

Appeal No. VA89/0/010

AN BINSE LUACHÁLA
VALUATION TRIBUNAL
AN tACHT LUACHÁLA, 1988
VALUATION ACT, 1988

Pierse & Fitzgibbon, Solicitors

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Offices at Lot No. 8b, Market Street, Listowel, Co. Kerry
Quantum - Comparisons recently revised of relevance

B E F O R E

Paul Butler

Barrister (Acting Chairman)

Mary Devins

Solicitor

Brian O'Farrell

Valuer

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 12TH DAY OF JANUARY, 1990

By notice of appeal dated the 27th day of July, 1989, the appellants appealed against the respondent's decision fixing the rateable valuation of £105 on the above described hereditament.

The subject property comprises a two storey office building in Market Street, Listowel. The original single storey block has been extended and enlarged on several occasions since the mid 1970s.

Mr Brian O'Flynn, valuer, on behalf of the respondent, presented a written submission dated 3rd January, 1990. In the course of his submission he gave the following details of the subject premises, viz:

The ground floor accommodation consists of a reception area with w.c. and tea room off, three rooms to the rear of the reception, strong room, two secretaries' rooms, three solicitors' rooms, principal's office and an open plan office area.

The first floor accommodation consists of a large board room to the front with two secretaries' rooms, solicitors' and file rooms immediately to rear. The mid section consists of three solicitors', conference and secretarial rooms. The rear section consists of file stores and secretarial room. The building is equipped with a stand-by generator. There is access to the building from the laneway at the rear.

Valuation History

The premises were extended in 1976 and in 1977 were listed for revision. The building had been extended from Market Street to the laneway at the rear. This was to have been a two-storey extension in which the ground floor only was completed. The valuation was fixed at £50. This was appealed against and the valuation was reduced to £45. This was further appealed to the Circuit Court. The valuation was agreed at £42 prior to the hearing. The basis of this agreement was as follows:

Front offices	88 m ² @ 25p/m ²
Rear offices & file rooms	128 m ² @ 15p/m ²
Strong room and w.cs	14 m ² @ 15p/m ²

In 1987 the property was listed for revision. As work was in progress no change was made and the local authority was advised to list the lot for revision in 1988.

Following revision, which took account of the raising of the front section to two-storey and the completion of the 1st floor offices to rear, the valuation was fixed at £105. This was appealed against. Following inspection and report of the appeal valuer the Commissioner made no change.

Oral Hearing

At the oral hearing which took place in Tralee, Co Kerry on the 11th January, 1990, Mr Richard Cooke, S.C. (instructed by Messrs Pierse & Fitzgibbon, Solicitors), appeared for the appellants. Mr Brian O'Flynn represented the respondent.

The following also gave evidence on behalf of the appellants:

Mr Patrick Kyne, Valuer of Messrs Hennigan & Co

Mr Jerome Murphy, Auctioneer, Valuer

Mr Robert Pierse, Solicitor.

Mr Kyne stated that the property is situate on the outer edge of the business sector of the town. He said that the improvements to the property consisted mainly of completion of the building on the first floor, that there was limited natural light because of the property's location and that artificial light had to be used at all times in several sections of the building.

His estimate of the overall net letting area was in the region of 4782 sq. ft. He excluded corridors, staircase and toilets. Basing his calculations on the above figure, Mr Kyne arrived at an estimated rental value of £10,500. Applying a percentage figure of .5% (which figure

seemed to be agreed between the parties) to the N.A.V., he estimated that £55 would be a fair rateable valuation for the subject property.

He stated that, in his view, the property might be expected to sell for a figure in the region of £75,000 to £100,000 and that 8% to 10% of market value would be a reasonable annual return.

Mr Jerome Murphy, Auctioneer in evidence stated that it would be difficult to get a single tenant for the entire premises and that it would prove very expensive to divide the building into multiple tenancies.

He gave evidence of two retail units adjoining the subject premises, each one 342 sq. ft. in area, one letting for £65 p.w. the other for £55 p.w. In Mr Murphy's view the subject property was not in a prime location and his estimate of market value was in the region of £75,000 to £100,000.

Under cross-examination by Mr O'Flynn, Mr Murphy agreed that the adjoining retail unit would let for £55 p.w. devalued at £8.80 approx. per sq. ft.

Mr Robert Pierse, Solicitor in evidence stated that the corridors, staircase, fire doors and open areas in the building were installed by him on the recommendations of the local fire officer. He also pointed out that in both of the retail units above referred to, the landlord was responsible for rates.

Mr Brian O'Flynn, Valuer in the Valuation Office elaborated on his written submission. He stated that the property is just on the edge of the prime business area of the town and opposite the entrance to a large car park belonging to the local mart.

He offered certain comparisons, a list of which is appended hereto as Appendix "A".

Referring to Mr Kyne's estimate of the net letting area Mr O'Flynn stated that he did not agree with the estimate and pointed out that it was the normal practice to include in the letting area corridors and other areas whose partitions were not of a permanent nature. He referred also to Mr Kyne's method of zoning different sections of the building and stated that it was not customary to zone offices in this way. In his view, in spite of the auctioneering interests of the appellants, these were essentially offices.

Findings

In relation to the initial point in dispute between the parties, viz: the correct net letting area, the Tribunal is inclined to accept the figures computed by Mr O'Flynn. While commending Mr Pierse for his responsibility towards all those working in the building by his attention to fire prevention, it nonetheless accepts Mr O'Flynn's evidence that most of the partitions in the 'disputed areas' are of a temporary nature and that the installation of fire doors and other safety measures was not in fact obligatory on the occupier.

It appears to the Tribunal that the essential difference between the parties centres on what would be an acceptable net annual value of the property. The appellants' estimate of N.A.V. is less than 50% of the respondent's estimated figure.

While taking into account the figures furnished by both parties, showing a breakdown of rateable valuation on a square metre basis, the Tribunal is influenced in particular by the provisions of the Valuation Act, 1986 and in particular Section 5 thereof. Of the comparisons offered by the parties only those which are of a similar nature to the subject property and which have been the subject of recent revision would seem to be properly considered.

The Tribunal accepts that the property is not in a prime location. It is aware, too, of the constrictions imposed on the reconstruction work by virtue of the nature of the site, i.e., narrow frontage, limited natural light and difficulty of access to rooms at rear of both ground floor and first floor.

The Tribunal notes too, that the extension to the premises since the valuation was last fixed in 1977 was mainly to the first floor area. It seems to be commonly accepted that first floor offices let for a lesser rent than those on the ground floor.

It seems clear that there is virtually no evidence of actual letting values or indeed capital values for properties of a similar nature to the subject property. This is an unusually large building and one which has been fitted out and refurbished to a very high standard.

Taking into account the drawbacks of the property, together with the fact that those offices most closely comparable to it, while considerably smaller, are undoubtedly in more favourable locations, the Tribunal is of the opinion that the R.V. should be reduced and accordingly fixes a valuation of £95.