

**Appeal No: VA20/4/0087**

**AN BINSE LUACHÁLA  
VALUATION TRIBUNAL**

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

**VHI Healthcare Ltd**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

**In relation to the valuation of**

Property No. 2162210, Office(s) at Scots Church, 24 Lower Abbey Street, Dublin 2

**JUDGMENT OF THE VALUATION TRIBUNAL  
ISSUED ON THE 15TH DAY OF DECEMBER 2022**

**BEFORE**

**Eoin McDermott - FSCSI, FRICS, ACI Arb**

**Deputy Chairperson**

**1. THE APPEAL**

1.1 By Notice of Appeal received on 14<sup>th</sup> December 2020, 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 €287,000,

1.2 The Grounds of Appeal are fully set out in the Notice of Appeal. Briefly stated they are as follows: "(a) The Valuation is Incorrect. Valuation is excessive and inequitable"

1.3 The Appellant considers that the valuation of the Property ought to have been determined in the sum of €172,700.

**2. RE-VALUATION HISTORY**

2.1 On 2<sup>nd</sup> October 2020, 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 €380,000.

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 €287,000.

2.3 A Final Valuation Certificate issued on 18<sup>th</sup> November 2020, stating a valuation of €287,000.

### **3. DOCUMENT BASED APPEAL**

3.1 The Tribunal considered it appropriate that this appeal be determined on the basis of documents without the need for an oral hearing and, on the agreement of the parties, the Chairperson assigned the appeal to one member of the Tribunal for determination.

3.2 In accordance with the Tribunal's directions, the parties prepared their respective summaries of evidence and submitted them to the Tribunal. The Appellant's summary was prepared by Mr. Terry Devlin BSc MSCSI, MRICS, of CBRE and the Respondents summary was prepared by Mr. John O'Brien MSCSI, MRICS, ACI Arb. As Mr. O'Brien had the opportunity to consider the Appellants summary before preparing his own, Mr. Devlin was offered the opportunity to respond to Mr. O'Brien's summary and did so.

3.3 Both summaries contained the Declaration and Statement of Truth required under Tribunal Rules.

### **4. FACTS**

4.1 The parties are agreed as to the following facts.

4.2 The Property is located on the southern side of Lower Abbey Street, between its junctions with Marlborough Street to the west and Beresford Place to the east. It is convenient to major transport links being close to Connolly Station, Busaras and the LUAS. The property adjoins the existing VHI headquarters building.

4.3 The Property comprises a seven-storey office building which was completed in 2018. The development incorporates the former Scotts Hall, which has been refurbished and incorporated

into the development at ground, first and second floor levels with modern offices overhead. The upper floors are served by a passenger lift and circulation stairs.

4.4 The area of the building has been agreed between the Surveyors as follows:

Floor level	Floor use	Area (M2)
0	Offices	149.30
1	Offices	196.60
2	Offices	162.20
3	Offices	258.00
4	Offices	261.60
5	Offices	265.50
6	Offices	146.60
<b>Total area</b>		<b>1,439.80</b>

## 5. ISSUES

The issue is one of quantum.

## 6. RELEVANT STATUTORY PROVISIONS:

The value of the Property falls to be determined for the purpose of section 28(4) of the Valuation Act, 2001 (as substituted by section 13 of the Valuation (Amendment Act, 2015) in accordance with the provisions of section 49 (1) of the Act which provides:

*“(1) If the value of a relevant property (in subsection (2) referred to as the “first-mentioned property”) falls to be determined for the purpose of section 28(4), (or of an appeal from a decision under that section) that determination shall be made by reference to the values, as appearing on the valuation list relating to the same rating authority area as that property is situate in, of other properties comparable to that property.*

## 7. APPELLANT’S CASE

7.1 Mr. Devlin, on behalf of the Appellant, described the property and its location using photographs and plans contained in his submission. He points out the development had to take

account of the status of Scotts Hall as a protected structure and this impacted on the design and use of the property. It is noted that floors 0-3 are severely impacted by Scotts Hall and that the upper floors are quite narrow and constrained.

7.2 Mr. Devlin also takes issue with Respondents description of the property as a Fourth Generation Grade A office building. He says that the property does not have the large open plan floor areas or statement atrium that an occupier would expect in a Fourth Generation Grade A office building. He also notes that the building is not LEED certified. He notes that the ground floor of the property is effectively the original church hall and is more akin to storage than Fourth Generation offices; that the first and second floors are built around the roof of the original hall and have a width of only 2m in places; that the third to fifth floors, while unencumbered, are relatively small and would have limited appeal to a hypothetical tenant; and that the sixth floor effectively comprises a single meeting room.

7.3 Mr. Devlin puts forward six comparisons. These are as follows: -

	Pin No.	Use	Address	Area M2	€/M2.	NAV
1	2200783	Office (3rd Generation)	Floors 5 & 6 Bloom House, Gloucester Place Lower Dublin 1	1,131.00	€100.00	€127,500
2	2198860	Office (3rd Generation)	Flrs 1-3, The Metropolitan Building, James Joyce Street, Dublin 1	4,459.21	€100.00	€553,000
3	2183768	Office (3rd Generation)	Part 133/134, Foley Street, Dublin 1.	496.00	€100.00	€49,600
4	2203989	Office (3rd Generation)	Gr, 1st, 2nd, 3rd & 4th Floors Joyces Court, Block A, 38 Talbot Street, Dublin 1.	2,677.65	€100.00	€292,000
5	2177386	Office (3rd Generation)	Part 131/134 Foley Street, Dublin 1.	124.63	€120.00	€14,950
6	2176451	Office (3rd Generation)	Independent House, 27-33 Talbot Street, Dublin 1.	3,753.80	€120.00	€498,000

7.4 Mr. Devlin contends for a valuation of €159,600 as the Net Annual Value of the subject property, which he calculated as follows:

Floor level	Floor use	Area (M2)	€/M2	NAV
0	Offices	149.30	€100	€14,930
1	Offices	196.60	€100	€19,660
2	Offices	162.20	€100	€16,220
3	Offices	258.00	€100	€25,800
4	Offices	261.60	€120	€31,392
5	Offices	265.50	€120	€31,860
6	Offices	146.60	€100	€14,660
<b>Total</b>				<b>€159,682</b>

## 8. RESPONDENT'S CASE

8.1 Mr. O'Brien, on behalf of the Respondent, describes the property and its location using photographs and plans contained in his submission. He describes the property as being built to a modern specification, with meeting rooms, open plan offices, Boardroom facilities and a canteen, and being in excellent condition.

8.2 Mr. O'Brien contends that the valuation is fair and equitable and is valued in line with other "tone of the list" properties in the same area. He further believes that the layout and configuration of the subject is not restrictive with open plan office space at all levels and that the church has been refurbished to provide an excellent training room facility for staff.

8.3 Mr. O'Brien states that all the comparisons quoted in his summary are located close to the subject property while those quoted by Mr. Devlin are in inferior locations, and that the lower NAV comparisons contained in Mr. Devlin's summary reflect that fact.

8.4 Mr. O'Brien puts forward five comparisons to justify his position, the relevant extracts are as follows (excluding cars and stores): -

	Pin No.	Use	Address	Area M2	€/M2.	NAV
1	732260	Ground to 4 <sup>th</sup> floor offices	19 Lower Abbey Street, Dublin 1	3,657.20	€200.00	€731,440
2	2185414	Ground floor offices	21-23 Upper Abbey Street, Dublin 1	789.67	€200.00	€157,934
3	2185419	Ground floor offices	21-23 Upper Abbey Street, Dublin 1	274.70	€200.00	€54,940

4	731562	Ground floor offices	21-23 Upper Abbey Street, Dublin 1	219.45	€200.00	€43,830
5	2186697	Ground floor offices	4-8 Eden Quay, Dublin 1	290.00	€200.00	€58,000

8.5 Mr. O'Brien contended for a valuation of €287,000 as the Net Annual Value of the subject property, which he calculated as follows:

Floor level	Floor use	Area (M2)	€/M2	NAV
0	Offices	149.30	€200	€29,800
1	Offices	196.60	€200	€39,320
2	Offices	162.20	€200	€32,440
3	Offices	258.00	€200	€51,600
4	Offices	261.60	€200	€52,320
5	Offices	265.50	€200	€53,100
6	Offices	146.60	€200	€29,320
<b>Total</b>				<b>€287,960</b>

8.6 In his response to Mr. O'Brien's submission, Mr. Devlin gives his opinion that the Respondent has not given sufficient weight to the impact of the original structure on the configuration and layout of the entire premises.

## 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 Dublin City Council.

10.2 This is a Revision type appeal where the Tribunal is directed to consider the relative Net Annual Value (“NAV”) of the Property by reference to comparable assessments of NAV from the tone of the Valuation List only by virtue of sec. 49 of The Valuation Act 2001.

10.3 The Tribunal finds that in this appeal, and in all appeals before the Tribunal, the onus of proof rests with the Appellant. This has been stated and affirmed on multiple occasions and remains the guiding principle for the Tribunal’s determination.

10.4 The Appellants case is basically that due to nature of the site and the existence of Scotts Hall, the configuration of the property is less than ideal, and a hypothetical tenant will take this into account in considering a bid for the property. This is demonstrated with floor plans and pictures, with the ground, first and second floors being particularly affected. Attention is also drawn to the relatively small floorplate of the upper floors. The Appellant put forward six comparisons to support its case, ranging in value from €100/M2 to €120/M2. No explanation was given for the differentiation in the values.

10.5 The Respondent argues that the configuration and layout of the property is similar to that of modern offices and that the property is valued in line with the Tone of the List for similarly circumstanced properties in the area. Attention is also drawn to the high specification of the property. The Respondent put forward five comparisons to support its case, all of which were valued at €200/M2. While it is not specifically stated in the Respondents submission, all the comparisons are described as Office (3<sup>rd</sup> Generation).

10.6 The Tribunal has considered the evidence put forward by both sides. It accepts the basic point made by the Appellants, that the configuration of the property has been affected by the existence of Scotts Hall. The Tribunal does not accept that a hypothetical tenant in the market for 1,440 M2 would choose to take such space over seven floors without some form of discount for the inefficiencies such a layout would generate. In addition, it accepts the Appellants argument that the use and operation of the ground, first and second floors are impacted to a greater degree than the upper floors of the property.

10.7 The Tribunal consider that the Respondents comparison 1 provides the best comparison for values in the area. It is an older building than the subject, with arguably a higher profile. It is also multi floor, unlike the rest of the Respondents comparisons. This comparison has a value

of €200/M2, which the Respondent has applied to the subject property. The Tribunal considers that the lower valuations contained in the Appellants comparisons can predominantly be ascribed to location and therefore attaches little weight to them. Any variations, additions or discounts that will apply in the case of the subject property are therefore benchmarked off the €200/M2 figure.

10.8 Having considered the issues, the Tribunal finds that the rate of €200/M2 applicable to similarly circumstanced properties in the area should be discounted by 10% to allow for the inefficiencies of the layout. In addition, a further discount of 10% from the rate of €200/M2 should be allowed for the ground, first and second floors to account for the impact of Scott's Hall on the use and operation of the space.

**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 €249,000, calculated as follows: -

Floor level	Floor use	Area (M2)	€/M2	NAV
0	Offices	149.30	€160	€23,888
1	Offices	196.60	€160	€31,456
2	Offices	162.20	€160	€25,952
3	Offices	258.00	€180	€46,440
4	Offices	261.60	€180	€47,088
5	Offices	265.50	€180	€47,790
6	Offices	146.60	€180	€26,388
<b>Total</b>				<b>€249,002</b>



**RIGHT OF APPEAL:**

In accordance with section 39 of the Valuation Act 2001 any party who is dissatisfied with the Tribunal's determination as being erroneous in point of law may declare such dissatisfaction and require the Tribunal to state and sign a case for the opinion of the High Court

This right of appeal may be exercised only if a party makes a declaration of dissatisfaction in writing to the Tribunal so that it is received within 21 days from the date of the Tribunal's Determination and having declared dissatisfaction, by notice in writing addressed to the Chairperson of the Tribunal within 28 days from the date of the said Determination, requires the Tribunal to state and sign a case for the opinion of the High Court thereon within 3 months from the date of receipt of such notice.