

Appeal No. VA11/5/027

AN BINSE LUACHÁLA
VALUATION TRIBUNAL
AN tACHT LUACHÁLA, 2001
VALUATION ACT, 2001

Auveen Byrne

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Property No. 438685, Retail (Shops) at Lioscarran House, 32 Dale Road, Stillorgan, County Dublin.

B E F O R E

John F Kerr - BBS, FSCSI, FRICS, ACI Arb

Deputy Chairperson

James Browne - BL

Member

Frank Walsh - QFA, Valuer

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 19TH DAY OF DECEMBER, 2011

By Notice of Appeal dated 21st June, 2011, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of €22,500 on the above described property.

The grounds of appeal as set out in the Notice of Appeal are attached at Appendix 1 to this judgment.

The appeal proceeded by way of an oral hearing at the offices of the Valuation Tribunal, Ormond House, Ormond Quay Upper, Dublin 7 on the 29th day of September, 2011. At the hearing the appellant was represented by Mr. Manus Agnew, FRICS, FSCSI, MCI Arb, Dip. Arb Law, principal in Quinn Agnew Commercial Property Consultants; and the respondent was represented by Mr. John Purcell BSc, MRICS, MSCSI. In accordance with the rules of the Tribunal, the parties exchanged the respective précis of evidence prior to the commencement of the hearing and submitted same to the Tribunal.

At the oral hearing, both parties, having taken the oath, adopted their précis as being their evidence-in-chief. This evidence was supplemented by additional evidence given at the hearing either directly or via cross-examination. From the evidence so tendered, the following emerged as being the facts relevant and material to this appeal.

Issue

Quantum.

The Property

The subject property is situated at end-of-terrace in a block of three units. The property consists of ground floor only. The accommodation was described as a single large office to the front with filing / storage and reception to the rear. A toilet and canteen facilities are also provided in the rear extension area. Internally, wall surfaces are plastered and painted and floors are carpeted on timber floors. Central heating is provided by a gas furnace serving panelled radiators. PVC windows feature with a roller shutter screen to the front elevation. The accommodation was described as a conversion from former residential/retail use to office use as distinct from a purpose built office. This change of use was facilitated by a grant of Planning Permission issued by Dublin County Council in 1989, Decision Order No: P/4048/89, copy of which was appended to Appellant's précis of evidence. There is some on-street car parking located immediately to the front of the property.

Location

The subject property is situate at 32 Dale Road, Stillorgan, in a formerly established purpose-built retail neighbourhood centre between the Upper Kilmacud Road and the Lower Kilmacud Road, Stillorgan, Co. Dublin. The centre is now entirely used as office space. The overall area is residential in character.

Services

Mains water, electricity and sewer are connected to this property.

Tenure

It is understood that the title is freehold.

Accommodation

The agreed floor areas are:

Offices	67.8 sq. metres
Kitchenette	<u>2.8 sq. metres</u>
Total	70.6 sq. metres

Measured on a Net Internal Basis.

Valuation History

The property was the subject of a revaluation in common with all other rateable properties in the Dun Laoghaire-Rathdown County Council area. The valuation order specifies 30th September, 2005 as the valuation date.

- A valuation certificate was issued on 15th June, 2010. The property had a valuation of €52,200.
- An appeal was lodged to the Commissioner of Valuation on 4th February, 2011. Following consideration of same the valuation was reduced to €22,500 (the property was sub-divided into two separate property numbers).
- An appeal was lodged to the Valuation Tribunal on 23rd June, 2011.

The Appellant's Evidence

Mr. Agnew, having taken the oath, adopted his précis of evidence and valuation, which had previously been received by the Tribunal and the respondent, as being his evidence-in-chief. Mr. Agnew stressed that the subject property is in a tertiary location, difficult to locate unless one knows the area, and in a housing estate, not a commercial centre. In his evidence, Mr. Agnew contended for a net annual value (NAV) of €18,000, calculated as follows:

Offices	67.8 sq. metres @ €260	=	€17,628
Kitchenette	2.8 sq. metres @ €150	=	<u>€ 420</u>
Total			€18,050 [<i>sic</i>]
Say €18,000			

Appellant's Comparison Properties

In support of his opinion of the foregoing estimate of valuation, Mr. Agnew introduced two comparisons, details of which are contained in Appendix 2 attached to this judgment.

His first comparison property chosen was the office accommodation overhead the subject property on the first floor and Mr Agnew noted that the valuation on same was agreed with the Commissioner of Valuation computed at €230 per sq. metre and applied to its net internal area of 67.6 per sq. metre.

The second comparison property chosen by the Consultant Valuer was described as a third generation, self-contained mews style office constructed in the rear garden of the same address i.e. 32, Dale Road. Mr. Agnew advised that this office featured the benefit of secure car parking and stores. He noted that the specification of this property is significantly higher than that of the subject and that following First Appeal, the rate per sq. metre applicable to its Level 1 office area was adjusted to €280 per sq. metre, Level 2 to €230 per sq. metre and the car parking spaces valued at €750 per space.

Mr. Agnew cited the reason for introducing this comparison property was to highlight what he considered to be a recognition by the Valuation Office that the parties accepted, on First Appeal, that the omnibus adjusted rates above took account of a significant differential in the rate per sq. metre assessed on the canteen with the office area, and argued that such approach should also follow at the subject to apply a common level rate per sq. metre over the office and kitchenette areas.

Cross-examination of the Appellant

In response to questions put by Mr. Purcell and the Tribunal, Mr. Agnew stated that:-

1. The subject is a ground floor unit located within an older neighbourhood centre.
2. His comparisons were not drawn from other similar neighbourhood centres.

3. His comparisons are not similar ground floor properties.
4. The task of the valuer in this exercise was to follow the provision of Section 48(3) of the Valuation Act, 2001.
5. The letting on his comparison property no. 2, namely the mews unit, commenced in March of 2005.

Respondent's Evidence

Mr. Purcell, having taken the oath, adopted his précis of evidence and valuation, which had previously been received by the Tribunal and the appellant, as being his evidence-in-chief. In his evidence, Mr. Purcell contended for a value on the subject property in the amount of €22,500, calculated as follows:

Offices	67.8 sq. metres @ €320 per sq. metre	=	€1,696
Kitchenette	2.8 sq. metres @ €320 per sq. metre	=	<u>€ 896</u>
Total			€2,592

Valuation Office Estimate of NAV €22,500

In support of his opinion of valuation, Mr. Purcell introduced four comparisons, details of which are set out in Appendix 3 attached to this judgment.

Mr. Purcell in his oral evidence explained that the subject property and the two other properties in the block were not classified as retail units but rather were valued as office accommodation. He further explained that they were located in an established purpose-built, former retail neighbourhood centre where all of the properties are now in office use.

Respondent's Comparison Properties

Mr. Purcell referred to his comparison properties nos. 1 and 2, which have addresses at 30 and 28 Dale Road, Stillorgan respectively, and are positioned next door and second next door respectively to the subject, with offices valued on the ground floor and first floor at levels of €320 per sq. metre and €330 per sq. metre, again respectively. He explained that these values were established following consideration of representations received, which resulted in reductions from the original assessments. Mr. Purcell's third comparison, located on Drummartin Road, Goatstown, which he acknowledged to be at a superior location to the

subject, but also characterised as a neighbourhood centre, presents ground and first floor offices which are valued at €340 per sq. metre and €230 per sq. metre. Mr. Purcell acknowledged that there is no kitchenette within that particular property.

His final comparison on Merville Road, Stillorgan, was in his opinion, perceived as a much better location than the subject i.e. in close proximity to the Stillorgan Shopping Centre, but again he described the offices internally as very similar to the subject and noted that that particular office of 38.29 sq. metres has had a value computed thereon based on €370 per sq. metre, which was supported by and based on rent.

Cross-examination of the Respondent

In response to questions put by Mr. Agnew and the Tribunal, Mr. Purcell stated that:-

1. He had not valued the subject property as a retail unit.
2. His primary comparison property was his Comparison Property No. 1, namely the adjoining property at 30 Dale Road.
3. The valuations on his comparison properties were set following brief negotiations.
4. The area of the subject property was not in dispute between the parties.
5. The rental information for like offices within the locality suggests that a rate of €320 per sq. metre is fair and reasonable, notwithstanding his initial view that €260 per sq. metre may have been appropriate.
6. He stated that upon further review of the provisions of the Act, he concluded with his team leader and Appeal Officer that €320 per sq. metre was the appropriate rate to set.
7. He acknowledged that direct access is available to the ground floor of each and all of the four comparison properties cited by him.
8. Car parking facilities are available at all of his comparisons, though at the rear of Comparison No. 3.
9. The level applied to car parking spaces has been agreed at €750 per space, where applicable.

Findings

The Valuation Tribunal thanks the parties for their efforts, their written submissions, arguments and contributions at the hearing. The Tribunal finds that:-

1. The comparison properties offered by the Respondent were most helpful as it was agreed by the parties that they were similar ground floor offices, particularly those at 30 and 28 Dale Road.
2. The foregoing two comparisons adjoining the subject are accordingly considered most relevant to this case.
3. The Change of Use Planning Permission granted by the Planning Authority to change from former residential/shop to office accommodation in respect of the subject property is also considered relevant.
4. The undisputed fact that the subject office shares an entrance with another party providing access to the upper floor is also of significance to this case.
5. The Tribunal is satisfied that the kitchenette is merely a defined area of the subject office accommodation.

Determination

All of the foregoing considered, the Valuation Tribunal determines that the valuation of the subject property should be computed as follows:

Offices	67.8 sq. metres @ €300 per sq. metre	=	€20,340
Kitchenette	2.8 sq. metres @ €300 per sq. metre	=	<u>€ 840</u>
Total			€21,180

NAV Say €21,200

And the Tribunal so determines.