

Appeal No. VA11/5/151

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

Copystock Ltd. t/a Kopikat Ltd.

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Property No. 400349, Office at Kopikat House, Old Dublin Road, Stillorgan, County Dublin.

B E F O R E

Niall O'Hanlon - BL

Deputy Chairperson

Frank O'Donnell - FRICS, B Agr Sc, MIREF

Member

Patricia O'Connor - Solicitor

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 17TH DAY OF FEBRUARY, 2012

By Notice of Appeal dated the 19th day of August, 2011 the appellant appealed against the determination of the Commission of Valuation in fixing a valuation of €37,000 on the above described relevant property.

The grounds of appeal as set out in the Notice of Appeal are:
"The valuation is excessive and inequitable".

The appeal proceeded by way of oral hearing held in the offices of the Valuation Tribunal, Ormond House, Ormond Quay Upper, Dublin 7, on the 5th day of January 2012. At the hearing the appellant was represented by Mr. Donal O'Donoghue, BSc (Hons) Estate Mgmt, DipVals, AssocSCSI of the firm of OMK Property Advisors and Rating Consultants. The respondent was represented by Mr. Paul Ogbemor, B.Eng (Hons) Civil Engineering, a Valuer in the Valuation Office.

In accordance with the Rules of the Tribunal, the parties had exchanged their respective précis of evidence prior to the commencement of the initial hearing and submitted same to this 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 either directly at the hearing or via cross-examination. From the evidence so tendered, the following emerged as being the facts relevant and material to these appeals.

At Issue

Quantum

The Property

The subject property comprises a ground floor office of a two-storey semi-detached former dwelling house on the Old Dublin Road, Stillorgan, Co. Dublin, off the N11 with frontage to the Old Dublin Road.

Tenure

Freehold

Floor Areas

The agreed floor area, measured on a Net Internal Area (NIA) basis, is as follows:-

Ground Floor Offices - 92.69 square metres

Valuation History

Pursuant to Section 19 of the Valuation Act 2001 the property was the subject of revaluation as one of all rateable properties in the Dun Laoghaire Rathdown Rating Authority area. The Valuation Order specifies the 30th September 2005 as the valuation date.

- 15th June 2010: A Valuation Certificate (proposed) was issued on the property together with an RV of €37,000.
- 24th June 2010: Representations were received from the appellant and the valuation issued unchanged.
- 8th February 2011: An Appeal was lodged to the Commissioner of Valuation by the appellant's agent. Following consideration of the Grounds of Appeal, the valuation issued unchanged.
- 19th August 2011: An Appeal was lodged to the Valuation Tribunal.

Appellant's Case

Mr. O'Donoghue adopted his précis as his evidence-in-chief. He contended for an NAV of €24,100 as follows:

Ground Floor Offices 92.69 sq. metres @ €260 per sq. metre = €24,099.40
 NAV say €24,000

Mr. O'Donoghue provided four comparisons in respect of his contention as follows:

Unit 8 Sandyford Office Park, Sandyford, Co Dublin;
 Unit 9 Sandyford Docks Park, Sandyford, Co Dublin;
 Priory Hall, Stillorgan Road, Blackrock, Co Dublin;
 Unit 10 Priory Hall, Stillorgan Road, Blackrock, Co Dublin.

Details of these are attached at Appendix 1 to this judgment.

Mr. O'Donoghue pointed out that all four of his comparisons comprised purpose-built offices compared with the subject property which consisted of a converted ground floor former semi-detached house.

Cross-Examination

On cross-examination Mr. O'Donoghue confirmed that he had based his estimated NAV on the emerging tone of the list and that he had not provided rental evidence. Mr. O'Donoghue did not accept Mr. Ogbebor's assertion that the emerging tone of the list for ground floor offices for this particular property in this location is €400 per square metre. In response to

Mr. Ogbebor's query as to why Mr. O'Donoghue had not provided comparisons similar to the subject property, Mr. O'Donoghue reiterated his opinion that a purpose-built office was more valuable than a converted dwelling house, which he deemed to be less attractive to a prospective tenant. Mr. O'Donoghue confirmed that the subject property had its own door but shared a ground floor porch with an upstairs apartment. Mr. O'Donoghue also confirmed that the subject property had central heating but no air conditioning. Mr. O'Donoghue accepted that his comparisons were second generation offices and were not similar in fit-out to the subject property but stated that they were situated in a better location than the subject property. In particular Mr. O'Donoghue felt that comparisons 1 and 2 (Priory Hall) were better located with adequate public transport nearby, unlike the subject property. Mr. O'Donoghue confirmed that all four comparisons had car parking spaces, the value of which he estimated at €1,250 each for comparisons 1 and 2 and €1,000 each for comparisons 3 and 4. Mr. O'Donoghue confirmed that he had not included the car parking spaces in the computation of his NAV as he felt that his role was to challenge the valuation of the office space only. Mr. O'Donoghue agreed with Mr. Ogbebor's assertion that he had not provided the Tribunal with any evidence to dispute the tone of the list but again stated that it was wrong to have a purpose-built office valued lower than a converted dwelling house.

The Respondent's Case

Mr. Paul Ogbebor adopted his précis as his evidence-in-chief. Mr. Ogbebor contended for an NAV of €37,000 as follows:

Ground Floor Offices 92.69 sq. metres @ €400 per sq. metre = €37,076

NAV say €37,000

Mr. Ogbebor provided 5 comparisons in support of his contention:

1. 18 – 20 Merville Road, Stillorgan, Co Dublin. Mr. Ogbebor confirmed that he had analysed rent for that comparison, as set out on page 7 of his précis, by looking at other properties in that location which had rents for different floors and using that as a guide;
2. 6-8 Merville Road, Stillorgan, Co Dublin;
3. 29A The Rise, Mount Merrion, Co Dublin;
4. 10 Merville Road (ground floor), Stillorgan, Co Dublin;

5. 7 Old Dublin Road, Stillorgan, Co Dublin.

Details of these are attached at Appendix 2 to this judgment.

Mr. Ogbebor confirmed that he had analysed the rental evidence in respect of comparisons 3 and 4 in the same way as he had analysed the rental evidence in respect of comparison 1.

Cross-Examination

On cross-examination Mr. Ogbebor disagreed with Mr. O'Donoghue's contention that the free parking at Kilmacud Road Lower was located too far away to be of benefit to the subject property, stating that he had observed a lot of people doing business in the area using that facility. Mr. Ogbebor confirmed that comparisons 1, 2 and 4 had all been given a 7.5% location allowance because they were situated in an area which is mainly residential and there was not much commercial activity in that area other than in relation to that block of units.

Mr. Ogbebor further did not accept Mr. O'Donoghue's contention that comparison 3 had not gone through the full rigors of the appeal process, it having been agreed at representation stage. Mr. O'Donoghue queried when the tone of the list was established in a revaluation and Mr. Ogbebor was of the opinion that as more entries go before the Tribunal, more strength is given to the tone of the list.

Mr. O'Donoghue queried whether it was credible to value purpose-built offices at a significantly lower value than a converted dwelling house but Mr. Ogbebor stated that this valuation had been based on rental evidence gathered by the Valuation Office. Mr. Ogbebor accepted that the subject property was not a purpose-built office and for that reason, he had not used Priory Hall as a comparison although it was located only 200 meters away from the subject property. Mr. O'Donoghue put it to him that the respondent's comparisons numbers 1, 2 and 4 were not similar to the subject property as they were not converted houses, instead previously being neighbourhood centers with retail at ground floor levels. Mr. Ogbebor replied that he had inspected the comparisons himself and that the layouts of comparisons suited residential and that the frontage was similar but ultimately he was not in a position to contradict Mr. O'Donoghue's assertion.

Both parties made brief closing submissions.

Findings

1. The Tribunal is asked to consider the merits of a converted ground floor of a house versus a purpose-built own door office with its own parking.
2. The Tribunal finds the comparisons advanced by the appellant to be of greater assistance than those advanced by the respondent in this case.
3. The Tribunal notes that all four comparisons advanced by the appellant are second generation purpose-built offices meaning that none of them has raised floors, so in this regard they are similar to the subject property.
4. However, the evidence produced by the appellant in respect of his comparisons 1 to 4 indicates that a lower valuation has been applied to purpose-built units, including the purpose built units in close proximity to the subject property, being comparisons 3 and 4.
5. The Tribunal further notes that the appellant produced evidence to the effect that office accommodation excluding car parking at the valuation date devalued to a rate of €300 per square metre and this evidence was not challenged by the respondent. The Tribunal finds that a similar rate should apply to the subject property.

Determination

Having regard to the foregoing, the Tribunal determines the ratable valuation of the property concerned as follows:

Ground Floor Offices 92.69 sq. metres @ €300 per sq. metre = €27,807

NAV Say €27,800

And the Tribunal so determines.