

Appeal No: VA23/5/0529

**AN BINSE LUACHÁLA
VALUATION TRIBUNAL**

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

BLUE BOARD LIMITED t/a OFFICE PODS

APPELLANT

and

COMMISSIONER OF VALUATION

RESPONDENT

In relation to the valuation of

Property No. 520761, Office(s) at Main Street, Blackrock, County Dublin.
(the ‘Property’)

B E F O R E

**Mr Michael Brennan – BL MSCSI
Mr Fergus Keogh – MSCSI MRICS
Ms Fiona McLafferty – Solicitor**

**Deputy Chairperson
Member
Member**

**JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 2ND DAY OF APRIL, 2025**

1. THE APPEAL

- 1.1 By Notice of Appeal received on the 14th day of October 2023 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 €123,900.
- 1.2 The grounds of appeal as set out in the Notice of Appeal is that the determination of the valuation of the Property is not a determination that accords with that required to be achieved by section 19 (5) of the Act because:

- “1. *The subject property’s valuation is excessive and inequitable.*
2. *The building is old and in need of above average maintenance and repair due to its age and type of construction.*
3. *The number of car spaces are overstated.*
4. *Whilst the property is centrally located in Blackrock, it is well set back from the street and without significant profile.*
5. *Some of the accommodation in what is effectively part of the attic has low headroom (under 2m) and can only be assessed at storage levels.*
6. *Its inconsistent to value this old period building at a higher level than second generation offices which are valued at €190/m² under the revaluation.”*

- 1.3 The Appellant considers that the valuation of the Property ought to have been determined in the sum of €89,500.

2. REVALUATION HISTORY

- 2.1 On the 23rd day of September 2022 the 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 €123,900.
- 2.2 A Final Valuation Certificate issued on the 15th day of September 2023 stating a valuation of €123,900.
- 2.3 The date by reference to which the value of the Property was determined is the 1st day of February 2022.

3. THE HEARING

- 3.1 The Appeal proceeded by way of a remote hearing held on the 28th day of June 2024. At the Hearing, the Appellant was represented by Mr Eamonn S. Halpin B.Sc. (Surveying) MRICS MSCSI of Eamonn Halpin & Co. Ltd. and the Respondent was represented by Mr Kevin O'Doherty MSCSI MRICS of Tailte Éireann, (the 'Parties').
- 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 hearing, each witness having been affirmed, 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.
- 4.2 The Property is situated on the southern side of Main Street, Blackrock, County Dublin in the section between George's Avenue and Carysfort Avenue Lower. It is set back from Main Street with access via a narrow lane with an additional vehicular access to the rear from George's Avenue.
- 4.3 The Property comprises a two-storey over basement double fronted terraced part period building with the major portion of the building dating from the 1800's and a two-storey flat roofed section to the rear dating from the 1940's. The front section is of traditional period construction detail with cement rendered and painted walls, a pitched natural slate roof and sliding sash windows. The rear section is of a block wall construction detail, rendered, part painted and with uPVC type replacement windows.

- 4.4 The Property is currently used as a serviced office facility and is laid out in small office suites / pods and extends in total to 417.35 m² (4,492 sq. ft.) with on-site car parking for 16 no. cars distributed between areas to the front and rear of the Property. The Property was previously used as a Garda Station.
- 4.5 The appeal is as a result of the valuation assessment applied by the Respondent to the Property under Revaluation 2023.

5. ISSUES

- 5.1 The issue in this Appeal is the quantum of the valuation of the Property. At the hearing the Appellant contended for the NAV to be reduced to €86,200. The Respondent requested the Tribunal to affirm a valuation of €118,300.

6. RELEVANT STATUTORY PROVISIONS

- 6.1 All references to a particular section of the Valuation Act 2001 ('the Act') refer to that section as amended, extended, modified or re-enacted by the Valuation (Amendment) Act, 2015.
- 6.2 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:

“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.”

- 6.3 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.”

6.4 Section 19(5) provides that:

“The valuation list as referred to in this section shall be drawn 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 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 not such comparable properties exist, is relative to the value of other properties on that valuation list in that rating authority area.”

7. APPELLANT’S CASE

7.1 Mr. Halpin is a Chartered Surveyor and a director of Eamonn Halpin & Co. Ltd. In his précis, Mr. Halpin outlined the location, description, size and characteristics of the subject Property and confirmed the basis and the date of valuation. He supplemented his text with maps and photographs of the Property.

7.2 Mr. Halpin said that in undertaking the Revaluation of properties in the Dun Laoghaire Rathdown County Council rating area that the Commissioner had placed an over reliance on the categorisation of offices. He stated that he was surprised at the levels being applied to secondary office accommodation and that there is no market rental evidence in the Respondent's evidence. He stated that the lack of reliance on market rental evidence by the Respondent has caused the disparity in valuation levels. Mr Halpin stated that the value is primarily derived from the physical attributes of the property and its location. He stated that categorisation is useful as a tool only and accepted that for the sake of expedience that the Commissioner has sub-divided the office category into thirteen principle sub-categories as follows:

1.	Over the Shop	2.	1 st Generation	3.	2 nd Generation
4.	3 rd Generation	5.	4 th Generation (Grade A)	6.	Business Park
7	Office Park	8.	Industrial	9.	Own Door
10.	House	11.	Other	12.	Purpose Built (Pre-1960)
13.	Georgian / Victorian				

7.3 Mr. Halpin said that sub-categorisation and the variance in values applied by the Commissioner is particularly evident in Blackrock with the following valuation rates applied to the following categories:

Sub-category	€ Valuation Rate per m²
Grade A / 4 th Generation	€320
Georgian / Victorian, House & Own Door (Category includes the subject Property)	€280 (ground), €200 (1 st Floor), €200 (Basement), €140 (2 nd Floor).
3 rd Generation	€260
Over the Shop	€220 (1 st Floor), €155 (2 nd Floor)
Business Park	€200
2 nd Generation	€190
Industrial	€102
1 st Generation, Purpose Built (Pre- 1960), Office Park, Other.	None in Blackrock

7.4 Mr. Halpin said that the issues created by over-reliance on sub-categorisation ignores the fact that the hypothetical tenant will pay the lowest possible rent for the best available space. He said the most prominent problems created by the scheme of valuation include;

- (i) No allowances being made for the size with similar valuation rates being applied to property of varying sizes within each sub-category.
- (ii) In the case of the retro-fitting of buildings and buildings that have been upgraded, by way of example 2nd Generation stock to 3rd Generation stock, categories are almost exclusively decided on the basis of the first assessment category.
- (iii) The overlapping of categories creates anomalies whereby ‘over the shop’ property can also be defined as ‘own door’.

- (iv) The scheme of valuation lacks balance. It would be expected that there would be a balance and difference in the assessments of, by way of example, small office / own door / over the shop and the larger floor plates of 3rd and 4th Generation offices.

7.5 Mr Halpin stated that the subject Property is the only property assessed within the Georgian / Victorian sub-category in Blackrock. Mr. Halpin contended that the Commissioner was incorrect in applying a valuation rate to the subject Property that was similar to that applied to nearby 2nd Generation offices having regard to its period nature and features including split floors, lower ceiling heights, the absence of a lift, higher maintenance costs and no air conditioning. He said that the proportionality and differentiation in values between floors as applied by the Commissioner was incorrect. He noted that whilst the subject Property is classified as 'Georgian', he stated that this only represents approximately 30% of the total floor area as the remainder of the property was constructed in the 1940's. He noted that the property has been remodelled to its current use as serviced offices but the building once served as a barracks and as a residence prior to this.

7.6 In support of his contention that an inappropriate valuation rate has been adopted by the Commissioner, Mr. Halpin provided details of seven NAV comparison properties as set out below. He included external and some internal photographs of these comparisons.

(i) NAV Comparison No. 1 PN 502335 & PN 502334

Temple House, Temple Road, Blackrock, Co. Dublin.

PN 502335				
Floor Level	Use	Area (m ²)	NAV (€ per m ²)	Total €
4	Offices	508.61	€190	€96,635.90
0	Car Spaces	10	€1,250	€12,500

PN 502334				
Floor Level	Use	Area (m ²)	NAV (€ per m ²)	Total €
2	Offices	586.87	€190	€111,505.30
0	Car Spaces	11	€1,250	€13,750

PN 502335 is let under a long lease from September 2018 and the rent reserved devalues at €300 per m² and €1,250 per car parking space. PN 502334 is let on a long lease from February 2018 and the rent reserved devalues at €230 per m² and €1,250 per car parking space. Temple House is a five-storey modern office building. Photographs supplied indicate a modern well-presented accommodation. Mr. Halpin said that the rental evidence indicates accommodation of higher value than the subject Property however it is valued at the valuation rate of €190 per m². He contended that based on the Commissioners assessment the hypothetical tenant could rent this accommodation at a cheaper rate than that applied to the subject Property.

(ii) NAV Comparison No. 2 PN 502371

Ground Floor, Quantum House, Temple Road, Blackrock, Co. Dublin.

PN 502371				
Floor Level	Use	Area (m ²)	NAV (€ per m ²)	Total €
0	Offices	201	€190	€38,190
-1	Car Spaces	1	€1,250	€1,250

PN 502371 comprises the ground floor section of a three-storey 2nd Generation office building. Mr. Halpin said that the accommodation is 10% smaller than the subject Property which is assessed at 30% more than this comparison in NAV terms. He considered that the ground floor section of the subject Property was equivalent in value to this comparison.

(iii) NAV Comparison No. 3 PN 5017801

First Floor, Block 3, Blackrock Business Park, Blackrock, Co. Dublin.

PN 5017801				
Floor Level	Use	Area (m ²)	NAV (€ per m ²)	Total €
1	Offices	460.18	€200	€92,036
0	Car Spaces	5	€1,250	€6,250

PN 5017801 comprises the first-floor section of a four-storey modern office building constructed in 2007. Mr. Halpin said that the accommodation is of a similar size to the subject Property and is one of the highest specification office blocks in Blackrock. The NAV valuation of €200 per m² is similar to sixteen other assessments in the Business Park.

(iv) NAV Comparison No. 4 PN 501249

Frank Ennis Architects, 63 Rock Road, Blackrock, Co. Dublin.

PN 501249				
Floor Level	Use	Area (m ²)	NAV (€ per m ²)	Total €
0	Retail Zone A	33.19	€400	€13,276
0	Retail Zone B	34.77	€200	€6,954
0	Retail Zone C	75.40	€100	€7,540
0	Retail Remainder	46.01	€50	€2,300.50
1	Offices	185.43	€155	€28,741.65

PN 501249 comprises a four-storey period building and former public house located on the Rock Road diagonally opposite Blackrock College and is occupied by an architectural practice. Mr. Halpin said that this comparison exposes another flaw in the Commissioner's valuation approach as the ground floor devalues at the average rate of €159 per m² and contended that it was inequitable to suggest that a property with retail potential should be valued at a significantly lesser rate than the subject Property.

(v) NAV Comparison No. 5 PN 502279

NMBI, 18-20 Carysfort Avenue, Blackrock, Co. Dublin.

PN 502279				
Floor Level	Use	Area (m ²)	NAV (€ per m ²)	Total €
0	Offices	365.70	€190	€69,483
1	Offices	524.20	€190	€99,598
2	Offices	526.10	€190	€99,959
3	Offices	499.80	€190	€94,962
0	Car Spaces	29	€1,250	€36,250

PN 502279 comprises a modern office building constructed in 2001. Mr. Halpin said that the building was the newest and highest 2nd Generation classified building in Blackrock and was valued at €190 per m².

(vi) NAV Comparison No. 6 PN 503431

Avoca Court, Temple Road, Blackrock, Co. Dublin.

PN 503431				
Floor Level	Use	Area (m ²)	NAV (€ per m ²)	Total €
1	Offices	354.10	€260	€92,066
-1	Car Spaces	8	€1,250	€10,000

PN 503431 comprises the ground floor section of a four-storey modern office building with raised access floors, suspended ceilings, air-conditioning, a kitchenette, CCTV, serviced lift access, a reception area and was constructed in 2007. Mr. Halpin said that he considered that the Commissioner has correctly assessed the value of 3rd Generation space in Blackrock at €260 per m² but has then failed to benchmark this appropriately against inferior own door / house / period offices in the same environment.

(vii) NAV Comparison No. 7 PN 512761

Stradbrook House, Stradbrook Road, Blackrock, Co. Dublin.

PN 512761				
Floor Level	Use	Area (m ²)	NAV (€ per m ²)	Total €
1	Offices	452.42	€170	€76,911.40
0	Car Spaces	10	€1,250	€12,500

PN 512761 comprises the ground floor section of a two-storey modern office building. It is located approximately 2km from the centre of Blackrock village. Mr. Halpin said that he accepted that the subject Property would likely have a higher NAV per m² due to its location.

7.7 Subject to the foregoing Mr. Halpin contended for a valuation of €86,200 as follows:

Offices	Area m ²	€ Per m ²	Total NAV
Ground Floor	191.90	€190	€36,461
Ground Floor (External)	12.05	€162.50	€1,958
First Floor	164.51	€135	€22,209
Basement	24.33	€135	€3,285
Attic	24.56	€95	€2,333
Cars	16 No.	€1,250	€20,000
		Total	€86,246
		Say,	€86,200

Mr Halpin explained that given the lack of lift access, the subject Property could not reach €190 per m² on all floors, as would be the position for a 2nd Generation property. He applied this rate to the ground floor and retained the proportionality proposed by the Commissioner (Ground Floor @ 100%, Basement @ 71.4% and Attic @50%) to arrive at the NAV for the Property. He applied an average rate of the ground floor and the first floor, for the external ground floor area.

- 7.8 Under cross examination by Mr. O'Doherty, Mr. Halpin confirmed that the subject Property was located just off Main Street and said that in his opinion the front section of the Property was of the late Georgian period and that the rear section was possibly constructed in the 1930's / 1940's.

Mr. O'Doherty asked Mr. Halpin if he had any evidence to support his comments regarding the Property having above average maintenance and repair costs due to its age and construction detail. Mr. Halpin said that he has owned a Victorian building in commercial office use for 40 years and that it was his own personal experience that such buildings require above average maintenance and noting that the Property is a Listed Building with sliding sash single-glazed windows that are expensive to replace and such properties are expensive to heat. He said that due to their Georgian / Victorian nature that it was a known fact that such buildings require a lot of maintenance.

Mr. O'Doherty asked Mr. Halpin if he could tell the Tribunal what he considered to be the characteristics of a comparable property. In reply he said that he considered the key determinants to be a building in office use in the general location with profile or lack of profile, with similar type of accommodation and number of floors and with the availability of a lift / staircases and car parking.

Mr. O'Doherty referred Mr. Halpin to his own précis and his reference to paragraph 9.6 of the Tribunal Decision VA20/4/0053 - AIB Group Plc and asked Mr. Halpin if he considered the Tribunals comments to be an accurate assessment of the characteristics of a comparable property. Mr. Halpin said that he had read the AIB Decision and did not disagree with anything said in the Decision. He said that the Decision does not say that you can only compare Georgian property with Georgian property or that one would do something that is illogical and put a higher value on something that is clearly inferior.

7.9 Mr. O'Doherty asked Mr. Halpin to comment on and describe the comparable properties in his précis. Mr. Halpin commented as follows;

- (i) In relation to comparison number one he said it was an office suite on a single floor in a modern building constructed in the 1990's. He said that he did not place a category description on it other than being modern from the 1990's. He said that it was a superior property to the subject Property and valued at €190 per m² and said that there had to be a logic as the relative values of the subject Property and the assessment of €190 per m² irrespective of the categorisation applied which in turn sets a valuation list value for other properties. As the subject Property is inferior to this comparison it should therefore have a lesser valuation assessment.
- (ii) In relation to comparison number two, Mr. O'Doherty asked if it was a Georgian / Victorian building. Mr. Halpin commented that it was a modern office building and he considered it to be superior to the subject Property.
- (iii) In relation to comparison number three, Mr. Halpin commented that it was a modern office building accommodation just off the centre of Blackrock village. He confirmed that it was not a Georgian / Victorian office building however he considered it to be superior to the subject Property and valued at €200 per m².
- (iv) In relation to comparison number four, Mr. Halpin commented that he has known this building for 50 years and though valued as being in retail use, he said that there has never been a shop in the property and that it is a period style office building. He said that he has no issue with the ground floor being zoned for valuation purposes but the important point to be considered was that the ground floor devalues at an overall rate of €159 per m² with the first floor valued at €155 per m². He said that it was not a Georgian building but that it may be Victorian.

- (v) In relation to comparison number five, Mr. Halpin commented that it was a modern office building, one of the most stylish in Blackrock and built in 2001. He confirmed that it was not a Georgian / Victorian office building however he considered it to be superior to the subject Property and valued at €190 per m².
- (vi) In relation to comparison number six, Mr. Halpin commented that it was a modern office building. He confirmed that it was not a Georgian / Victorian office building however he considered it to be superior to the subject Property and correctly assessed by the Commissioner at €260 per m². He said that putting a higher valuation on the subject Property than this comparison made no sense.
- (vii) In relation to comparison number seven, Mr. Halpin commented that it was a modern office building. He confirmed that it was not a Georgian / Victorian office building. He considered it to be superior to the subject Property with similar sized accommodation and car parking as the subject Property but had a lesser assessment than that of the subject Property.

7.10 Mr. O'Doherty referred Mr. Halpin to his own précis and asked him to comment whether the Respondent's comparison number one was a Georgian / Victorian building. Mr. Halpin said that it was not and said that it is the former offices of an architectural practice who had completely re-built and extended the property, doubled it in size in approximately 1990 to a superb specification. The property is currently available to rent and the photographs do not portray a period property.

7.11 In response to a question from the Tribunal Mr. Halpin confirmed that his client acquired the Property in 2014 and installed partitions to create serviced office suites / pods. He was not aware of the office rental rates charged, noting that it generally depended on the level of services sought by a tenant.

8. RESPONDENT'S CASE

- 8.1 Mr. O'Doherty is a Chartered Surveyor with Tailte Éireann and a representative of the Respondent. In his précis, Mr. O'Doherty outlined the location, description, size and characteristics of the subject Property and confirmed the basis and the date of valuation. He supplemented his text with maps and photographs of the Property.

He outlined the historical context of the Property and its previous occupiers. He confirmed that he had inspected the building on the 18th of April 2024 and found the building to be in reasonable condition. He said that the overall floor area had been amended on appeal from 422.12 m² and had been agreed with the Appellant's representative to be 417.35 m². He provided an outline of the Revaluation process, statutory provisions, provided a timeline for the subject appeal and a summary of the Appellant's representations.

- 8.2 Mr. O'Doherty contended for a valuation of €118,300.

- 8.3 Mr. O'Doherty addressed the Appellant's grounds of appeal and comparative evidence as set out in paragraph seven above. He said that he considered that the Commissioners scheme of sub-categorisation of offices to be fair, reasonable, equitable and logical for all ratepayers and in accordance with section 19 (5) of the Act until another logical better proven way to compare different types of offices is found.

He said that the Appellant's submission that the subject Property is old and in need of above average maintenance and repair due to its age and type of construction was unsupported with evidence. Mr. O'Doherty said that the Appellant's comparative evidence was made up of non-comparable 2nd Generation offices and he referenced an extract from VA20/4/0053-AIB Group Plc where the Decision referenced that '*comparables have to be suitable as the valuer's duty is to compare like with like*'.

8.4 Mr O'Doherty addressed each of Mr. Halpin's comparisons individually and remarked that each was a modern office building and not comparable to the Victorian / Georgian character of the subject Property.

8.5 In support of his opinion of the NAV of the Property, Mr. O'Doherty provided details of properties which he said were similarly circumstanced, comparable and provided comparative evidence that both correctness and equity and uniformity of value has been achieved in this case as follows:

- (i) NAV Comparison No. 1 PN 511064
118 Rock Road, Booterstown, Co. Dublin.

PN 511064				
Floor Level	Use	Area (m ²)	NAV (€ per m ²)	Total €
0	Office	130.10	€280	€36,428
0	Store	1.30	€280	€364
				€36,792
			Say	€36,700

Mr O'Doherty said that this comparison was a vacant ground floor office unit in a Georgian / Victorian property situated on Rock Road adjacent to the Punch Bowl pub, opposite Booterstown Dart station and located approximately 1.8 km northwest of the subject Property.

- (ii) NAV Comparison No. 2 PN 511065
118 Rock Road, Booterstown, Co. Dublin.

PN 511065				
Floor Level	Use	Area (m ²)	NAV (€ per m ²)	Total €
1	Office	85.50	€200	€17,100
			Say	€17,100

Mr O'Doherty said that this comparison was an occupied first floor office unit in a Georgian / Victorian property situated on Rock Road adjacent to the Punch Bowl pub, opposite Booterstown Dart station and located approximately 1.8 km northwest of the subject Property.

- (iii) NAV Comparison No. 3 PN 511102
120 Rock Road, Booterstown, Co. Dublin.

PN 511102				
Floor Level	Use	Area (m ²)	NAV (€ per m ²)	Total €
0	Office	90.35	€280	€25,298
0	Kitchen	5.02	€280	€1,405.60
				€26,703.60
			Say	€26,700

Mr O'Doherty said that this comparison was a ground floor office unit in a Georgian / Victorian property situated on Rock Road adjacent to the Punch Bowl pub, opposite Booterstown Dart station and located approximately 1.8 km northwest of the subject Property.

- (iv) NAV Comparison No. 4 PN 5026338
120 Rock Road, Booterstown, Co. Dublin.

PN 5026338				
Floor Level	Use	Area (m ²)	NAV (€ per m ²)	Total €
1	Office	78.51	€200	€15,702
			Say	€15,700

Mr O'Doherty said that this comparison was a first-floor office unit in a Georgian / Victorian property situated on Rock Road adjacent to the Punch Bowl pub and opposite Booterstown Dart station and located approximately 1.8 km northwest of the subject Property.

- (v) NAV Comparison No. 5 PN 397275
Owenstown House, Foster's Avenue, Blackrock, Co. Dublin.

PN 397275				
Floor Level	Use	Area (m ²)	NAV (€ per m ²)	Total €
0	Office	102.71	€280	€28,758.80
0	Store	6.60	€280	€1,848
				€30,606.80
			Say	€30,600

Mr O'Doherty said that this comparison was a ground floor office unit within a two-storey Georgian / Victorian property situated of the south-west side of Owenstown Park within Owenstown House, accessible via Owenstown Lodge and located approximately 3.7 km west of the subject Property.

(vi) NAV Comparison No. 6 PN 313730

Ardtona House School, Churchtown Road Lower, Dublin 14.

PN 313730				
Floor Level	Use	Area (m ²)	NAV (€ per m ²)	Total €
1	Office	172	€200	€34,400
			Say	€34,400

Mr O'Doherty said that this comparison was a first-floor office unit within a two-storey over basement Georgian / Victorian office / school building situated off the north side of Ardtona Avenue on the Churchtown Road Lower and located approximately 6.8 km southwest of the subject Property.

(vii) NAV Comparison No. 7 PN 2164363

Ardtona House School, Churchtown Road Lower, Dublin 14.

PN 2164363				
Floor Level	Use	Area (m ²)	NAV (€ per m ²)	Total €
-1	Office	88.97	€200	€17,794
			Say	€17,790

Mr O'Doherty said that this comparison was a basement office unit within a two-storey over basement Georgian / Victorian office / school building situated off the north side of Ardtona Avenue on the Churchtown Road Lower and located approximately 6.8 km southwest of the subject Property.

- 8.6 Mr. O'Doherty noted that regarding each of his comparison no representations had been made to the Commissioner or appeals lodged to the Valuation Tribunal in regard to the valuation assessments.

8.7 Subject to the foregoing Mr. O'Doherty contended for a valuation of €118,300 as follows:

Offices	Area (m²)	€ Per m²	Total NAV
Ground Floor	191.90	€280	€53,732
Standalone Courtyard	12.05	€280	€3,374
First Floor	164.51	€200	€32,902
Basement	24.33	€200	€4,866
Attic	24.56	€140	€3,438.40
Cars	16 No.	€1,250	€20,000
		Total	€118,312.40
		Say,	€118,300

8.8 Under cross examination by Mr. Halpin, Mr. O'Doherty confirmed that every property in the rating authority area is to be assessed on a single date, (1st February 2022). He said that the purpose of the Act is to bring correctness, equity, uniformity, fairness and transparency into the system and to bring a more equitable distribution of the rates burden amongst ratepayers. He said correctness of value is the primary function.

Mr. O'Doherty accepted that there is a large stock of offices of all types in Blackrock and that it is an established office location. He acknowledged that the Act does not refer to categories of property or a scheme of valuation and that the Act provides for properties to be valued relative to one another.

Mr. O'Doherty accepted that his précis noted that Net Effective Rents provide the basis for developing an appropriate scheme of valuation and accepted that his précis did not contain such rental evidence. He said that this was due to a lack of rental evidence for this category of property in Blackrock. Mr. O'Doherty accepted that he had not provided any rental evidence to support a valuation of €280 per m².

Referring to Mr. O'Doherty's précis Mr. Halpin noted that the scheme of valuation provides for adjustments to be made to the valuation of properties following the application of the scheme. Mr. O'Doherty confirmed that the only adjustment made in the valuation of the subject Property was a reduction of approximately 5 m² to the area of the Property following its re-measurement.

Mr. Halpin asked Mr. O'Doherty as to what percentage of the area of a building did the Commissioner consider needed to be Georgian / Victorian in order to be considered Georgian / Victorian, particularly in light of the fact that approximately 70% of the subject Property, being the rear portion, was not Georgian / Victorian. Mr. O'Doherty was unable to provide an answer. Mr. O'Doherty accepted that a building with a lift generally achieves a higher rent.

Mr. O'Doherty replied to a number of questions from the Tribunal. He was asked why none of the comparisons submitted in his précis were of a similar size to the subject Property. He replied that none were available. He also confirmed that in the preparation of his valuation that no allowance had been made for the size of the Property.

Mr. O'Doherty was asked if he considered that modern offices command a higher rent than Georgian / Victorian buildings. He said that they would having regard to current green standards.

In relation to Mr. Halpin's NAV Comparison No. 4 PN 501249 Frank Ennis Architects, 63 Rock Road, Blackrock, Co. Dublin, Mr. O'Doherty was asked by the Tribunal if he accepted that the ground floor of the property was in office use, to which he replied that it was not and that it was valued as retail. He confirmed that he had not inspected the comparison and accepted that the over valuation rate of the ground floor was approximately €159 / €160 per m².

Mr. O'Doherty confirmed to the Tribunal that the valuation date applicable to each of his NAV comparisons was the same as applied to the subject Property and that they were part of Revaluation 2023. Whilst no representations or appeals had been made in respect of Mr. O'Doherty's NAV comparisons he said that he was not aware if the assessments had increased, decreased or remained unaltered following the Revaluation process.

When asked to expand on the comment in his précis as to what individual considerations would be taken into account in valuing a property following the application of the scheme of valuation, Mr. O'Doherty said that such considerations would include the nature of the relevant property, different floor levels, there being steps up or steps down and accessibility.

Mr. O'Doherty was asked by the Tribunal as to what published information was available in relation to the scheme of valuation and how it had been established. Mr. O'Doherty said he was not aware of such information being available.

9. SUBMISSIONS

9.1 No legal submissions were made by the Parties.

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 Dun Laoghaire Rathdown County Council. The fact that the Tribunal does not make specific reference to any particular document or submission does not indicate that it has not been taken into account.

10.2 The Property is to be valued in accordance with sections 48 and 19 (5) of the Valuation Act 2001, as amended. The requirement in accordance with section 48 is to arrive at a Net Annual Value (NAV) and achieve both, insofar as is reasonably practicable:

- (a) correctness of value; and
- (b) equity and uniformity of value between properties on that valuation list.

Section 19(5) defines NAV as meaning 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 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 Tribunal notes that the Respondent contended for a valuation that was less than that of the Property as it appeared on the valuation list and that the reduction in value relates to a correction of the measured area of the Property as opposed to a change in valuation rates as applied in the list.

10.4 The primary issue in dispute between the parties is the appropriate rate to be applied to the ground floor element of the subject Property. Mr Halpin is seeking a general ground floor office NAV of €190 per m² and Mr O'Doherty seeks €280 per m². Both parties are in agreement as to the pro rata assessment of the first floor, basement and attic floor floors relative to the NAV of the ground floor, the first floor and basement being valued at 71.4% and the attic being valued 50% of the ground floor NAV. The floor areas are agreed and the Parties are also in agreement with regard to the rate that has been applied to the car parking spaces. There is a ground floor portion of the subject Property extending to 12.05 m² referred to as "external" by Mr Halpin and "standalone" by Mr O'Doherty. Mr Halpin has applied a reduced rate of €162.50 per m² (a 14.5% discount of his proposed NAV of €190 per m²), whereas Mr O'Doherty has applied his full ground floor rate of €280 per m².

- 10.5 The valuation of the subject Property poses a number of issues and difficulties to which the valuers approached differently. As the Property is the only building in Blackrock Village that is on the valuation list in the Respondent's Georgian / Victorian sub-category, Mr. Halpin's valuation approach was to compare and benchmark the Property against similarly sized accommodation as that of the subject Property. These were generally superior modern office buildings mainly 2nd Generation in the vicinity of the subject Property. He contended that as the Property was inferior to these comparisons it should be valued at a lesser rate. Mr. O'Doherty's approach to the valuation exercise was to value the Property by comparing it to other properties on the valuation list and in the same sub-category within the wider Dun Laoghaire Rathdown rating area.
- 10.6 The Tribunal recognises the difficulties that both the Appellant and the Respondent encountered in valuing the Property. There is a perennial difficulty in seeking to achieve precision in the valuation exercise. The valuation of property is both an art and a skill and a valuer is required to apply their judgment and experience, particularly when dealing buildings that do not have a direct comparison such as the subject Property. The objective of the valuation exercise is to achieve correctness, equity and uniformity of value between properties on that Valuation List. Many factors influence valuation and no single factor is conclusive. All the characteristics of a property have to be evaluated and assessed against comparable properties. This involves an exercise in relativity regarding the physical nature, age, location and quality of the property as well as market characteristics for same.
- 10.7 Mr. Halpin submitted six modern office building comparisons with NAV assessments ranging from €170 - €260 per m² and one comparison in the Georgian / Victorian sub-category and although valued as retail accommodation the ground floor, the building is in office use with an overall rate of €159 per m² applied.

- 10.8 The Tribunal considers that demand for the subject Property would be confined to the secondary or tertiary office market characterised predominantly by local occupiers or businesses. The Tribunal notes that the Property is currently in use as serviced offices and considers that the nature of such occupancy to reflect the localised nature of the demand. For this reason, the Tribunal considers it important to have regard to comparisons within Blackrock and accepts the locational relevance of the Appellant's comparisons.
- 10.9 The Tribunal finds that Mr. Halpin's six modern office comparisons are all of superior quality to the subject Property. All of these office comparisons are purpose built and comprise of superior specification properties. The comparisons generally benefit from large open plan floor plates and suspended ceilings which offer greater end-user flexibility and enhanced usability overall. The Tribunal notes that with the exception of NAV Comparison 6, the NAV ranges from €170 - €200 per m². In light of this, it is impossible to conceive how the NAV for the subject Property could be in excess of this range. NAV Comparison 6 has an NAV of €260 m² but notes that the specification includes raised access floors, suspended ceilings, air-conditioning, kitchenette, CCTV, serviced lift access and dedicated reception. It is evident NAV Comparison 6 is vastly superior. NAV Comparison 4 comprises of a former public house which has been converted to an Architect's office and is relevant for context. Whilst it appears as a retail property on the valuation list, the NAV on an overall basis equates to €159 per m². The Tribunal also notes the quantum of the Appellant comparisons to be relevant to the subject Property.
- 10.10 The Tribunal notes that Mr. O'Doherty's comparisons were all within the Georgian / Victorian sub-category with NAV assessments ranging from €200 - €280 per m². The Tribunal also notes that none of his comparisons were of comparable size to the subject Property. Furthermore, the Tribunal considers the adoption of a broader location base for the comparisons to be less reliable having regard to the nature of the subject Property. The valuation assessments applied in Mr. O'Doherty's comparison properties were also based on the adoption of the Respondent's scheme of valuation. The Tribunal considers that when one stands back and looks at the scheme relative to the NAV of the Appellant's comparisons, that adjustments are necessary to accord with the requirements of section 19(5).

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 €90,130 as follows;

Offices	Area (m²)	€ Per m²	Total NAV
Ground Floor	191.90	€200	€38,380
Ground Floor (External)	12.05	€190	€ 2,290
First Floor	164.51	€143	€23,525
Basement	24.33	€143	€ 3,479
Attic	24.56	€100	€ 2,456
Cars	16 no.	€1,250	€20,000
		Total	€90,130
		NAV	€90,130

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.