000 to €70,000 per annum. The Respondent acknowledged that the Dundas case was a fair representation for an 89 bed facility in 2005 but that rent represented 12% of revenue in that case, whereas rent should typically represent 7-9% of revenue and the subject property is the lowest value. In response to question on the R&E method being employed in revaluation of the four Dublin Councils, he claimed that the R&E method had been carried out on 16 of the 20 nursing homes in Kildare. Wages and salaries were considered as part of this exercise and adjustments were made, typically to 60%

of revenue. The tenants share was set at 50% and factors such as group quality, location, construction were considered. New purpose built nursing homes had the highest level of scale applied to them. He also said that HIQA issues should be reflected in the valuation. When asked whether an R&E valuation method was the main method as opposed to comparable rental evidence, he responded that this was not necessarily the case. In Dublin City Council there was no rental evidence but the approach was tailored in other areas so that rental evidence was used to support R&E estimates in other areas of Dublin and in Waterford and Limerick. The Respondent was unable to give a clear explanation of how the Valuation Office got from the rental value to the NAV. Mr Sweeney said there was a strong legal aspect to the large number of Valuation Tribunal appeals when it was put to him that the tone was not set in Kildare due to the 13 properties under appeal. The Respondent acknowledged that the subject property was the lowest value nursing home in Kildare. He said that part of the valuation were using rent per bed comparables and not solely the R&E method. This system was accepted in Dublin City but not on appeal to the Tribunal. The rent per bed comparable he claimed, was simpler and more transparent for lay appellants and simplifies the valuation.

8. SUBMISSIONS

8.1 The Appellant made no legal submissions.

8.2 Mr Dodds stated the onus was on the Appellant to come with evidence to prove their case and if not then the appeal must be dismissed. He said the Appellant had offered no statistical evidence to the claims that nursing homes were closing down or that the subject property was a high dependency unit.

8.3 He submitted that the preferred method is to always look for rental values as the starting point. The Appellant provided no rental evidence but did express opinions later on. Mr Dodds claimed that Mr Halpin had not spoken to any owners or occupiers of comparable nursing homes. He said this rental evidence was not before the Tribunal in other hearings because it was not available and the method is not a linear method, the tools were market comparables and the R&E method. Mr Dodds claimed that the Appellant made a mistake in how they applied the R&E method because the hypothetical tenant would not have access to management accounts. He said that the Appellant used the wrong years accounts in their R&E method calculation because the 2016 and 2017 accounts were skewed owing to the reduced number of rooms in use as a result of construction works. Although Mr Halpin agreed with the proposition

that wages and salaries should be factored at no more than 60% of turnover, wages and salaries in the Appellant's R&E method calculation, accounted for 72% of turnover, which Mr Halpin attributed to high support / dependency requirements. Mr Dodd's reiterated that there was no evidence of high support / dependency rooms, provided by the Appellant. He added that regardless of high dependency requirements, a hypothetical tenant values the property and not the business and therefore the client make up does not stack up. Mr Halpin did not disagree that the figure of 60% for wages and salaries comes from expert reports in 2015 and 2016 as well as the Tribunal decision in Dundas. Mr Dodds said that the rent divided by bed numbers was just a way of presenting the rent and other key variables included the NTPF rate and the percentage of revenue. He argued that Mr Halpin's estimate of 1.5% of revenue was too low and the Appellant presented nothing to show that €94,500 was not a reasonable NAV. Both parties agreed that on the valuation date Oghill nursing home had 34 beds.

8.4 Mr Dodd requested that the Tribunal find for the Respondent at a NAV of €94,500.

9. FACTS

9.1 From the evidence adduced by the parties, the Tribunal finds the following facts.

9.2 The subject property comprises a single storey purpose built nursing home constructed in two sections in 1996 and in 1998, and which opened in 1997. It is located in the rural townland of Oghill, Co. Kildare, approximately 5 kilometres south east of Monasterevin. The property is registered with HIQA for a maximum of 34 occupants and the accommodation comprises 20 single rooms with wash hand basin (whb), 4 single rooms with bathroom en suite and a further 5 twin rooms also with whb. There are communal bathroom / shower facilities, a sitting room, sunroom, dining room, kitchen, laundry, treatment room and secure courtyard along with some surface visitor and staff parking. The bed occupancy rate in 2014 was 34, which temporarily dropped to 30 in 2015 but reverted to 34 rooms thereafter. Planning permission was granted in 2015 for an 18 bed extension which has not proceeded to date but the kitchen was extended.

9.3 There is a related parties lease in place between the freeholders, the Maher Mahon Partnership and Eochail Enterprises Ltd, wherein both parties have common directors with one exception. Four of the family member Directors and a non family member Director have an active full time roles in the day to day operation of the nursing home.

9.4 It appears there is no formal lease in place between the parties. Financial Accounts for Eochail Enterprises Ltd, provided to the Commissioner following a section 45 request, show total revenues of approximately €1.284m, €1.281m, €1.368m and €1.369m respectively for the years 2013 to 2016. The amount of annual rent paid from 2014 to 2016 varied substantially from €108,000 in 2014, to €81,000 in 2015 and €0 in 2016. The NTPF Rate from 2013 to 1st May 2016 was €820 per resident per week. Thereafter new a new agreement was put in place which increases incrementally from €850 from 1st May 2016 to €1,025 in 2019.

9.5 Both parties undertook a Receipts and Expenditure method valuation on Oghill Nursing Home. The Appellant's R&E calculation provides for a NAV of €20,089 while the Respondent R&E calculation shows the following figures available for rent 2013:€102,112, 2014: €104,133, 2015:€91,498 and 2016: €96,197, which equates to an average of €97,276.

10. FINDINGS AND CONCLUSIONS

10.1 On this appeal the Tribunal has to determine the value of the Property so as to achieve, insofar as is reasonably practical, a valuation that is correct and equitable so that the valuation of the Property as determined by the Tribunal is relative to the value of other comparable properties on the valuation list in the rating authority area of Kildare County Council.

10.2 Section 48(3) of the 2001 Act defines net annual value 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 the tenant.”

10.3 The parties are in agreement that where there exists an actual rent or a body of open market rental evidence, at or about the valuation date, of truly comparable properties in all material respects to the subject property being valued in accordance with section 48, that evidence should be accorded appropriate weight. Thereafter the parties differ on the approach to be adopted in valuing nursing homes and the calculation using the R&E method. The Commissioner favours a scheme of valuation with a blended 'rent per bed' figure taking into account many factors including rental comparables, market information, occupancy levels, age and location of the property, NTPF rate, accounts and trading information and construction and

redevelopment works, amongst other factors. The result of investigations into these factors combined with an analysis of financial information, including an R&E valuation, results in the 'rent per bed' figure adopted by the Commissioner. This scheme of valuation has been employed in valuing nursing homes in the Dublin City, Waterford and Limerick Revaluations. The Appellant holds that none of the rental evidence provided by the Commissioner is relevant and therefore the subject property should be valued solely on a R&E basis following the Tribunal decision in VA10/5/080 Dundas Ltd v Commissioner of Valuation using the United Kingdom, Valuation Office Agency (VOA) guidance note updated on 5th May 2017.

10.4 The Tribunal finds that level of rental transaction evidence and supporting NAV comparisons relatively limited. It notes that all the Key Rental Transactions have more rooms than the subject property and that none of the properties are located in the Kildare area. With the exception of Key Rental Transaction 1, which is a period property and under appeal to the Tribunal, all of the other Key Rental Transactions were built more recently than the subject property.

10.5 In relation to Key Rental Transaction 1, the property is located in Dublin, which has a substantially different urban catchment area than the subject property. In addition, the property is currently under appeal to the Valuation Tribunal. The Tribunal understands there is a put and call option on Key Rental Transaction 2 and in Key Transaction No.3, the Landlord is waiting on the occupier to purchase the property. While Key Rental Transaction No.4 is located in a rural area, the property is on the market and is much closer to Limerick city than the subject property is to Dublin city. Key Rental Transaction No.5 appears over rented and is on the market for sale and Key Rental Transaction 6 is located 6km from Waterford City.

10.6 The Tribunal notes that out of 20 properties valued by the Commissioner in the Revaluation of Co. Kildare, 14 of these are currently under appeal. Of the 7 NAV comparisons relied upon by the Respondent, 3 of these are under appeal. All of the remaining four comparisons have at least 25% more rooms than the subject property with the largest of these four properties having a 126% greater room capacity than the subject property.

10.7 It is clear that the Commissioner has undertaken a substantial amount of work in developing the 'rent per bed' scheme of valuation and the Tribunal acknowledges the difficulty facing the Commissioner in trying to ensure correctness, equity and uniformity across a specific

and specialised type of property such as nursing homes. The Tribunal understands that Respondent unilaterally applied the 'rent per bed' method previously in the revaluation of all nursing homes in Dublin City, Limerick and Waterford. In the County Kildare rating authority however, representations were received in 17 cases and 14 of these remain under appeal to the Tribunal.

10.8 The Commissioner relies on comparable rental evidence only as the starting point but has failed to provide the Tribunal with any methodology or calculation as to how, taking into account all the various factors it listed in evidence, it calculates and applies the 'rent per bed' bed scheme of valuation.

10.9 The Tribunal, having considered all the evidence introduced and arguments adduced by the Appellant and the Respondent, has come to the conclusion that despite difficulties encountered in using the R&E Method, it nonetheless provides a more reliable and transparent basis for determining net annual value in accordance with Section 48 of the Act, particularly when applied by valuers who have the necessary experience in, and understanding of the nursing home industry.

The Tribunal finds that for reasons previously outlined, the level of rental transaction evidence and supporting NAV comparisons is very limited based on the evidence provided to it, and therefore the Receipts and Expenditure valuation is the preferred method. The Tribunal favours the R&E method outlined in the United Kingdom, Valuation Office Agency (VOA) guidance note updated on 5th May 2017, and as such relies on the financial accounts provided.

In considering the position that would be adopted by a hypothetical tenant and taking into account both the precis of evidence and the oral evidence provided by the Appellant and the Respondent, the Tribunal finds that a 50% allowable expense should be provided for Directors Remuneration in the R&E valuation calculation. Further the Tribunal finds that no allowable expense should be provided for Directors Pension Costs. The Tribunal is of the view that, regardless of whether the subject property has or has not high dependency units, in the normal course of running a nursing home, a hypothetical tenant would require to employ staff to cover the operational day to day work undertaken by the five Directors, and this should be factored into the valuation.

DETERMINATION:

Having regard to findings and conclusions, the Tribunal determines the Net Annual Value of the subject property at the relevant valuation date, and in accordance with Section 48 of the Valuation Act, 2001, using the Receipts and Expenditure method of valuation, to be calculated as detailed in Appendix 3 of this judgment. These details cannot be published on the 'Judgments' section of the Valuation Tribunal website, arising out of requirements from Regulation (EU) 2016/679 (General Data Protection Regulation).

Accordingly, for the above reasons, the Tribunal allows the appeal and decreases the valuation of the Property as stated in the valuation certificate to €90,000.

And the Tribunal so determines.