

Appeal No. VA14/5/109

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

**Pilgrimages Abroad Ltd**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

**In Relation to the Issue of Quantum of Valuation in Respect of:**

Property No. 2204151, Office(s), 1 The Court, Bridgefoot Street, County Borough of Dublin.

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 2<sup>ND</sup> DAY OF JUNE, 2017**

**Before**

**Niall O Hanlon – BL**

**Deputy Chairperson**

**Michael Connellan Jr. – Solicitor**

**Member**

**Dolores Power – MSCSI, MRICS**

**Member**

By Notice of Appeal received on the 1<sup>st</sup> of September, 2014, the Appellant appealed against the determination of the Respondent in fixing a net annual value of €21,900 on the above described property (hereafter “the subject property”) on the grounds as set out in the Notice of Appeal as follows:

*"The valuation is incorrect as it is excessive, inequitable and bad in law as it does not comply with the Valuation Act, 2001 most notably Section 48 of the Act."*

*“A recent rental agreement for the subject, after a significant period of vacancy, supports a lower valuation. This office has unique issues which are reflected in the rent agreed and these issues need to be reflected in the valuation too.”*

Oral hearings in respect of this appeal took place in the offices of the Valuation Tribunal at Holbrook House, Holles Street, Dublin 2, on the 8<sup>th</sup> of May, 2015, and the 26<sup>th</sup> January, 2017. Ms. Siobhan Murphy MSCSI MRICS of GVA Donal O’Buachalla, appeared on behalf of the Appellant, and Mr. John Plunkett B.Sc. Estate Management, appeared on behalf of the Respondent. The relevant Valuation Date in this appeal is 7<sup>th</sup> of April, 2011.

### **The Issue Arising**

It is agreed between the parties that the issue arising in this appeal is one of quantum.

### **The subject property**

The subject property comprises First Floor Offices located at the junction of Usher Street and Bridgefoot Street, just off Ushers Quay, Dublin 8. The parties agree that the Net Internal Area is 169.02 sq. meters.

### **The Appellant’s Evidence**

Ms. Murphy contended that the property is unique in that the building, within which the subject property is contained, is in the ownership of Dublin City Council. Part of the building, at ground floor level, is boarded up, part is in use for a Youth Initiative Project, and the remaining offices in the building are vacant. The upper floor residential accommodation is used by the Council for social housing. She gave evidence that the profile of the subject property is poor. Access is via a recessed doorway, which leads to a hallway without any reception. The lift is not well maintained and regularly breaks down.

Ms. Murphy stated that the current passing rent is €95 per sq. metre. A copy of the lease, dated 14<sup>th</sup> May, 2014, was produced in evidence, showing an agreed term of 4 years 9 months with the Tenant entitled to surrender the lease on the expiration of 12 months, having first given three months’ notice, in writing, to the landlord. The subject property was vacant from the Valuation Date until it was let in 2014.

Ms. Murphy relied upon two comparisons near the subject property, Property No. 801219 and Property No. 1030929, both of which were characterised as being superior to the subject property.

Ms. Murphy contended that the Respondent had applied a ‘one size fits all’ approach to the valuation of ground and first floor offices in the rating area and that greater emphasis had been placed on uniformity than equity. She argued for the actual passing rent under the 2014 lease to be taken into account by the Tribunal, given the unique nature of the subject property.

### **The Respondent’s Evidence**

Mr. Plunkett gave evidence in relation to several “informer” properties, specifically, Property Nos. 1030929, 5003315, 854094, 2198837, 2199059, 2194374, 802074 and 800916. The Respondent derived, from an examination of these properties, a rate of €130 per square metre, which was then applied, in arriving at the Net Annual Value, contended for by the Respondent, in respect of the subject property. Mr. Plunkett then went on to give evidence of comparable properties, specifically, Property Nos. 1030930, 2169767, 801048, 2198396, 2165569 and 794951, to which the rate of €130 per square metre had been applied.

Notwithstanding; *firstly*, the fact that the building within which the subject property was located was in public ownership and differed, in this respect, from the Respondent’s informer and comparison properties; *secondly*, the profile of the building; *thirdly*, the type of mixed use (for example the mix of Social Housing Units with Offices on the upper floors); *fourthly*, the fact that the building was partly boarded up at ground floor level, and; *fifthly*, the fact that, at the Valuation Date, the subject property was vacant and was not let until May of 2014; Mr. Plunkett, when asked, stated that he was not of the opinion that the subject property came within the proviso contained at page 11 of his precis, which he had earlier adopted, and wherein he stated:

*“This collection of NERs provides the basis for deciding what is the appropriate NAV per square metre to be applied to the group of properties sharing similar characteristics, including the subject property. Following that, if there are any relevant individual considerations in relation to the subject property, relative to that group, further adjustments may be made to the subject property’s NAV.”*

## **Submissions**

Ms. Murphy asked that the Tribunal take into account the application of the same rate per square metre to all offices in the Rating Area, to consider the nature of the subject property, the length of time the subject property was vacant and to let, and the rent eventually achieved. She asked that the Tribunal consider the particular characteristics of the subject property and distinguish it from the informer and comparison properties relied upon by the Respondent.

Mr. Plunkett maintained that the subject property was not unique in its characteristics, and that the levels applied by the Respondent must not be ignored.

## **Findings**

Section 48(3) of the Valuation Act 2001 (hereafter “the Act”) provides, insofar as is relevant for the purposes of this Appeal:

*“... 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, be reasonably be expected to let from year to year, on the assumption that the probable average 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 and charges (if any) payable by or under any enactment in respect of the property, are borne by the tenant.”*

The Tribunal accepts the Appellant’s evidence that; the subject property is the only part of the building situated at 1 The Court, Bridgefoot Street, Dublin 8, in private ownership, with the remaining being entirely in the ownership of Dublin City Council; the building, in which the subject property is located, has a poor profile at ground floor, and has shared access, via a recessed doorway, with no reception area at ground floor level, and; the building has a mix of Social Housing and unoccupied offices on the upper levels.

The Tribunal finds that the Respondent has not taken into account the difficulties which would be encountered in letting this property to a willing tenant. The Tribunal further finds that the passing rent, which was not achieved until 2014, is the best evidence available as to the Net Annual Value as at the Valuation Date. In making this finding the Tribunal notes, that no

evidence was adduced, by either party, as to whether the market had improved or disimproved between the Valuation Date and May of 2014.

Accordingly, the Tribunal determines the Net Annual Value to be 169.02 sq. x €95.00 per square metre = €16,056.90, which the Tribunal rounds to €16,000.

And the Tribunal so determines.