

Appeal No: VA17/5/205

**AN BINSE LUACHÁLA
VALUATION TRIBUNAL**

**AN tACHTANNA LUACHÁLA, 2001 - 2015
VALUATION ACTS, 2001 - 2015**

PATRICK AND PAULINE COUGHLAN

APPELLANT

AND

COMMISSIONER OF VALUATION

RESPONDENT

**In relation to the valuation of
Property No. 1445737, Office at 45ab/2 Austin Friars Street, Mullingar, County Westmeath.**

B E F O R E

Stephen J. Byrne - BL

Deputy Chairperson

Pat Riney - FRICS, FRCSI ACL Arb

Member

Frank O'Grady - MA, FSCSI, FRICS, FIABCI

Member

**JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 22ND DAY OF JUNE, 2020.**

1. THE APPEAL

1.1 By Notice of Appeal received on the 06th day of October, 2017 the Appellant appealed against the determination of the Respondent pursuant to which the net annual value '(the NAV)' of the above relevant Property was fixed in the sum of €9,390.

1.2 The sole ground of appeal as set out in the Notice of Appeal is that the determination of the valuation of the Property is not a determination that accords with that required to be achieved by section 19 (5) of the Act because : *“property unrentable to anyone other than own company & no rent being paid by company. Rates should remain at €600 (rates) not €1,695 as would be*

new value. Rates from €600 to €1,690 is unrealistic for property which is an apartment used as an office” See attached letter which provides further information.

1.3 The Appellant considers that the valuation of the Property ought to have been determined in the sum of €1,695.

2. REVALUATION HISTORY

2.1 On the 12th day of January, 2017 a copy of a valuation certificate proposed to be issued under section 24(1) of the Valuation Act 2001 (“the Act”) in relation to the Property was sent to the Appellant indicating a valuation of €10,430.

2.2 Being dissatisfied with the valuation proposed, representations were made to the valuation manager in relation to the valuation. Following consideration of those representations, the valuation of the Property was reduced to €9,390.

2.3 A Final Valuation Certificate issued on the 07th day of September, 2017 stating a valuation of €9,390.

2.4 The date by reference to which the value of the property, the subject of this appeal, was determined is the 30th day of October, 2015.

3. THE HEARING

3.1 The Appeal proceeded by way of an oral hearing held in the offices of the Valuation Tribunal at Holbrook House, Holles Street, Dublin 2, on 10th day of April, 2018. At the hearing the Appellant appeared in person and the Respondent was represented by Mr Patrick Murphy M.A (Mgm),BSc (Surv) ,MSCSI & MRICS of the Valuation Office.

3.2 In accordance with the Rules of the Tribunal, the parties had exchanged their respective reports and précis of evidence prior to the commencement of the hearing and submitted them to the Tribunal. At the oral hearing, each witness, having taken the oath, adopted his précis as his evidence-in-chief in addition to giving oral evidence.

4. FACTS

4.1 From the evidence adduced by the parties, the Tribunal finds the following facts.

4.2 The subject property comprises a ground floor office at the rear of a retail unit in a terraced two storey building with a shared access corridor to Austin Friars Street.

4.3 The floor areas have been agreed between the parties at 93.89 sq.m.

4.4 The property is owner occupied and held freehold.

5. ISSUES

5.1 The matter at issue is quantum.

5.2 The Appellant claims that the valuation is excessive and the rates bill should remain unaltered at €623.39 per annum.

5.3 The Respondent states that the NAV of €9,390 is fair and reasonable and requests the Tribunal to affirm same in accordance with the Valuation Acts.

6. RELEVANT STATUTORY PROVISIONS:

6.1 The net annual value of the Property has to be determined in accordance with the provisions of section 48 (1) of the Act which provides as follows:

“The value of a relevant property shall be determined under this Act by estimating the net annual value of the property and the amount so estimated to be the net annual value of the property shall, accordingly, be its value.”

6.2 Section 48(3) of the Act as amended by section 27 of the Valuation (Amendment) Act 2015 provides for the factors to be taken into account in calculating the net annual value:

“Subject to Section 50, 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 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 in respect of the property, are borne by the tenant.”

7. APPELLANT'S CASE

7.1 Mr. Patrick Coughlan acting on his own behalf adopted his precis as his evidence in chief stating that he purchased the building 20 years ago and refurbished it and had used it as his office since then.

7.2 He described the property as stated that it was not a self- contained, own-door office and shared an access corridor with several other apartments in the building. He also said that there was no parking attached to the property and that there were several vacant properties on the street.

7.3 Mr. Coughlan introduced a letter from DNG Duncan, estate agents indicating that the demand for this type of rear was practically non- existent and that the property was more suited to residential use.

7.4 He stated that his company had a 30 year lease on the premises at €4,000 pax. but was unable to produce same.

7.5 He contended for a rates bill of €623.39, no NAV figure was supplied.

7.6 Under cross examination he confirmed that no lease was produced and Mr. Murphy stated that it would not have been an arms- length document.

8. RESPONDENT'S CASE

8.1 Mr. Patrick Murphy for the Respondent adopted his precis as his evidence in chief and confirmed agreement with the location, description and floor areas.

8.2 To support his case 4 Key Rental transactions were introduced (Appendix 1), showing various office buildings around Mullingar rent at levels from €157 to €290 /sq.m. and valued for NAV purposes at €110 /sq.m. ground floor.

8.3 A further 3 NAV comparisons were submitted (Appendix 2) to establish that ground floors offices were valued at €110 /sq.m. in the Mullingar area.

8.4 He requested the Tribunal to affirm the NAV @ €9,390.

9. SUBMISSIONS

9.1 There were no legal submissions.

10. FINDINGS AND CONCLUSIONS

10.1 On this appeal the Tribunal has to determine the value of the Property so as to achieve, insofar as is reasonably practical, a valuation that is correct and equitable so that the valuation of the Property as determined by the Tribunal is relative to the value of other comparable properties on the valuation list in the rating authority area of Westmeath County Council.

10.2 The Tribunal has examined the particulars of the property and considered the written and oral evidence adduced by Mr. Coughlan who contended that the rates remain at €623.39 per annum and Mr. Murphy on behalf of the Respondent who sought confirmation of €9,390 as NAV.

10.3 The Tribunal is aware that under S50, of the Valuation Act, it must consider the hypothetical tenant which can include the current occupier and the fact that the rent is calculated on a year by year basis.

10.4 It is noted that no occupational lease was provided by the Appellant and the matter was contested as not arms- length by the Respondent and the Tribunal concurs with this opinion.

10.5 The information supplied by the Respondent particularly the KRTs provided little assistance to the Tribunal as they were not of similar location or style and rents varied widely. The NAV comparison indicate that a scheme of valuation has been used by the Commissioner for all offices in the administrative area.

10.6 The difficulties particular to the subject premises were noted by the Tribunal including parking, shared access and location and do not appear to have been taken into consideration in this case.

DETERMINATION:

Accordingly, for the above reasons, the Tribunal allows the appeal and decreases the valuation of the Property as stated in the valuation certificate to €8,000.

Ground Floor Offices 93.89 sq.m @ €85 /sq.m. = €7,980.65

Say NAV €8,000.00

And the Tribunal so determines.