

Appeal No. VA14/5/336

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

**AWAS Aviation Ltd**

**APPELLANT**

**And**

**Commissioner of Valuation**

**RESPONDENT**

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

Property No. 2199410, Office, Basement, 4<sup>th</sup> and 5<sup>th</sup> Floors, Block B Riverside IV, Sir John Rogerson's Quay, County Borough of Dublin.

**JUDGMENT OF THE VALUATION TRIBUNAL  
ISSUED ON THE 7<sup>TH</sup> DAY OF SEPTEMBER, 2017**

BEFORE:

**Barry Smyth - FSCSI, FRICS, MCI Arb**

**Deputy Chairperson**

**Dolores Power – MSCSI, MRICS**

**Member**

**Brian Larkin - BL**

**Member**

By Notice of Appeal received on the 4<sup>th</sup> day of September, 2014 the Appellant appealed against the determination of the Commissioner of Valuation in fixing a Net Annual Value (NAV) of €451,000 on the above described relevant property on the grounds as set out in the Notice of Appeal as follows:

*“The valuation is excessive, unfair and inequitable.*

*The valuation is incorrect based on valuation levels applied.*

*The valuation is incorrect as all relevant factors affecting the NAV have not been taken into consideration.”*

**The Tribunal** having examined the particulars of the property the subject of this appeal; having confirmed its valuation history; having examined and considered the written evidence and having heard the oral evidence on the 14<sup>th</sup> September 2015 adduced before us by Mr. Aidan Reynolds MSCSI, MRICS Savills on behalf of the Appellant, who contended for a valuation of €268,000 and Mr. Joseph Turley MSCSI, MRICS on behalf of the Respondent to the appeal,

**Determines the NAV at €402,000 (decrease)**

The reasoning being

**The Agreed Facts**

This property comprises the 4<sup>th</sup> and 5<sup>th</sup> floors and part basement of Block B Riverside IV, Sir John Rogerson's Quay, Dublin 2, a modern multi-storey office development constructed in the early 2000's in the South Docks area. The section of the overall property the subject of this appeal has frontage to, and access from, Horse Fair Road to the rear rather than the quays. The property comprises 1,016.87 sq. metres on the fourth floor and 626.22 sq. metres on the fifth floor i.e. a total of 1,643.09 sq. metres together with 78.08 sq. metres of stores at basement level, six basement car parking spaces and one surface level car parking space.

The property is held on two long leases, the fourth floor and five car spaces for 25 years from 25<sup>th</sup> June 2007, with a break option at the 24<sup>th</sup> June 2022, at €687,412 per annum and the fifth floor with two car spaces for 25 years from 2<sup>nd</sup> January 2008, with a break option at 24<sup>th</sup> June 2022, at €482,221 per annum.

The relevant valuation date is the 7<sup>th</sup> April 2011.

**The Evidence**

For the Appellant Mr. Aidan Reynolds adopted his precis as his evidence in chief and also adduced oral evidence. In his evidence he argued that the property was disadvantaged in comparison with others within the south docks area because of its location on a back road without river frontage and opposite an undeveloped site which at the valuation date had little or no prospect of development. He provided five comparisons of rents, both headline and Net Effective Rent (NER) having allowed for rent free periods or other incentives

	<b>Date</b>	<b>Headline/sqm</b>	<b>NER/sqm</b>
1. Bloodstone Building	Sept 2011	€249	€184
2. First Floor Kilmore House	Feb 2012	€242	€163
3. Fourth Floor The Observatory	Feb 2012	€242	€192
4. Fifth Floor Grand Canal Square	Oct 2010	€385	€304
5. Grand Mill Quay	Nov 2010	€280	€233

In addition, he confirmed that in each case market rent for car parking space was €2,500 per space per annum.

In relation to the tone of the list he said a pattern was emerging with the general tone of €240 per sq. metre in the IFSC and Barrow Street and €260 per sq. metre from Grand Canal Square to the western end of Sir John Rogerson's Quay at Samuel Beckett Bridge.

In his opinion, the correct level to be applied to the subject was €175 per sq. metre. He accepted the Respondent's figure of €90 per sq. metre on the storage space and €2,500 per car parking space. He then applied a discount of 15% for locational issues, particularly the lack of services,

security issues and the large number of undeveloped sites in the immediate area, giving rise to a valuation of €268,000.

Under cross examination he accepted that the subject property was within 500 metres of Samuel Beckett Bridge but stated that the majority of the commercial activity was at the western end of Sir John Rogerson's Quay. He acknowledged that the subject wasn't at the furthest end of Sir John Rogerson's Quay and that there were other developments in the immediate area but it was more sparsely developed. He felt the locality was disadvantaged in terms of services with limited bus service and no coffee shops or other general shopping facilities. He accepted that his comparison of Kilmore House was at some remove from the subject premises.

For the Respondent Mr. Joseph Turley adopted his precis as his evidence in chief and also adduced oral evidence. In his evidence he relied on five "informers" of market transactions adjusted to allow for tenant incentives and to bring the rent to April 2011 levels using a rental index and six settled or agreed NAV comparisons.

His adjusted market evidence provided rents of €225, €292, €300, €319 and €408 per sq. metre. His NAV comparisons were consistent at €260 per sq. metre.

His estimate of NAV for the subject was calculated at €260 per sq. metre on the office space, €90 per sq. metre on the stores and €2,500 per car space amounting to €451,000.

In cross examination he acknowledged that the subject accommodation has no frontage to Sir John Rogerson's Quay and therefore no river frontage. He was reluctant to accept that the location is inferior to Grand Canal Quay and Sir John Rogerson's Quay arguing that it was within a relatively short walk of these locations. He confirmed that the property had not been inspected until the Tribunal stage when he had inspected it. He confirmed that the approach to the valuation was to rely on the "informers" in the first instance and then the Tone of the List comparisons. He stated that the Valuation Tribunal decision in relation to the location and the disadvantages of the location of the State Street Bank premises was under the previous revaluation of Dublin, the then legislation. He stated that the subject was not at the furthest end of Sir John Rogerson's Quay but did accept that the properties at Grand Canal Square are better located. He acknowledged that the tenant in relation to the "informers" provided on Hanover Quay was already in possession of part of that building and that the further space was being taken on with relatively short lettings to facilitate a move already planned to a larger building and he accepted that special interest transactions should be either ignored or treated with caution. In response to a question as to why the Level 1 letting in Hanover Quay which equated to €172 per sq. metre had been ignored he said the Valuation Office had done a synopsis of the comparison and ignored outliers. He offered the view that the subject location was preferable to Barrow Street because of its convenience to Hanover Quay and Grand Canal Square. Barrow Street had no frontage or profile and was valued at an NAV of €240 but €260 was still appropriate on Horse Fair Road as it was a better location. He accepted the advantage to a tenant of river frontage because of identity of the block.

### **Tribunal Findings**

Given the evidence offered by both parties, the Tribunal is of the view that the subject property is somewhat disadvantaged because of its lack of profile despite its apparent address, by the lack of services in the immediate area and also by its proximity to a large cleared site with little prospect of development at the valuation date and the prospect of nuisance when it is eventually developed. Thus the subject property is not as well located as most of the "informers" and comparisons and should not be valued at €260 per sq. metre although there is an emerging tone

of the list of NAV at €260 per sq. metre for properties either better located or with better profile. The Appellant's proposal of €175 per sq. metre with a further reduction of 15% for locational issues appears to the Tribunal to overstate the alleged disadvantage and may even involve an element of double counting of the discount. Certainly such a level would not produce equity between ratepayers of otherwise similar properties. In the view of the Tribunal a NAV of €230 per sq. metre would reflect the particular locational disadvantages of the property and no further discount should be applied. The parties are agreed on €90 per sq. metre on the stores and €2,500 per car space.

**Valuation**

Offices level 4	1,016.87 sq.m	@ €230/sq.m	€233,880.10
Offices level 5	626.22 sq.m	@ €230/sq.m	€144,030.60
Stores	78.08 sq.m	@ €90/sq.m	€7,027.20
7 car spaces		@ €2,500/per space	€17,500
<b>Total</b>			<b>€402,437.90</b>
<b>Say</b>			<b>€402,000</b>

And the Tribunal so determines.