

Appeal No: VA17/5/589

**AN BINSE LUACHÁLA
VALUATION TRIBUNAL**

**NA hACHTANNA LUACHÁLA, 2001 - 2015
VALUATION ACTS, 2001 - 2015**

NEWLANDS GOLF CLUB

APPELLANT

AND

COMMISSIONER OF VALUATION

RESPONDENT

In relation to the valuation of

Property No. 462137, Leisure at Newlands Golf Club, Belgard Rd., Clondalkin, County Dublin.

B E F O R E

Majella Twomey - BL

Deputy Chairperson

Donal Madigan – MRICS, MSCSI

Member

Frank O'Grady – MA, FSCSI, FRICS, FIABCI

Member

JUDGMENT OF THE VALUATION TRIBUNAL

ISSUED ON THE 28TH DAY OF JULY, 2020

1. THE APPEAL

1.1 By Notice of Appeal received on the 12th 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 €89,700.

1.2 The Grounds of Appeal are fully set out in the Notice of Appeal. Briefly stated they are as follows:

1. *“The valuation of the subject property is excessive and inequitable. The property’s value is not in line with its potential rental value.*
2. *See attached full grounds (Appendix ii)”*

1.3 The Appellant considers that the valuation of the Property ought to have been determined in the sum of €25,000.

2. REVALUATION HISTORY

2.1 On the 13th day of April, 2017 a copy of 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 €89,700.

2.2 A Final Valuation Certificate issued on the 7th day of September, 2017 stating a valuation of €89,700.

2.3 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 12th day of February, 2020. At the hearing the Appellant was represented by Mr. Eamonn Halpin B.Sc. (Surveying), MRICS, MSCSI of Eamonn Halpin & Co. Ltd. and the Respondent was represented by Mr. Ian Power of the Valuation Office.

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. FACTS

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

The property the subject of this appeal comprises part of the 2 storey clubhouse of Newlands Golf Club, Belgard Road, Newlands Cross, Clondalkin, Dublin 22. The areas in question include the offices, pro-shop and bar stores at ground floor and the bar, function room and kitchens at first floor.

4.2 The floor areas have been agreed in accordance with S.4 of the 2015 Valuation Act.

Ground Floor	Clubhouse	993.28 sq.m.	350.47 sq.m. (rateable)
First Floor	Clubhouse	716 sq.m.	621.18 sq.m. (rateable).

4.3 The property is held freehold.

5. ISSUES

5.1 The matter at issue is quantum.

5.2 The appellant claims that the valuation is excessive and inequitable and is seeking a reduction in NAV to €50,600.

5.3 The Respondent states that the original valuation of €89,700 which has now been reduced to €77,700 NAV is fair and reasonable and requests the Tribunal to affirm same in accordance with the Valuation Acts.

6. RELEVANT STATUTORY PROVISIONS:

6.1 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.”

6.2 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.”

6.3 As the subject property falls to be valued on the Contractor’s basis the provisions of section 50 of the Valuation Act 2001 as amended by section 28 of the Valuation (Amendment) Act 2015 are relevant and these provide:

50. (1) If, in determining the net annual value of property or any part of it in accordance with section 48, a method of valuation relying on the notional cost of constructing or providing the property or part is used, then, notwithstanding subsection (3) of that section, the net annual value of the property or part, for the purposes of that section, shall, subject to subsection (2), be an amount equal to 5 per cent of the aggregate of the replacement cost, depreciated where appropriate, of the property or part and the site value of the property or, as the case may be, part.

(2) An adjustment shall be made so that the amount arrived at by such means to be the property's net annual value is (insofar as is reasonably practicable and in accordance with section 19(5) or 49, as appropriate) determined by reference to the values of other properties comparable to that property as appearing on the valuation list.

7. APPELLANT'S CASE

7.1 Mr. Eamonn Halpin for the Appellant adopted his precis as his evidence in chief and described the location and description of the property stating the it had been rebuilt in 1981 and extended in 2006 and confirmed that the rateable parts of the building were agreed.

7.2 Mr. Halpin stated the there was a lack of rental evidence available for golf clubs and the accepted method of valuation was the Contractors basis, tempered somewhat by the tone of the list. He did state that the tone of the list was not a method of valuation but just a tool for checking the numbers.

7.3 He offered building costs provided by Linesight, which gave a range of construction cost for sports facilities between €1,000 - €1,500 /sq.m. depending on specifications and suggested a mid-range level of €1,250/ sq.m. for the subject property. He further estimated the land value at €135,000 / hectare.

7.4 Mr. Halpin then provided a chart noting the Tone of the List for clubhouses in South County Dublin which ranged from €50 - €80 /sq.m. and suggested that the Commissioner was employing "a golf club premium" as golf clubs were valued in excess of other sports facilities.

7.5 To support his case several comparison were introduced (Appendix 1) which showed the range between football, rugby, sports and leisure facilities and golf clubs.

PN 462572 ; Sports Hall @ €53.93 /sq.m.

PN 462760 ; Rugby Club @ €50.00 /sq.m.

PN 407606 ; Cultural Centre @ €50.00 /sq.m.

PN 404504 ; Leisure Centre @ €55.00 /sq.m.

PN 469251 ; GAA Club @ €68.15 /sq.m.

PN 447176 ; Golf Club @ €60.00 /sq.m.

The subject is currently assessed @ €80.00 /sq.m.

7.6 In addition, by way of context, Mr. Halpin provided details of two Golf Clubs in Fingal Co.Co. area (Appendix 2), refurbished and /or constructed around the same time as the subject.

PN 430647 ; Clubhouse @ €55.00 /sq.m. Refurbished 2007

PN 5006407 ; Clubhouse @ €65.00 /sq.m. Constructed 2006.

7.7 A chart of the Tone of the List of all sport clubhouses as valued by the Commissioner was supplied (Appendix 3), which ranged in rate per square metre from €50 - €80 and showed the subject in the highest percentile.

7.8 Mr. Halpin provided a valuation based on the Contractors Method applying €1,250/sq.m. to the built areas and €135,000/ ha. to the land and an overall valuation of €50,600 NAV. He also stated as a check method by reference to the tone of the list @ €55 /sq.m. an NAV €53,400. He requested a reduction in the valuation based on the above to €50,600 NAV.

7.9 Under cross examination Mr. Halpin stated that, in his comparisons, he used the construction costs on a range of sporting facilities due to the lack of actual construction cost information available for golf clubs as Castleknock Golf Club is the only new build golf club in the Dublin area.

8. RESPONDENT'S CASE

8.1 Mr. Ian Power for the Respondent adopted his precis as his evidence in chief and confirmed that the valuation had been reduced, after agreement, between the parties on the floor areas and the revised NAV now sought was €77,700.

8.2 Mr. Power described the location, accommodation and description of the premises and stated that €3,350,000 was the cost of the refurbishment works in 2006, and included in his submission a selection of photographs.

8.3 Mr. Power stated that in the absence of direct rental evidence the Commissioner was of the view that the Contractors Method was the most suitable method of valuation. He agreed that there was a shortage of rental information available for golf clubs.

8.4 Mr. Power described the Scheme of Valuation, used by the Commissioner, which was based on an analysis of information received and various individual valuations based on the Contractors Method. A specific level per square metre was placed with allowances for location, age of the property, site value and decapitalisation to arrive at a range of values from €50 - €80 / sq.m.

8.5 To support his case Mr. Power introduced a selection of properties which had been valued in accordance with the scheme (Appendix 4):

PN 491519 Golf Clubhouse @ €80.00 /sq.m. Constructed 2000
PN 443872 Golf Clubhouse @ €80.00 /sq.m. Renovated 2010
PN 447176 Golf Clubhouse @ € 60.00 /sq.m. Renovated 2004
PN 447263 Golf Clubhouse @ €65.00 /sq.m. Extended 2004
PN 392619 GAA Clubhouse @ €55.00 /sq.m.
PN 453418 GAA Clubhouse @ €55.00 /sq.m.

8.6 Based on the above evidence he set out his opinion of value

G.Fl. Clubhouse	350.47 sq.m.	@ €80.00/sq.m.	=	€28,037.60
F. Fl. Clubhouse	621.18 sq.m.	@ €80.00/sq.m.	=	<u>€49,694.40</u>
TOTAL NAV				€77,732.00

and he requested the Tribunal to affirm the NAV @ €77,700.

8.7 Under cross examination Mr. Power confirmed that there was no premium attached to golf clubs and that values were based on quality of finish. He further stated that no actual Contractors Method valuation had been carried out on the property and that the valuation was arrived at by adjusting the Commissioner's scheme and the tone of the list. Mr. Power asserted that the Scheme of Costs reflected the cost and finish and that golf clubs had a superior finish to other sports facilities.

9. SUBMISSIONS

9.1 There were no legal submissions.

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 South Dublin County Council.

10.2 The Tribunal has examined the particulars of the property and considered the written and oral evidence adduced by Mr. Halpin for the Appellant who contended for a revised valuation of €50,600 and Mr. Power on behalf of the Respondent who sought confirmation of €77,700 as NAV.

10.3 The parties had agreed the floor areas to be rated and this had resulted in the Commissioner reducing the NAV to the current level prior to the hearing.

10.4 The parties were in agreement that the Contractors Method was the most appropriate method to adopt in arriving at the NAV on this occasion.

10.5 The subject property is a golf club which was refurbished in 2006 at a cost of €3.35 million to a high standard of finish and the costs were not questioned nor was the quality and finish disputed.

10.6 The Respondent placed a great significance on the Scheme of Costs arrived at by the Commissioner, based on an interpretation of costs for 2008, to bring a range of values from €50 - €80/sq.m. for golf clubs. It was noted that no actual valuation on the Contractors Method was put forward by the Respondent.

10.7 There were extensive Tone of the List comparisons provided by both parties which were of great assistance to the Tribunal. The quality of the refurbished/upgraded properties was reflected in the values applied by the Commissioner for all sports facilities including football and golf.

10.8 The Tribunal noted that the only newly constructed golf club provided was Castleknock Golf Club, built in 2006 and it was valued at €65/sq.m. This information was supplied by the Appellant and though it is not in the same administration area as the subject property it was valued at the same Valuation Date, 31/10/2015.

10.9 It is noted that Newlands Golf Club was founded in 1910, and under-went several refurbishment/extension works over the years, the latest 2006, it is an older building when compared with a new built club (2006) and the location though superior, should be allowed for in the value of the land. The Tribunal finds that the range in values from €60 - €80/sq.m. as evidenced by the Respondent to be excessive and should be subject to adjustment to reflect the different characteristics of the property.

DETERMINATION:

Accordingly, for the above reasons, the Tribunal allows the appeal and decreases the valuation of the Property as stated in the valuation certificate to €72,800.

Ground Floor : Clubhouse	350.47 sq.m.	@ €75 /sq.m.	= €26,285.25
First Floor : Clubhouse	621.18 sq.m.	@ €75 /sq.m.	<u>€46,588.50</u>
			€72,873.00

Say NAV €72,800

And the Tribunal so determines.