

Appeal No. VA02/2/062

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

Roughan & O'Donovan

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Office(s) at Map Reference: Second floor Arena House, Arena Road, Sandyford Industrial Estate, Dundrum Balally, Dun Laoghaire - Rathdown, County Dublin

B E F O R E

Tim Cotter - Valuer

Deputy Chairperson

Patrick Riney - FSCS FRICS MIA VI

Member

Brian Larkin - Barrister

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 17TH DAY OF JUNE, 2003

By Notice of Appeal dated 24 April 2002, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of €821.52 on the relevant property above described.

The Grounds of Appeal as set out in the Notice of Appeal are:

"That the RV is excessive, inequitable and bad in law. The quantum is excessive in view of the level set for comparable units in the Sandyford/Leopardstown area. It is also excessive in view of the levels adopted recently by the Commissioner for buildings with higher capacity in this area.

The appeal proceeded by way of an oral hearing which was held on the 23rd September 2002 in the Arbitration Centre, Distillery Building, Law Library, Dublin 7. The appellants were represented by Mr. Eamonn Halpin B.Sc.(Surveying) A.S.C.S. A.R.I.C.S. M.R.I.C.S. M.I.A.V.I. and the respondent was represented by Mr. Damien Curran M.R.I.C.S. A.S.C.S. B.Sc., who is a District Valuer with 22 years experience in the Valuation Office. Both valuers prepared written summaries of their evidence which were exchanged with each other, gave copies to the Valuation Tribunal and adopted same as their evidence in chief given under oath at the oral hearing.

The Property

The property comprises the entire second floor of a new four-storey office building. The building is served by a lift and is finished to a good standard but does not have the benefit of air-conditioning. There are eight surface car spaces and eighteen additional spaces at basement level.

Location

The offices are located in the Sandyford Industrial Estate, which has been for many years a southside prime industrial location. It was pointed out that the property is situated on the eastern side of the Arena Road, adjoining Leopardstown Retail Park and south of the junction with Burton Hall Road.

Appellant's Case

Mr. Halpin stated that whilst he accepted that this was an improving office location, it is still regarded as secondary in terms of the prime city centre areas. The best rents achieved were consistently at about 50% or less than those achieved in the best city centre location.

The property is held under a 25 year lease with provision for 5 yearly rent reviews from the 1st April 2000 at a current rent of €255,542.41 (£201,256) per annum exclusive. The rent analysis proffered was as follows:

Net Area

Offices 993sq.m. @ €39.18psq.m. or £188.37psq.m. (£17.50psq.ft.)
 Car Spaces 26 @ €98.36 (£550) per annum per space

Mr. Halpin reiterated a number of points in his submission and summarised as follows:

1. The location was regarded as a secondary office location which was supported by the passing rents as indicated in his comparisons.
2. The specification of the building, Arena House, was lower than many adjoining buildings in other developments, particularly in view of the fact that it did not have air-conditioning.
3. The actual passing rent reflected the above and was significantly lower than those agreed on higher specification units in the general area.
4. He considers the NAV adopted was excessive in view of the passing rent and the established tone for similar specification buildings in the area.
5. That the Commissioner of Valuation had traditionally added for air-conditioning where it was installed i.e. in the case of Dublin City Centre Eastpoint Business Park and this generally accounted for (50p - £1per sq. ft.) or c. €0.63 – €1.27 per sq. ft. of NAV.
6. This location was at the top of a cul de sac, backing on to a County Council Depot/Halting Site, the ESB Depot, which is not suitable for a H.Q. building and inferior to a number of others in the area that enjoy better locations.
7. The appellants had discounted the more expensive higher specification space at Ballymoss House and in his view should not have to pay a higher rate per square metre for their lower specification offices.

In his opinion the NAV should be calculated on either one of two methods submitted by him as follows:

Method 1

Offices Net 993sq.m. @ €109.34psq.m. (£8psq.ft.)= €108,574.62

This rate was to include parking.

RV @ 0.63% = €684.02 say €685

Method 2

Offices	Net 993sq.m.	@	€102.51psq.m. (£7.50psq.ft.)=	€101,792.43
+ 26 cars		@	€254 per space per annum	= € 6,604.00
Total				€108,396.43
RV		@	0.63%	= €682.89 say €683

Mr. Halpin referred in some detail to his comparisons and in particular referred to the photographs which clearly demonstrated the superior nature of the locations and buildings referred to.

Respondent's Case

Mr. Curran presented the respondent's case and referred in some detail to his submission.

He stated that the property is finished to a good standard with adjoining office and retail users. There was good access and parking in the vicinity.

In his opinion a fair valuation on the subject property was as follows:

Offices	993sq.m.	@	€23.01psq.m.	
Car Spaces	26	@	€17.43psq.m.	
NAV			€30,376	@ 0.63% = €21.52

Mr. Curran supported his opinion with four comparisons which he referred to in some detail.

- 1) Lot 1a Bord Gais House, Arena Road, this is an identical property with identical location to the subject and directly opposite. He stated it had an inferior layout to the subject and that the building was triangular in shape on a restricted site.
- 2) This comparison referred to offices at Burton Court, Burton Hall Road. He stated that this was a similar type property in a similar location.
- 3) Lot No. 3.5a/23a Sandyford Industrial Estate. These are offices at Heron House, a former factory with office accommodation, which had been redeveloped as offices incorporating the original office space.

- 4) Arena House, (the third floor) Arena Road. These are offices in the subject property and comprised 719.86sq.m. and 35 car spaces which had been assessed during the 2001/4 revision.

Findings

The Valuation Tribunal have considered all of the evidence adduced and arguments proffered and make the following points:

1. The Tribunal accept Mr. Halpin's submission that the subject property is located in a secondary office location and that whilst it is an improving office location it will still be regarded as secondary in terms of prime Dublin city centre areas.
2. In view of the fact that the location of the subject property is directly overlooking an adjoining County Council Depot/Halting site and an ESB Depot, this would have a detrimental effect on the NAV.
3. In view of the good access to the 26 car spaces on the site, the Tribunal are of the opinion these spaces should be separately assessed and added to the NAV.
4. The most relevant comparisons in the view of the Tribunal are Unit 14, Ballymoss House, Sandyford Industrial Estate, and Softtech Telecom, South County Business Park.

Determination

In view of the foregoing the Valuation Tribunal determines the net annual value of the subject property to be as follows:

(a) Agreed floor areas	993sq.m.	@	€109.34psq.m.=	€108,574.62
(b) 26 Car Spaces		@	€317.43psq.m.=	€8,253.00
Total NAV	€116,827.62	@	0.63%	= RV €736

Accordingly the Tribunal determines the RV on the subject property to be €736.