

Appeal No. VA03/2/028

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

Lidl Ireland GmbH

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Supermarket and Car Park Lot No. 12A.B/1 Riverside Way, Midleton, County Cork

B E F O R E

Fred Devlin - FSCS.FRICS

Deputy Chairperson

Michael F. Lyng - Valuer

Member

Michael McWey - Valuer

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 15TH DAY OF APRIL, 2004

By Notice of Appeal dated the 28th July 2003, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of €487 on the above described relevant property.

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

"The RV is excessive in comparison to the levels applicable to other supermarkets in the town."

1. This appeal proceeded by way of an oral hearing held in the Offices of the Tribunal on Friday 5th December 2003. At the hearing the appellant was represented by Mr. Joseph Bardon, FSCS, FRICS of Bardon & Company and the respondent by Mr. Terence Dineen, B.Ag.Sc., a District Valuer in the Valuation Office.

2. The Property

The subject property is a recently constructed detached supermarket premises occupied by Lidl Ireland GmbH situated on the west side of Riverside Way, Midleton, Co. Cork. The building, which occupies a site area of approximately 1.75 acres, is of brick and concrete block wall construction, double glazed PVC framed windows, concrete floors and a pitched timber and slate covered roof. Internally the finishes include tile floors in the supermarket area part tiled and part painted walls and acoustic tiled ceilings. All main public services are connected to the property. Heating in the offices is by way of electric heaters whilst the supermarket area is air-conditioned.

The agreed accommodation is as follows:

Supermarket	1253sq.m.
Offices, Canteen & Toilets	32sq.m.
Plant Room	7sq.m.
Stores	263sq.m.
Canopy/Trolley Bay	60sq.m.

The surrounding site area is tarmac covered and provides 130 off-street car parking spaces.

3. Valuation History

The premises were revalued on revision in September 2003 and assessed at a rateable valuation of €487. No change was made at first appeal stage and it is against this decision that the appeal to this Tribunal lies.

4. The Appellant's Evidence

At the oral hearing Mr. Bardon having taken the oath adopted his written précis which had previously been received by the Tribunal as being his evidence-in-chief. In evidence Mr. Bardon contended for a rateable valuation of €433 calculated as set out below:

Supermarket	1253sq.m.	@	€1.52 = €7,085
Offices, Canteen & Toilets	32sq.m.	@	€34.17 = €1,093
Plant Room	7sq.m.	Nil	
Stores	263sq.m.	@	€30.76 = €8,090
Canopy/Trolley Bay	60sq.m.	@	€6.83 = €410
Net Annual Value			€86,678
But Say			€86,600
Rateable Valuation		@	0.5% = €433

In support of his valuation Mr. Bardon introduced two comparisons as set out in Appendix 1 attached to this judgment. In evidence Mr. Bardon said he considered the location of the subject property to be inferior to that of his two comparisons. He also expressed the view that the Valuation Office distinguished between the larger supermarket operators and the smaller chains to the benefit of the smaller operators. Having regard to these factors he had valued the subject property at approximately 10% below the levels of value attributed to his two comparisons.

Under cross-examination Mr. Bardon agreed that the availability of car parking adjacent to a supermarket was an important factor. He further agreed that the Tesco premises had only 30 dedicated spaces but made the point that there was ample additional off and on-street car parking facilities nearby. Mr. Bardon agreed that in rating law the subject property had to be valued on the basis of a hypothetical tenant and not necessarily the actual tenant.

5. The Respondent's Evidence

Mr. Terence Dineen, having taken the oath adopted his written précis which had previously been forwarded to the Tribunal as being his evidence-in-chief. In evidence Mr. Dineen contended for a rateable valuation of €487 calculated as set out below.

Supermarket	1253sq.m.	@	€8.34 = €85,630.02
Offices, Canteen & Toilets	32sq.m.	@	€4.67 = €1,749.44
Plant Room	7sq.m.	@	€4.17 = €239.19
Stores	263sq.m.	@	€4.17 = €8,986.71
Canopy/Trolley Bay	60sq.m.	@	13.67 = €820
Net Annual Value			€7,425.56
Rateable Valuation		@	0.5% = €487

In support of his valuation Mr. Dineen introduced four comparisons details of which are set out in Appendix 2 attached to this judgment.

In evidence Mr. Dineen said he had examined the assessments of two other supermarkets in Midleton, Tesco and Hanley's and came to the conclusion that the subject property should in equity be valued at a similar level. In his opinion the Lidl premises occupied an excellent trading location and had the benefit of generous car parking facilities which was an important factor as far as customers were concerned. The two out of town comparisons i.e. comparisons no. 3 and 4 were not, he said, being relied upon for specific valuation purposes but merely to show that the prevailing levels of value in Midleton are if anything on the low side having regard to the size and nature of the town.

Under examination Mr. Dineen defended his decision to ascribe a separate valuation to the plant room rather than to reflect it in the rate attributed to the supermarket space as Mr. Bardon had done. He accepted the fact that the plant room space was not valued separately in any of his comparisons. Mr. Dineen also defended his decision to value the trolley bay at €13.67 per square metre. Mr. Dineen said he was of the opinion that the location of the subject property from a supermarket operator's point of view was superior to the other two supermarkets in Midleton. Nonetheless he had decided to adopt the levels of value already established in the town.

Determination

The Tribunal has carefully considered all the evidence proffered and the arguments adduced by the parties and makes the following findings:

1. The only two relevant comparisons are those in respect of the other supermarkets in Midleton i.e. Tesco and Hanley's.
2. On a critical examination of the facts of these two supermarkets the Tribunal attaches most weight to the Hanley premises as it is somewhat similar in size and car parking facilities to the subject property.
3. The Tribunal agrees with Mr. Bardon that the valuation of the plant room space should be reflected in the overall rate per square metre attributed to the supermarket. The Tribunal also considers the rate per square metre attributed to the stores by Mr. Dineen is excessive as is that attached to the canopy and trolley area by both Mr. Bardon and Mr. Dineen.

Having regard to the foregoing the Tribunal determines the net annual value of the rateable property to be €4,000 calculated as set out below:

Supermarket	1253sq.m.	@	€8.34 = €5,630.02
Offices, Canteen & Toilets	32sq.m.	@	€4.67 = €1,749.44
Stores	263sq.m.	@	€7.34 = €7,190.42
Plant Room	Reflected		
Canopy/Trolley Bay	say		= <u>€300.00</u>
Total			€4,869.88
Net Annual Value	say		€4,000
Rateable Valuation		@	0.5% = €170