

Appeal No. VA11/5/202

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

**Coltard**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Property No. 526545, Retail (Shops) at Unit 104-105 (Basement) PART OF, Dun Laoghaire Shopping Centre, Dun Laoghaire, County Dublin.

**B E F O R E**

**John F Kerr - BBS, FSCSI, FRICS, ACI Arb**

**Deputy Chairperson**

**Mairead Hughes - Hotelier**

**Member**

**James Browne - BL**

**Member**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 28TH DAY OF FEBRUARY, 2012**

By Notice of Appeal received on the 30th day of August, 2011 the appellant appealed against the determination of the Commission of Valuation in fixing a valuation of €72,200 on the above described relevant property.

The grounds of appeal as set out in the Notice of Appeal are attached at Appendix 1 to this judgment.

The appeal proceeded by way of an oral hearing held in the offices of the Valuation Tribunal, Ormond House, Ormond Quay Upper, Dublin 7 on the 3rd day of February, 2012. At the hearing the appellant was represented by Mr. Michael Purcell, MRICS MSCSI, Jones Lang LaSalle, while Ms. Triona Mc Partlan, BSc (Hons) Estate Management, a Valuer in the Valuation Office, represented the respondent.

### **The Issue**

The issue between the parties was that of quantum.

### **Valuation History**

A Valuation Certificate (proposed) was issued on the 15<sup>th</sup> June 2010 with a valuation of €80,200, and following representations by the appellant to the Commissioner of Valuation on 5<sup>th</sup> July 2010, the valuation was reduced. An appeal was lodged with the Commissioner of Valuation on 8<sup>th</sup> February 2011, and following this, no further change was made. On 30<sup>th</sup> August 2011 a Notice of Appeal was lodged with the Valuation Tribunal.

The NAV was assessed as follows:

Store (Level -2)	535 sq. metres @ €135.00 per sq. metre	=	€72,225.00
NAV (rounded to)			€72,200

### **The Property**

The subject property is a store that is located at level -2 (two levels below ground level) in the basement of Dún Laoghaire Shopping Centre in south County Dublin, constructed over 40 years ago. Other much smaller storage units ranging in size from 16 sq. metres to 64 sq. metres at this level satisfy the needs of the other retailers within the shopping centre overhead.

The subject property's irregular shaped basement storage space is for the exclusive and sole use of the main anchor tenant unit in the shopping centre. Goods are moved by lift to the overhead anchor tenant retail store. The only entry and exit route to and from the storage area is via a single ramp that leads off Marine Road to the northern side of the centre. Numerous structural columns here make for challenging manoeuvres in the circulation area for the delivery vehicle drivers that use this area daily.

**Accommodation**

The area was agreed between the parties as follows:

Store 535 sq. metres

**Tenure**

Understood to be leasehold interest, held for a term of 35 years. Rent reviewed December 2005 at a rent of €25,000pa, (including the retail area in Property Number 526462, the subject of VA/5/11/201 – Coltard).

**The Appellant's Case**

Having taken the oath, Mr. Michael Purcell adopted his written précis as his evidence-in-chief. Mr Purcell told the Tribunal that the location at level -2 of the subject property is inferior to that of the comparisons presented in his précis, and that while the centre meets all the health and safety standards, the overall storage and goods delivery area is not in keeping with today's modern standard requirements and specifications. He said that the centre was over 40 years old and in need of modernisation and upgrade throughout.

Mr. Purcell argued that because the subject was at basement level (-2) there are less options available to the overhead retail outlet to change its use from storage to retail, whereas in his comparisons this is not the case. He acknowledged that while the subject could be subdivided into smaller units, making it more attractive to rent, he believed that this action would not be commercially viable, as currently many of the other small storage units in the centre were already vacant and available to rent.

**Comparisons**

In support of his valuation Mr. Purcell introduced two comparisons. His Comparison No.1 is the basement storage units that are located within the Dún Laoghaire Shopping Centre next to the subject property. These units number about 20 and vary in size from 16 sq. metres to 64 sq. metres, whereas the subject is 535 sq. metres. An analysis of the Valuation Certificate issued for these units indicate that these are valued at €135 per sq. metre, the same level as the subject. Mr. Purcell argued that a quantum allowance should be given to the subject property to reflect the size of same.

Comparison 2 is the storage unit that is occupied by Tesco in the Rathfarnham Shopping Centre in South County Dublin. The surface level accommodation here comprises 182 sq. metres and has a level of €110 per sq. metre, and due to its location this store area could easily be converted to retail space if required. He said that this unit was much better located than the subject, and was not hindered by all of the disadvantages suffered by the subject property.

Under cross-examination, Mr. Purcell was asked to tell the Tribunal what % reduction he would allow for location and size of the subject property, and he said that he would apply a 33% reduction which would give a level of €90.

In summary, Mr. Purcell said that the anchor tenant in Dun Laoghaire Shopping Centre needed a store such as the subject size, that the respondent's comparisons were located at ground and first floor levels and that this factor allowed for potential on possible change of use of these units to retail or offices, whereas the subject property was not capable of such a change of use.

### **Respondent's Evidence**

Ms. Triona Mc Partlan, having taken the oath, adopted her written précis as her evidence-in-chief, and requested that page 10 of same be ignored. Ms. Mc Partlan outlined the valuation history of the subject property as already detailed here in this report. In support of her opinion of Net Annual Value of €72,200 she introduced three comparisons, set out below.

1. Comparison 1 (Tesco, Bloomfield, Dun Laoghaire) is located just a 5/10 minute walk away from the subject property. Opened in 1992 and significantly extended and refurbished in 2007, Bloomfield Shopping Centre has for many years been a premier shopping destination. The ground floor store unit area here measures 228.10 sq. metres and is valued for rating purposes at a level of €220 per sq. metre.
2. Comparison 2 (Dunnes Stores, Leopardstown) is also a ground floor storage unit, and this measures 458 sq. metres and is valued at €220 per sq. metre.
3. Comparison 3 is the storage unit attached to the Penneys retail store in Nutgrove Shopping Centre. This first floor unit measures 628.76 sq. metres and is valued at €120 per sq. metre.

Ms. Mc Partlan acknowledged that while the subject property lacked natural light, was valuable to the anchor tenant, could not easily be converted into either retail or office space, it nevertheless had a fair and reasonable value at €135 per sq. metre.

### **Findings**

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

1. The Tribunal notes that the respondent's comparisons 1 and 2 at Bloomfield and Leopardstown respectively are storage units situated at the same level adjacent and ancillary to anchor retailer uses, and are valued accordingly at €20 per sq. metre.
2. The Tribunal is mindful that the respondent acknowledged in hindsight that those above-mentioned comparisons may be of little assistance to the Tribunal.
3. Comparison 3 of the respondent's evidence at Nutgrove Shopping Centre was noted as being situate 3 levels higher than that of the subject property, and the parties concurred that this space offered the potential of higher alternative uses in contrast with the subject.
4. The appellant's second comparison property at Rathfarnham Shopping Centre is located outside the rating authority of the subject but its introduction into evidence was not challenged by the respondent.
5. As other comparison properties selected from within the Dun Laoghaire Rathdown rating area were addressed by the parties, the Valuation Tribunal in this circumstance has not been provided with any cogent reasons why any weight should be applied in this case on the value of the appellant's Comparison property No. 2.
6. It was noted that the basement access route to the subject relevant property is shared with goods deliveries and licensees of the smaller adjacent storage units.
7. Ingress and egress to the subject property is limited and restricted to one single ramp.

8. The Tribunal concludes that the subject storage space, notwithstanding its separate property number for rating purposes, is considered both subsidiary and ancillary to the anchor retail tenant overhead.

**Determination**

Mindful of the foregoing, together with all the evidence submitted and advanced at hearing, the Tribunal considers that a fair and reasonable valuation on the subject should be set as follows:

Store (Level -2)      535 sq. metres @ €15 per sq. metre =      €1,525

NAV Say €1,530

And the Tribunal so determines.