

Appeal No: VA20/4/0036

**AN BINSE LUACHÁLA
VALUATION TRIBUNAL**

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

**Clearstream Global Securities Services
Limited**

APPELLANT

and

Commissioner Of Valuation

RESPONDENT

**In relation to the valuation of
Property No. 5018647, Office(s) at Navigation Square, Albert Quay, Cork, County Cork.**

**JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 3rd DAY OF MAY 2023**

BEFORE

Eamonn Maguire - FRICS, FSCSI, VRS, Arb.

Deputy Chairperson

1 THE APPEAL

- 1.1 By Notice of Appeal received on the 4th day of 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 €5,260.
- 1.2 The Grounds of Appeal are fully set out in the Notice of Appeal. Briefly stated they are as follows: *“The proposed Rateable 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 €4,990.

2 VALUATION HISTORY

- 2.1 On the 25th day of September 2019 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 €5,260.
- 2.2 A Final Valuation Certificate issued on the 11th day of November 2020 stating a valuation of €5,260.

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 exchanged their respective summaries of evidence and submitted them to the Tribunal.

4 FACTS

4.1 The parties are agreed as to the following facts.

4.2 The Property is situated in a prime office location in the docklands area of Cork City Centre, overlooking the River Lee. It forms part of the Navigation Square office development.

4.3 The Property provides Gold LEED accredited Grade A office accommodation and comprises the ground, fourth fifth and sixth floors of a seven-storey block over two basement levels. The Property has 72 basement car parking spaces.

4.4 The internal specification of the Property includes raised access floors, suspended or exposed ceilings, suspended lighting and air-conditioning throughout. The entire of the accommodation that is finished is well presented. The reception is raised above street level.

4.5 Accommodation

The accommodation has been agreed as follows.

Floor	Use	Area (sq.m.) NIA
Ground Floor	Office	1,345.70
Fourth Floor	Office	1,804.60
Fifth Floor	Office	1,804.60
Sixth Floor	Office	1,350.30
Total Floor		6,305.40

4.6 Tenure
Freehold.

5 ISSUES

The principal issue in this appeal is the quantum of the valuation. The Appellant contended for an NAV of €4,990 whereas the Respondent contended for an NAV of €5,150 to be entered in the Valuation List.

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 The Appellant represented by Mr. Eoin Ryan of Cushman & Wakefield submitted his Precis of Evidence dated 11th May 2022, and his subsequent letter dated 3rd June 2022.
- 7.2 Mr. Ryan stated that the valuation on the list was excessive and inequitable, and that the Commissioner had applied an unsupported and unwarranted premium above the most relevant comparable evidence.
- 7.3 He stated that there was no ‘Tone of the List’, to demonstrate the correlation between a large ground floor modern Grade A office floor plate and a poorly configured ground floor Grade A floor plate. Consequently, regard must be had to the lease terms on the Property.
- 7.4 Mr. Ryan submitted the following NAV Comparables, which are summarised below, with further details provided in the appendices (N/A to public).

NAV Comparison 1 - PN 5012030 – Cork City Centre.

Level	Description	Size – Sq. m.	NAV €/psm
3	Office	2,682.04	124
4	Office	2,938.60	124
5	Office	2,007.35	124
6	Office	426.00	124
Car Parking		88	€500 per space

- Comparable Grade A LEED Gold building accreditation.
- The property is a similar scale.
- Directly comparable to the Property.
- Located close to the Property.

NAV Comparison 2 – PN 5012030 – Cork City Centre, the details of which are as follows.

Levels	Description	Size – Sq. m.	NAV €/psm
1 - 4	Office	5,157	117

- Comparable Grade A building accreditation.
- The property is a similar scale.
- Inferior location to the Property.
- No car parking.
- No ground floor offices, only reception.

NAV Comparison 3 - PN 2183942 – Cork City Centre.

Level	Description	Size – Sq. m.	NAV €/psm
1	Office	580.50	126.38
Car Parking		7	€500 per space

- Comparable Third Generation office building.
- The property is significantly smaller than the Property.
- Located close to the Property.

NAV Comparison 4 - PN 5012029 – Cork City Centre.

Level	Description	Size – Sq. m.	NAV €/psm
2	Office	960	132
Car Parking		10	€500 per space

- Comparable Grade A building accreditation.
- The property is significantly smaller than the Property.
- Located close to the Property.

7.5 Summing up, Mr. Ryan stated that he had particular regard to Comparable 1 (PN 5012030), as it was directly comparable to the Property. He stated that his Comparables 1 & 2, PN 2183942 and PN 5012029 respectively, were far less relevant as they comprised significantly smaller accommodation. With the exception of PN 5012030 and PN 2210846, the Property is almost unique in scale and the configuration and location of the ground floor is poor, relative to the upper floors. The commercial terms under which it was let, differentiated the level of rent per square metre on the ground floor to that agreed on the upper floors.

7.6 Mr. Ryan submitted his NAV valuation calculations as follows.

Floor	Use	Area (sq. m.) NIA	Area (sq. ft.) NIA	Total NAV
Ground Floor	Office	1,345.70	€104.92	€141,194.98
Fourth Floor	Office	1,804.60	€124.00	€223,770.40
Fifth Floor	Office	1,804.80	€124.00	€223,795.20
Sixth Floor	Office	1,350.30	€124.00	€167,437.20
Total Area	Office	6,305.40		
NAV Total				
Overall Total				€792,197.78
Say				€792,198
NAV Multiplier	RV Conversion	Total RV		RV
0.0063	$792,198 \times 0.0063$	€4,990.85	Say	€4,990

7.7 Mr. Ryan contended for an NAV of €4,990 for the Property.

8 RESPONDENT'S CASE

8.1 Mr. Andrew Cremin acting for the Respondent, submitted his Precis of Evidence dated 30th May 2022.

8.2 Mr. Cremin stated that the areas submitted by the Appellant are incorrect for their common comparable PN 5012030.

8.3 The Appellants Comparable 2, has the wrong reference number, it should be PN 2210846.

and the correct details are set out below. Mr. Cremin accepts that this comparable is situated in an inferior location.

8.4 Mr. Cremin in his submission accepted that whilst the Property is valued on the list at €126.38 psm, having taken cognisance of the evidence submitted by the Appellant, proposed to reduce this level to €124 psm, in line with the common comparable PN 5012030.

- 8.5 Mr. Cremin submitted the following NAV Comparables which are summarised below, with further details in the appendices (N/A to public).

NAV Comparison 1 - PN 5012030 – Cork City Centre.

Total Floor Area: 7,048.09 sq. m.

RV: €5,761

Description	Size (sq.m.)	NAV per sq.m.
L3 Office	1,676.14	124.00
L4 Office	2,938.60	124.00
L5 Office	2,007.35	124.00
L6 Office	426.00	124.00
Car Spaces	81	€500
RV		€5,761.12
RV Say		€5,761

- Located close to the Property.
- Similar type and size.

NAV Comparison 2 - PN 2181406 – Cork City Centre.

Total Floor Area: 1,523 sq. m.

RV: €1,200

Description	Size (sq.m.)	NAV per sq.m.
L4 Office	526	126.38
L4 Office	308	126.38
L5 Office	455	126.38
L5 Office	234	126.38
RV		€1,212.60
RV Say		€1,200

- Located close to the Property.
- Similar type but smaller size floor plates.

NAV Comparison 3 - PN 2187457 – Cork City Centre.

Total Floor Area: 3,365 sq. m.

RV: €2,850

Description	Size (sq.m.)	NAV per sq.m.
L0 Office	235	191.27
L4 Office	1,650	126.30
L5 Office	1,450	126.30
Car Spaces	30	€500
RV		€2,844.31
RV Say		€2,850

- Located close to the Property.
- Similar type but smaller size floor plates.
- Noted that the ground floor is valued at a different level to the upper floor.

NAV Comparison 4 - PN 5012025 – Cork City Centre.

Total Floor Area: 1,895 sq. m.

RV: €1,620

Description	Size (sq.m.)	NAV per sq.m.
L1 Office	1,895	132.00
Car Spaces	15	€500
RV		€1,623.13
RV Say		€1,620

- Located close to the Property.
- Similar type and high level of fit-out.

8.6 Mr. Cremin submits his NAV valuation as follows.

Floor Level	Use	Area - Sq.m.	NAV /€- PSM	NAV - €
Ground	OFFICE(S)	1,345.70	124.00	166,866.80
Fourth	OFFICE(S)	1,804.60	124.00	223,770.40
Fifth	OFFICE(S)	1,804.60	124.00	223,770.40
Sixth	OFFICE(S)	1,350.30	124.00	167,437.00
	Total Area	6,305.20		
Basement	Car Spaces	72	€500	36,000.00
NAV				817,844.80
			RV @ 0.0063	5,152.42
			RV Say	5,150

8.7 In summing up, Mr. Cremin proposes to reduce valuation level to €124 psm in line with the common comparable, PN 5012030. He stated that there was no evidence submitted to warrant a lower level on the ground floor. He also confirmed that the floor areas have been corrected and agreed.

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 Cork City Council.

10.2 The Tribunal has examined the details of the Property and considered in full the written evidence adduced by Mr Ryan who contended for a reduced NAV of €4,990 and that adduced by Mr. Cremin contending for a reduced NAV of €5,150.

The Property is valued on the valuation certificate at a level of €126.38 per square metre. Both parties have submitted that a reduction in the current NAV valuation is warranted, in line with other similar type properties in the location of the Property, in particular PN 5012030. In the case of the upper floors, both parties agree that the NAV valuation should be €124 per square metre.

10.3 The Tribunal finds that comparable PN 5012030, submitted by both the Appellants and the Respondents, is similarly circumstanced to the Property in terms of location, type and size. The Tribunal finds that the evidence of this comparable is sufficient to warrant a reduction in the NAV valuation per square metre of the Property as a whole.

10.4 In the case of the ground floor, the Tribunal finds that the Appellant has not submitted evidence of NAV valuations appearing on the List that support a lower NAV valuation per square metre on the ground floor, compared to that on the upper floors.

10.5 Mr. Ryan stated that a lower NAV valuation per square metre was appropriate for what he stated is a large, poorly configured ground floor and should be valued in accordance with S49 (2) of the Act. In his Precis of Evidence, Mr. Ryan included a floor plan for the ground floor. Mr. Cremin included in his Precis of Evidence, a photograph depicting the ground floor fitted out, and with the description 'canteen area'.

10.6 From the evidence submitted, the Tribunal finds that the ground floor should be valued on the same NAV value per square metre, as the upper floors.

11 DETERMINATION:

Accordingly, for the reasons herein, the Tribunal allows the appeal and decreases the valuation of the Property as stated in the valuation certificate to €5,150 (Five Thousand, One Hundred and Fifty Euro).

Calculated as follows:

Floor Level	Use	Area - Sq.m.	NAV /€- PSM	NAV - €
Ground	OFFICE(S)	1,345.70	124.00	166,866.80
Fourth	OFFICE(S)	1,804.60	124.00	223,770.40
Fifth	OFFICE(S)	1,804.60	124.00	223,770.40
Sixth	OFFICE(S)	1,350.30	124.00	167,437.00
	Total Area	6,305.20		
Basement	Car Spaces	72	€500	36,000.00
			NAV	817,844.80
			RV @ 0.0063	5,152.42
			RV Say	5,150

12 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.