

Appeal No. VA10/5/059

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

**Unicare Pharmacy Limited**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Property No. 294744, Pharmacy at Unit 7, Superquinn Shopping Centre, Main Street, Blanchardstown, County Dublin

**B E F O R E**

**Maurice Ahern - Valuer**

**Deputy Chairperson**

**Frank O'Donnell - B. Agr. Sc. FIAVI.**

**Member**

**Michael F. Lyng - Valuer**

**Member**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 23RD DAY OF FEBRUARY, 2011**

By Notice of Appeal dated the 25th day of August, 2010, the appellant appealed against the determination of the Commissioner of Valuation in fixing a valuation of €71,400 on the above described relevant property.

The Grounds of Appeal as set out in the Notice of Appeal are, "The valuation is excessive in comparison to the passing rents within the centre."

The appeal proceeded by way of an oral hearing in the offices of the Tribunal, Ormond House, Ormond Quay Upper, Dublin 7 on the 28<sup>th</sup> day of January, 2011. At the hearing, the appellant was represented by Mr. John Algar, Bardon & Co., 222-224 Harold's Cross Road, Harold's Cross, Dublin 6W. The respondent was represented by Mr. Neil Corkery, Bsc (Hons) Property Valuation and Management, MIAVI, a Valuer in the Valuation Office. Prior to the oral hearing, written précis and valuations were received by the Tribunal from both parties.

### **Valuation History**

The subject premises were the subject of a Revaluation as one of all rateable properties in the Fingal County Council area.

- A Valuation Certificate (proposed) was issued on 16<sup>th</sup> June, 2009. The property had a value of €83,500.
- Following representations made on behalf of the appellant by Mr. John Algar, Bardon and Co, the valuation was reduced to €71,400.
- An Appeal was lodged on 8<sup>th</sup> February, 2010.
- Following consideration of First Appeal, the valuation remained unchanged at €71,400.
- An Appeal was lodged to this Tribunal on 25<sup>th</sup> August, 2010.

### **Location**

The subject property is located within Blanchardstown Superquinn Shopping Centre. The Shopping Centre is located on the south side of Main Street in the centre of Blanchardstown Village. The centre is anchored by Superquinn supermarket and the main occupiers include Unicare, Peter Marks, Impress Dry Cleaners and Ooh La La Fashions. There is currently one vacant unit within the centre.

### **Description**

The property comprises a single-storey mid-terraced unit with double frontage. The retail area is to the front and there are staff and storage areas to the rear. The unit is constructed with concrete floor, concrete block walls, aluminium-framed windows and flat roof. Internally the unit is fitted with lino-covered floors, panelled walls and acoustic-tiled ceilings.

## Services

The usual mains services of water, drainage, electricity and telephone are supplied and connected to the centre. The unit also has an air-conditioning system in the retail area.

## Area

The agreed area is 173.21 sq. metres, measured on a Net Internal Area basis, as follows:

Block 1: Retail Zone A	62.52 sq. metres
Block 2: Retail Zone B	62.52 sq. metres
Block 3: Retail Zone C	48.17 sq. metres

## Title

The subject is held on a 25-year IRI lease from 1<sup>st</sup> July, 2000.

## Appellant's Case

Having taken the oath and adopted his précis of evidence, Mr Algar reviewed his submission to the Tribunal. Mr Algar stated that the current rent on the subject property, €80,000 per annum, was agreed at rent review on 1<sup>st</sup> July, 2005. Mr. Algar stated that the rent review was agreed between the landlord and the tenant and that the tenant did not seek advice from a firm or surveyors on this review. Mr Algar stated further that Unicare had an agreement with the landlord to exclusivity within the centre. On the basis of this arrangement, no other pharmacy would be entitled to occupy a unit within the centre. Consequently, he asserted, an inflated rent had been agreed between the parties.

Mr. Algar contended for the following valuation:

Zone A	62.52 sq. metres @ €50 per sq. metre	= €4,386
Zone B	62.52 sq. metres @ €275 per sq. metre	= €17,193
Zone C	48.17 sq. metres @ €137.50 per sq. metre	= €6,623
	Less 10% reduction for frontage – dept ratio	<u>= (€5,820)</u>
	Total NAV	€2,382
	Say	€2,300

In support of his opinion of Net Annual Value, Mr Algar put forward rental analyses in respect of 3 comparison properties, as follows:

1. Health and Harmony (now Remax), Unit 11, Superquinn Centre, Blanchardstown
2. Impress Dry Cleaners, Unit 9, Superquinn Centre, Blanchardstown
3. Ooh La La Fashions, Unit 4, Superquinn Centre, Blanchardstown

### **Cross-examination**

In relation his Comparison No. 3, Ooh La La Fashions, Mr Algar agreed with Mr. Corkery that the rent agreed on this unit in 2005 at €36,000 was more relevant than the rent agreed in 2009 at €18,000. In relation to his Comparison No. 2, Impress Dry Cleaners, Mr Algar explained that while the original rent was agreed at €47,000, this was reduced from the first day of the lease, i.e. 2<sup>nd</sup> November, 2007 to €27,600. Mr. Algar would not agree with Mr. Corkery that his Comparison No. 1, Health and Harmony, had a troubled trading history. Mr. Algar agreed with Mr. Corkery that all three of his comparisons are now on the valuation list with Zone A valuations of €750 per square metre.

### **Respondent's Case**

Mr. Neil Corkery, having taken the oath, adopted his précis as his evidence-in-chief and outlined his submission to the Tribunal.

Mr. Corkery stated that in the revaluation of properties in the Fingal County Council Rating Authority Area, valuation levels were derived from the analysis of available market rental information of comparable properties and applied to the subject property. The valuation of this property, on appeal to the Commissioner of Valuation, was determined by reference to values of comparable properties stated in the Valuation List in which the property appears.

Mr. Corkery contended for the following valuation:

Block1: Retail Zone A	62.52 sq. metres @ €750 per sq. metre	= €46,890
Block 2: Retail Zone B	62.52 sq. metres @ €375 per sq. metre	= €23,445
Block 3: Retail Remainder	48.17 sq. metres @ €187.5 per sq. metre	= €9,031
- End Allowance for frontage to dept	@ 10%	<u>-€7,936</u>
Total NAV		€1,430
Say		€1,400

In support of his opinion of net annual value, Mr. Corkery introduced 5 comparisons, three of which are located in the Superquinn Shopping Centre. Mr Corkery informed the Tribunal that the valuations on his 3 comparisons from the Superquinn Shopping Centre were agreed, following representation, at €750 per sq. metre. Of the other two comparisons, one is located in Roselawn Shopping Centre, Blanchardstown and the other is located in Brehon House, Main Street, Blanchardstown. They are also valued at €750 per sq. metre (Zone A), with passing rents in 2006 of €1,500 and €3,700 respectively.

### **Cross-examination**

In reply to Mr. Algar, Mr Corkery agreed that his Comparison No. 2, Apollo Blinds, was a much smaller unit than the subject but said that he had included it because it had been the subject of representations and that the valuation had been agreed at €750 per sq. metre. In response to questioning from Mr Algar concerning his fourth comparison, Boots Pharmacy, Mr. Corkery could not state if a premium had been paid in respect of the rental level for this unit, which had a passing rent in 2006 of €1,500. Mr Corkery agreed with Mr Algar that the rent agreed in July 2006 on his Comparison No. 5, Unicare, appears high at €3,700. However, Mr. Corkery stated that Unicare had not contested the rent review.

### **Findings**

The Tribunal has carefully considered all of the evidence and argument submitted and adduced by the parties and finds as follows:

1. The Tribunal commends both valuers for the professional and courteous manner in which they presented their evidence and conducted themselves generally throughout the course of the hearing.
2. This appeal is in respect of a revaluation carried out under Section 19 of the Valuation Act, 2001 whereby all relevant property in the Fingal Rating Authority Area was subject to revaluation. The relevant valuation date under Section 20(2) of the Act is the 30<sup>th</sup> September, 2005.
3. The area of the subject property is substantially greater than that of any of the comparison properties put forward by either party that are located in the subject shopping centre.

4. The Tribunal notes that, in their respective opinions of net annual value, both parties deducted an end allowance of 10% in respect of frontage-to-depth ratio.

### **Determination**

Based on the foregoing, the Tribunal determines that a fair and equitable valuation on the subject property is ~~€~~7,000, calculated as follows:

Zone A	62.52 sq. metres @ €700.00 p.s.m.	<del>€</del> 43,764.00
Zone B	62.52 sq. metres @ €350.00 p.s.m.	<del>€</del> 21,882.00
Zone C	48.17 sq. metres @ €175.00 p.s.m.	<u>€ 8,429.00</u>
		<del>€</del> 4,075.00
Less 10% end allowance for Frontage-to-Depth ratio:		<u>€ 7,408.00</u>
		<del>€</del> 6,667.00
Valuation Say		<del>€</del> 7,000

And the Tribunal so determines.