

Appeal No. VA11/2/031

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

Delta Adventure City Ltd

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Property No. 2207278, Playcentre at Lot No. Building 4, Unit 1, Delta Retail Park, Crossagalla (PT OF), Limerick South Rural, Limerick 1, County Limerick.

B E F O R E

Fred Devlin - FSCSI, FRICS

Deputy Chairperson

Frank O'Donnell - FRICS, B Agr Sc, MIREF

Member

Michael Connellan Jr - Solicitor

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 12TH DAY OF DECEMBER, 2011

By Notice of Appeal dated the 9th day of June, 2011 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of €90 on the above described relevant property.

The grounds of appeal are set out in the Notice of Appeal and accompanying letter copies of which are attached at Appendix 1 to this judgment.

The appeal proceeded by way of an oral hearing held in the offices of the Tribunal, Ormond House, Ormond Quay Upper, Dublin 7, on the 20th day of September, 2011. At the hearing the appellant was represented by Mr. Jerry O’Sullivan. The respondent was represented by Mr. Frank O’Connor, District Valuer, MSCS, MRICS. Both parties having taken the oath adopted their respective précis which had previously been received by the Tribunal as their evidence-in-chief. From the evidence so tendered, the following emerged as being the facts relevant and material to the appeal.

At Issue

Quantum

Description

The property concerned consists of a large end of terrace retail warehouse unit which is used at present as a children’s play centre. The ground floor includes the play area, coffee shop and WC. There is a first floor storage area of 162 sq. metres (gross internal area). The walls of the building are constructed of concrete block and steel cladding with steel cladding also on the roof. The property is 8.30m high and there is a large common car park to the front of the retail park.

Situation/Location

The property is in the Delta Retail Park in the south eastern suburbs of Limerick City off the Ballysimon Road and inside the Limerick Bypass. For rating purposes the property is within the administrative area of Limerick County Council.

Accomodation

The accommodation has been agreed by the parties as follows and was measured on Gross Internal Area (GIA) basis:-

Playcentre	2,802 sq metres
1 st Floor Stores	162 sq metres

Valuation History

The final valuation certificate was issued on the 16th May, 2011. At First Appeal stage a reduction in the rateable valuation was made due to an amendment of the building area from gross external area to gross internal area and the RV was fixed at €90. It is against this decision of the Commissioner of Valuation that this appeal to the Valuation Tribunal lies.

Appellant's Evidence.

Mr Jerry O'Sullivan for the appellants maintained the following:

1. Delta Adventure City is located in what was originally intended to be an anchor unit for the retail park but due to the secondary location of the park, efforts to secure an anchor tenant failed. The appellant then occupied the premises.
2. The useable area of the subject property is reduced due to Fire Authority requirements.
3. Three businesses have commenced in the adjoining area namely Delta Karting, Delta Soccer Dome and RollerJam.
4. The business of the subject property is in severe recession.
5. The comparisons given by the Valuation Office are unfair as they operate in different retail areas, namely home improvements, consumer electronics and high cost items.
6. The effect of inclement weather conditions on the equipment in parts of the subject property renders it impossible to open certain areas due to safety hazards.
7. The indoor go-karting area at the rear of the subject property is closed permanently.
8. Insurance for the subject property is very high due to the nature of the business.
9. The paying customers are children only and adults are non-paying yet they must be provided with facilities as they accompany the children.
10. No waiver of value has been applied to the areas only used at the weekends, or to areas occupied by staff locker rooms and employee toilets, or to areas reserved for storage of toys and seasonal decorations.

Respondent's Evidence

Mr Frank O'Connor contended for the following valuation:

Playcentre	2,802 sq. metres	x	€44.43 per sq. metre	=	€124,493
1 st Floor Stores	162 sq. metres	x	€19.00 per sq. metre	=	<u>€ 3,078</u>

Total €127,571

Allow 7.5% for quantum compared to adjoining smaller units.

NAV = €18,000

€18,000 x 0.5% = RV €90

In arriving at his opinion of rateable valuation Mr. O'Connor introduced three comparisons as listed below. (Details of the properties are set out in Appendix 2 attached to this judgment.)

Comparison 1

Soundstore, Unit 4, Delta Retail Park. Property Number 2191472.

Comparison 2

Right Price Tiles, Unit 2 Delta Retail Park. Property Number 2204850.

Comparison 3

Elm Fireplaces, Unit 3 Delta Retail Park, Property Number 2204851

All 3 comparisons are located in the same retail park as the subject property.

The respondent stated the subject property had planning permission originally for a retail unit and it is the largest property in the retail park. It now has planning permission for a children's playground/area. The respondent allowed a 7.5% reduction for quantum compared to adjoining smaller units.

In his evidence Mr. O'Connor said that in a subject the size of the property concerned a quantum allowance was justified. In his experience quantum allowances varied from 5 to 10% depending upon the size of the property being valued and the relative size of comparisons relied upon when arriving at an estimate of net annual value. In this case an amount of 7.5% was appropriate, in his opinion.

Findings

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

1. The subject property consists of a large end of terrace retail warehouse which is presently used as a children's play centre, the ground floor includes a play area, coffee shop and WC and the first floor is used as a storage area.
2. Having regard to the relative size of the property concerned and the comparisons introduced by Mr. O'Connor, the Tribunal is of the opinion that having regard to its size, location and use, an allowance of 10% would be more appropriate.

Determination

Having regard to the foregoing, the Tribunal determines the rateable valuation of the property concerned to be as follows.

Playcentre	2,802 sq. metres	x	€44.43 per sq. metres	=	€124,493
1 st Floor Stores	162 sq. metres	x	€19.00 per sq. metres	=	<u>€ 3,078</u>
Total					€127,571
Less 10%					<u>€12,757.10</u>
Total NAV					€114,813.90

$$€114,813.90 \times 0.5\% = €574.06$$

RV Say €570

And the Tribunal so determines.