

Appeal No. VA11/5/069

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

Coltard

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Property No. 526132, Car Park (Retail) at Dun Laoghaire Shopping Centre, Dun Laoghaire, County Dublin.

B E F O R E

Fred Devlin - FSCSI, FRICS

Deputy Chairperson

Aidan McNulty - Solicitor

Member

Patrick Riney - FSCSI, FRICS, ACI Arb

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 9TH DAY OF JANUARY, 2012

By Notice of Appeal dated the 11th day of July, 2011. The appellant appealed against the determination of the Commissioner of Valuation in fixing a valuation of €62,000 on the above described relevant property.

The Grounds of Appeal are set out in the Notice of Appeal, a copy which is attached at Appendix 1 to this judgment.

The oral hearing in relation to this appeal was held in the offices of the Valuation Tribunal on the 27th of October, 2011. At the hearing, the appellant was represented by Mr Michael Purcell, MRICS, MSCSI, of Jones Lang LaSalle and the respondent, the Commissioner of Valuation, by Mr Neil Corkery BSc, ASCSI, a valuer in the Valuation Office.

Prior to the commencement of the oral hearing and in accordance with the rules of the Tribunal both Valuers forwarded to the Tribunal and exchanged a précis of the evidence and valuation which they proposed to adduce at the hearing. From the evidence so tendered and additional evidence introduced at the oral hearing the following facts relevant and material to the valuation of the subject property were agreed or are so found.

The Property

The property which is the subject of this appeal is a multi-storey car park providing a total of 350 spaces over six levels. The car park is an integral part the Dún Laoghaire Shopping Centre development which was built almost 40 years ago. Access to and egress from the car park is off Marine Road, close to the junction with Georges Street Upper. Lifts and pedestrian access from the car park to the shopping centre are at all three retail levels.

Car Park Tariff

The operators of the car park operate a progressive fee regime whereby the first three hours' usage costs €2. Between 3 and 4 hours the fee is €10 and for each hour or part thereof thereafter the hourly rate is €2.50. Special rates apply for Sunday and late evening parking.

Rating History

The property concerned was valued as part of the revaluation of all relevant property in the Dún Laoghaire Rathdown rating authority area carried out in accordance with section 19 of the Valuation Act, 2001 ('the Act'). The value of each property was individually assessed in accordance with section 48 of the Act and the specified valuation date for assessment purposes was the 30th of September, 2005 under section 20 of the Act.

On the 15th of June 2010 a Valuation Certificate (proposed) was issued to the effect that it was proposed to determine the net annual value (NAV) of the property concerned in the sum of €62,500. Following the receipt of representations the valuation was left unaltered and in due course an appeal was lodged to the Commissioner of Valuation under section 30 of the

Act. Having considered the grounds of the appeal submitted by the appellant the Commissioner affirmed the valuation of €262,500. The appellant subsequently lodged an appeal against this decision by the Commissioner of Valuation to the Tribunal in accordance with section 34 of the Act.

The Appellant's Evidence

Mr Purcell having taken the oath adopted his written précis and valuation which had been received by the Tribunal and the respondent as being his evidence-in-chief.

In evidence Mr Purcell put forward the following estimate of net annual value in accordance with section 48 of the Act.

Car park 350 spaces @ €500 per space = €175,000
NAV €175,000

In support of his opinion of net annual value, Mr Purcell introduced 4 comparisons, details of which are set out in appendix 2 attached to this judgment.

In his evidence Mr Purcell said that the viability of the subject car park as a commercial venture was sensitive to the success or otherwise of the Dún Laoghaire Shopping Centre. At present he said circa 44% of the retailing space at the centre was vacant due mainly to Tesco having vacated its store at the Marine Road level. While it was hoped to find a new tenant for this anchor store in the immediate future this would have the effect of reducing the vacancy level to approximately 15%.

In relation to the car park Mr. Purcell said that it was basically unaltered since it was first opened and by comparison with other more modern multi-storey car parks in Dún Laoghaire suffered from a number of serious drawbacks which would have a bearing on its rental value such as:

- 1) The narrow entrance and exit routes.
- 2) Lack of modern traffic management systems.
- 3) Parking bays and circulation spaces restricted and barely adequate.
- 4) Low ceiling height and poor lighting.

- 5) Bare concrete finish with visible signs of damage and decay.
- 6) The introduction of wall mounted air-conditioning units which cause parking problems to users.
- 7) Inadequate signage and floor markings.
- 8) Higher than normal management and maintenance costs due to its age and condition.

In summary, Mr Purcell said the car park was in poor condition and in need of refurbishment. Furthermore, Mr Purcell emphasised the fact that the car parking charges in the centre were the lowest in Dún Laoghaire and this was directly related to the standards and quality of the space offered. Other car parks in the town charged much higher rates and this indicated that there is an appetite in Dún Laoghaire Town Centre for good quality car parking and customers are prepared to pay for a higher standard of parking accommodation.

Under cross-examination Mr Purcell said that his opinion of net annual value was well supported by his comparisons, all of which were modern and designed in accordance with current design specifications. Mr Purcell agreed that the Pavilion Centre and Bloomfields car parks were more relevant in as much as they were both in Dún Laoghaire and located close to the subject property.

The Respondent's Evidence

Mr Corkery having taken the oath adopted his précis and valuation which had previously been received by the Tribunal and the appellant as being his evidence-in-chief.

In evidence Mr Corkery said that the net annual value of the property concerned, in accordance with Section 48 of the Act, was €62, 500, calculated as set out below:

350 spaces @ €750 space = €262,500

NAV say €262,000

In support of his opinion of net annual value Mr Corkery introduced three comparisons, details of which are contained in appendix 3 attached to this judgement.

Mr. Corkery said that the valuation of the car park at the Dún Laoghaire Shopping Centre was initially assessed following an analysis of all relevant open market rental evidence. At

the section 30 appeal stage, the Commissioner of Valuation had also taken into account the valuation of other properties of a similar nature contained in the valuation list. In this regard Mr Corkery acknowledged that the valuation of the Pavilion Centre car park (comparison no. 1) was under appeal to this Tribunal and hence of little assistance. In regard to comparison no. 2 (the Bloomfields Shopping Centre car park) he said that this car park provided 540 spaces but occupied an inferior location to the Dún Laoghaire Shopping Centre.

Under cross-examination Mr Corkery agreed that the Pavilion Centre car park was let at a rent of €444,410 but said that the rent was not the result of an arm's length transaction and was more in the nature of a financial arrangement in accordance with what was a tax driven scheme. When asked if the subject property had a poor profile and restricted entrance and exit lanes, Mr Corkery did not agree and said that its presence was well known to all potential users. In any event, most of the people using the car park would be customers of the shopping centre.

Findings

The Tribunal has carefully considered all the evidence and arguments adduced and finds as follows:

- 1) For a town of its size Dún Laoghaire is well provided with multi-storey car parks, all of which are located close to the subject property. It goes without saying that most of the demand and resultant income stream for each individual car park is derived from patrons of the commercial premises within the development of which the car park forms part.
- 2) The Tribunal accepts Mr Purcell's evidence to the effect that the property concerned is somewhat dated and that the width of the car parking bays and circulation space are deficient when compared to those found in other more modern multi-storey car parks.
- 3) In most instances car park users will be less concerned about such matters than the proximity of the car park to their destination. For example, patrons of the Dún Laoghaire Shopping Centre will not choose to park elsewhere by virtue of the fact that the car parking bays, circulation space and signage are inferior to that found in other car parks. Convenience and proximity to the car parker's destination are of more import.

- 4) Of all the comparisons introduced the Tribunal attaches most weight to the valuation of the car park at Bloomfields Shopping Centre, the valuation of which was agreed at representation stage. Lesser weight is attached to those car parks outside Dún Laoghaire by virtue of their scale and the nature of the development of which they form part. No weight is accorded to the valuation of the Pavilion Centre car park as it is the subject of an appeal to the Valuation Tribunal.
- 5) In the final analysis, the Tribunal has come to the conclusion that a reduction in the rate per car parking space attributed to the Dún Laoghaire Shopping Centre is warranted to reflect the deficiencies highlighted in Mr Purcell's evidence, and which were not challenged by the respondent.

Determination

Having regard to the foregoing, the Tribunal determines the net annual value of the car park at the Dún Laoghaire Shopping Centre, in accordance of section 48 of the Act, to be as set out below:

350 spaces @ €650 per space = €227,500

NAV €227.500

And the Tribunal so determines.