

Appeal No: VA23/5/0144

AN BINSE LUACHÁLA

VALUATION TRIBUNAL

NA hACHTANNA LUACHÁLA, 2001 - 2015

VALUATION ACTS, 2001 - 2015

BRYAN EGAN, CONSULTING ENGINEER

APPELLANT

and

COMMISSIONER OF VALUATION

RESPONDENT

In relation to the valuation of

Property No. 1154673, Office(s) at 1st Floor Offices 12 St. Francis Street, County Galway.

JUDGMENT OF THE VALUATION TRIBUNAL

ISSUED ON THE 5TH DAY OF MARCH 2026

BEFORE

Brian Meldon - FSCSI, FRICS, Reg Val, Arb

Member

1. THE APPEAL

1.1 By Notice of Appeal received on the 6th 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 €5,080.

1.2 The sole ground 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) in that the valuation is excessive and inequitable having regard to the condition, age and classification of the property.

1.3 The Appellant considers that the valuation of the Property ought to have been determined in the sum of €3,811.

2. RE-VALUATION HISTORY

2.1 On the 23rd day of September 2022 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 €4,000.

2.2 Representations were made by the Appellant. Following consideration of those representations, the Valuation Manager determined the valuation of the Property at €5,080.

2.3 A Final Valuation Certificate issued on the 15th day of September 2023 stating a valuation of €5,080.

2.4 The date by reference to which the value of the Property, the subject of this appeal, was determined is 1st day of February 2022.

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 Property comprises first floor offices over shop at 12 St. Francis Street, Galway.

4.2 The accommodation extends to 36.3 sq.m.

4.3 The Property is in use as offices and was in full use at the date of inspection.

4.4 The Property forms part of a two-storey terraced building constructed in the late 19th century and converted in the early 20th century to commercial use.

4.5 The Property is located in Galway City Centre in a mixed-use commercial area.

4.6 The quantum of the valuation is the sole matter in dispute.

5. ISSUES

The issues for determination are:

5.1 Whether the applied valuation level of €140 per sq.m is correct having regard to section 48 and section 19(5) of the Act.

5.2 Whether the Appellant's contention that the Property should be valued at €105 per sq.m and classified as "Office – Georgian/Victorian" having regard to its 1890's construction is justified.

5.3 Whether the physical condition of the Property warrants a reduction in NAV.

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, 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.”

7. APPELLANT’S CASE

7.1 The Appellant asserts that the valuation is excessive and inequitable.

7.2 The Appellant contends that a rate of €105 per sq.m should apply and that the Property should be classified as “Office Georgian/Victorian” having regard to its construction in the 1890’s.

7.3 The Appellant further submits that the building is in poor physical condition, including reference to single-glazed windows, lack of insulation, structural cracking and moisture ingress and contends that these matters warrant a reduction in the valuation.

7.4 The Appellant did not provide evidence of comparable properties, Key Rental Transactions, NAV comparisons, or rental analysis to demonstrate that the alleged condition issues have resulted in a lower rental value or justify a departure from the valuation level applied.

8. RESPONDENT’S CASE

8.1 The Respondent valued the Property at €140 per sq.m, producing two Key Rental Transactions proximate to the valuation date demonstrating NAV levels consistent with €140 per sq.m.

8.2 The Respondent also produced three NAV comparisons within close proximity to the subject property, all assessed at €140 per sq.m.

8.3 The Respondent submits that while there is evidence of some damp and general repair issues, the Property remains in full beneficial occupation. No evidence has been produced to demonstrate that such matters have materially affected the rental value of the property or distinguish it from comparable properties valued at the same level.

9. SUBMISSIONS

9.1 The parties rely upon section 19(5) and section 48 of the Valuation Act 2001 (as amended).

9.2 The Respondent further relies upon the Tribunal decision in *Proudlane Ltd v Commissioner of Valuation*, which affirms that the onus of proof rests upon the Appellant to demonstrate, by cogent evidence, that a valuation is incorrect or inequitable.

10. FINDINGS AND CONCLUSIONS

10.1 The Tribunal is required to determine the value of the Property so as to achieve, insofar as is reasonably practicable, both correctness of value and equity and uniformity of value between comparable properties on the valuation list, in accordance with section 19(5) of the Act.

10.2 The net annual value of the Property falls to be determined pursuant to section 48 of the Act, being the rent for which, one year with another, the Property might, in its actual state, reasonably be expected to let from year to year, on the statutory assumption that the probable annual cost of repairs, insurance and other expenses necessary to maintain the property in that state are borne by the tenant.

10.3 The Tribunal notes that the Appellant contends that the appropriate valuation level is €105 per sq.m and that the Property should be classified as “Office – Georgian/Victorian” having regard to its construction in the 1890’s.

10.4 While the Tribunal accepts that the building originates from the late nineteenth century, the evidence establishes that it was converted in the early twentieth century to commercial use and presently functions as first-floor office accommodation over retail. Classification for valuation purposes must have regard to the actual use, layout and characteristics of the property within the prevailing valuation scheme, rather than solely its age or original architectural form.

10.5 The Tribunal is not satisfied that the Property exhibits the architectural or functional characteristics that would warrant classification as “Office – Georgian/Victorian” within the relevant valuation scheme. No evidence was produced to demonstrate that such a classification is applied to comparable properties in the locality or that it would result in a lower valuation level consistent with equity and uniformity.

10.6 The Appellant has not produced rental evidence, Key Rental Transactions, or comparable NAV assessments in support of the proposed valuation level of €105 per sq.m. The onus of proof rests with the Appellant to demonstrate that the valuation is excessive or inequitable, and the Tribunal is not satisfied that this burden has been discharged.

10.7 In contrast, the Respondent has produced contemporaneous Key Rental Transactions proximate to the valuation date and comparable NAV assessments in close proximity to the subject property, all supporting a valuation level of €140 per sq.m. The Tribunal is satisfied that these comparables demonstrate consistency within the valuation scheme and achieve equity and uniformity as required by section 19(5) of the Act.

10.8 The Tribunal has considered the Appellant’s submission that the Property is in poor condition, including reference to damp, single-glazed windows, lack of insulation,

structural cracking and moisture ingress.

10.9 The evidence establishes that, at the valuation date, the Property was in full beneficial occupation and in active office use. While issues of damp and general repair were identified, no evidence was produced to demonstrate that such matters rendered the Property incapable of beneficial occupation or materially impacted its hypothetical rental value.

10.10 The Tribunal further notes that, pursuant to section 48(3) of the Act, the Net Annual Value is determined on the assumption that the probable annual cost of repairs and other expenses necessary to maintain the property in its actual state are borne by the tenant. The existence of repair requirements does not, of itself, warrant a reduction in NAV absent evidence that such matters have been reflected in the market or distinguish the Property from comparable properties valued at the same level.

10.11 In the absence of evidence quantifying any reduction in rental value attributable to condition and having regard to the comparable properties valued at €140 per sq.m, the Tribunal is not satisfied that the physical condition of the Property justifies a departure from the applied valuation level.

10.12 Accordingly, the Tribunal finds that the Appellant has not discharged the onus of proof necessary to disturb the valuation determined by the Respondent.

DETERMINATION:

The Tribunal disallows the appeal and confirms the decision of the Respondent.

The NAV remains €5,080 calculated as follows:

36.3 sq.m @ €140 per sq.m = €5,082
NAV, say €5,080

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.