

Appeal No. VA07/3/008

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

O'Briens Wine Off Licence

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Shop at Lot No. Unit 4, Inish Carraig, Irishtown, Athlone, Athlone East Urban,
Athlone UD, County Westmeath

B E F O R E

Maurice Ahern - Valuer

Deputy Chairperson

Mairéad Hughes - Hotelier

Member

Damian Wallace - QFA, MIPAV, Valuer

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 26TH DAY OF OCTOBER, 2007

By Notice of Appeal dated the 3rd day of July, 2007 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of €113.00 on the above described relevant property.

The grounds of Appeal as set out in the Notice of Appeal are

"On the basis that the NAV as assessed is excessive and inequitable having regard to the relative value of the property and the established tone of the list. Rents in this location have been and continue to be modest; this must be reflected in the historic NAV's applied by the Commissioner."

The Appeal proceeded by way of an oral hearing at the offices of the Valuation Tribunal, Ormond House, Ormond Quay Upper, Dublin 7 on the 19th September, 2007. The Appellant was represented by Mr. Eamonn Halpin, B.Sc. (Surveying), ASCS, MRICS, MIAVI. Ms. Carol Spain, B.Sc. (Hons) Valuation Surveying, and C.Dip. A.F., a District Valuer in the Valuation Office, appeared on behalf of the Respondent.

Valuation History

The property was the subject of a Revision of Valuation in October, 2006 and the Valuation Certificate was issued in December, 2006 indicating a valuation of €113. An appeal was lodged and having considered the appeal the Commissioner made no change. An appeal to the Valuation Tribunal was made on 3rd July, 2007.

The Property Concerned

The premises, Unit 4, Inis Carraig, Athlone, is a ground floor retail unit of 178 sq. metres in a new mixed commercial and residential development. It is located on the corner of the development and has extensive corner frontage. The property is situated in Irishtown between the traditional retail high street area and the modern Golden Island shopping development. Internally the premises comprise a large off-licence with associated storage and cold room and a small kitchen/office to the rear of the premises.

The Appellant's Evidence

Mr. Halpin in his evidence confirmed that quantum, in view of the location of the property, is the issue at hand. He referred to the map in Ms. Spain's précis which he said gave an excellent overview of the issue. He identified the Texas Centre and said that it is very significant because immediately adjacent to the Texas Centre is Irishtown, which historically was the best shopping street in Athlone. The development of the Golden Island Shopping Centre however, has twisted the whole retail access in the town with properties immediately adjacent to Golden Island being the first to be developed. He said that it was notable that the subject property is at the extreme end of the development in the area. He added that there was very little pedestrian traffic passing the property and this is a key aspect of the case, because even though the property is located close to the Golden Island Shopping Centre, it does not benefit from any of the pedestrian traffic associated with the shopping centre. He said that while there is pedestrian traffic between Irishtown and the Golden Island Shopping Centre, it seems to use the nearer blocks and does not pass the subject property.

Mr. Halpin said that it is difficult to identify the best comparisons and he accepts that the subject property is reasonably close to the Golden Island Shopping Centre but says the units in Inis Carraig are much poorer in terms of location and it is unfair to weigh them against the units that are adjacent to the shopping centre as Ms. Spain has done in her comparisons. In support of his opinion of rateable valuation, Mr. Halpin introduced six comparisons, including three rental comparisons, details of which are set out in Appendix 1 attached to this judgment. He indicated that, while all comparisons were worthy of consideration, he felt Supermac's was a very good comparison because he believes it to be a lot more valuable than the subject and that it would be let at a much higher rental than the subject property. He said that if that is deemed to be a prime level then, even though the subject is close to it geographically it is a long way from it in valuation terms. Mr. Halpin confirmed that the reason for bringing in the rental comparisons is that they establish that the actual passing rents in 2003 are approximately €322 per sq. metre and are not dissimilar to the subject property which is let at a passing rent of €364 per sq. metre, but at a later date. Mr. Halpin put forward two different options on valuation as follows:

Estm. NAV of 1998 basis:

Shop 178.28 sq. metres @ €82 = €14,619 @ 0.5% = €73.30

Or

Zone 'A' 67.10 sq. metres @ €136.70 sq. metres	=	€9,172
Zone 'B' 67.10 sq. metres @ €68.35 sq. metres	=	€4,529
Zone 'C' 44.08 sq. metres @ €34.17 sq. metres	=	<u>€ 1,506</u>
		Total €15,208

Say €15,000 @ 0.5% = RV €75

In summary Mr. Halpin contended that;

1. The subject property is in a moderate secondary/tertiary location where commercial values are moderate and the evidence being that the unit was purchased for €550,000 and subsequently committed on a sale and leaseback arrangement at €65,000. These are moderate figures in terms of 2006.
2. The adjacent units are still vacant despite being on the market for 3 years.

3. The property can not be seen on the approach to Golden Island Shopping Centre, only on exit.
4. The level applied by the Commissioner is excessive in view of the established tone of the list.

Cross Examination

Mr. Halpin, when asked about parking, indicated that there was parking in the Industrial Estate across the road from the subject property and also the Golden Island car park was in close proximity. He also indicated that he did not feel that the blocking off of the adjacent road, which has now reopened, had a significant impact on pedestrian traffic, as it is his opinion that the pedestrian traffic uses alternative routes in any event.

Respondent's Evidence

Ms. Spain took the oath and provided the Tribunal with a review of her submission. She referred to her photographs of the subject property and indicated that these showed that it had a fairly extensive frontage and that it is a very good quality retail premises. She indicated that the valuation is based on the zoning method and referred to her comparisons and indicated that comparison 1 is geographically the closest to the subject property. Ms. Spain provided three main comparisons and a table of a further 9 comparisons (see Appendix 2 hereto). She advised that a lot of units with no profile were valued on a Zone A basis of €203 per square metre while the corner units had a loading placed on the standard Zone A rating (resulting in levels of €262.74 & €274.26 per square metre) to reflect the corner frontage. Ms. Spain indicated that she had not loaded the subject property in a similar manner due to the slightly removed location.

In summary Ms. Spain contended that;

1. The subject property is a well located, well fitted out property.
2. The comparisons she has provided demonstrate a strong tone for the area.
3. The valuation of €113 for the subject property is in line with, if not below, the tone of the list, fitting into the lower end of comparisons.

Cross Examination

Mr. Halpin asked if Ms. Spain had any comparison in that particular block to go on when valuing the property or if she took any account of passing rent. Ms. Spain said that the

comparisons used at revision were from the same area and valued in accordance with the tone of the list. Mr. Halpin asked if Ms. Spain considered the location of an entrance to the Golden Island Shopping Centre, directly across from the Milestone, a common comparison, along with parking immediately adjacent as being a major advantage. Ms. Spain confirmed that she made a small allowance for the location of the subject property in arriving at the valuation because of a perceived slight disadvantage in the location.

Findings

The Tribunal has carefully considered all of the oral and written evidence provided by the parties and the arguments adduced at the hearing and makes the following findings:

1. The subject property is of good quality, well fitted out in a modern purpose built building.
2. It is well located beside the Golden Island Shopping Centre and the Tribunal does not accept the Appellant's contention that the Shopping Centre detracts from the location of the subject property.
3. The level of €203 per square metre is at the lower end of the established tone for Zone A and this lower level NAV compensates for the perceived slight disadvantage in location.
4. The Tribunal finds both parties' comparisons helpful and prefers the common comparison (Milestone Electrical) as being the most similar to the subject property. This was valued at Zone A €228 per sq. metre and the adjustment made for the perceived disadvantage of the subject property resulting in a value of Zone A €203.20 per sq. metre is considered appropriate.

Determination

In reaching its determination the Tribunal has been required to consider only the evidence submitted and adduced. In so doing the Tribunal has made the foregoing findings and in the light of those findings determines that the valuation of the respondent is fair and reasonable. The Tribunal therefore affirms that valuation of €113.

And the Tribunal so determines.