

Appeal No. VA12/1/023

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

Padraig Donohoe

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Property No. 1990536, Supermarket, Garage/Filling Station at Lot No. 11/U. 5 6 12 10, Corporation Lands, Belturbet Urban, Cavan, County Cavan.

B E F O R E

Niall O'Hanlon – BL

Deputy Chairperson

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

Member

Rory Hanniffy - BL

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 12TH DAY OF SEPTEMBER, 2012

By Notice of Appeal received on the 16th day of March, 2012 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of €223 on the above described property.

The grounds of appeal as set out in the notice of appeal are:

"On the basis that the RV as assessed is excessive & inequitable for this old building at this location."

"Old former boot factory with old corrugated asbestos roof. Comparison with new purpose built supermarkets is unfair without suitable allowances being applied."

The appeal proceeded by way of an oral hearing held at the offices of the Valuation Tribunal, 3rd floor, Holbrook House, Holles Street, Dublin 2 on 29th day of May, 2012. At the hearing the appellant was represented by Mr. Eamonn Halpin, BSc (Surveying) ASCS, MRICS, MIAVI, and the respondent was represented by Mr. Patrick Murphy, BSc (Valuation Surveying), MRICS, MSCSI, district valuer, Valuation Office.

Location

The property is situated in Belturbet, Co. Cavan, which is located on the N3 approximately 10 miles from Cavan town. It is located in Erne Hill Shopping Centre which is a small retail development on the outskirts of Belturbet.

Description

The subject property comprises a Centra supermarket and petrol forecourt and ancillary offices and stores. This shopping centre was established from the conversion of an old boot factory, has a corrugated asbestos roof and is of “northlight” style. The forecourt area at the front consists of two islands with four petrol pumps and eight hoses.

The Property

The supermarket is 540.38 sq. metres in size, the staff area is 39 sq. metres, one store is 70 sq. metres, another store (poor condition) is 180.96 sq. metres and offices are 70.52 sq. metres.

Tenure

The property is understood to be held freehold.

Services

All main services are connected to the premises.

Valuation History

A valuation of €223 was assessed on the property and a proposed valuation certificate issued on 23rd May, 2011. Mr. Eamonn Halpin & Co Ltd., on behalf of Mr. Pdraig Donohoe, made representations on the proposed valuation in June 2011. After consideration of representations a final valuation certificate with a RV of €223 issued on 14th July, 2011.

Mr. Eamonn Halpin & Co Ltd., on behalf of Mr. Padraig Donohoe, made an appeal to the Commissioner of Valuation on 25th August, 2011. After consideration of the appeal no change was made to the RV of €223. This decision is the subject of the current appeal to the Valuation Tribunal.

The Issue

The only issue in dispute is the quantum of the net annual value (NAV) of the property concerned, to be determined in accordance with section 49 of the Valuation Act, 2001.

The Appellant's Evidence

Mr. Halpin, having taken the oath, adopted his written précis and valuation, which had previously been received by the Tribunal and the respondent, as his evidence-in-chief. He set out a number of factors which he stated affect the NAV of the subject property. He stated that the subject property is in a converted factory and is not comparable to modern buildings. He advised that there is no dispute regarding the valuation of petrol sales. Mr. Halpin submitted the following points for consideration:

1. *“The location of the subject property is removed from the commercial centre of Belturbet and has limited footfall, although benefitting from passing trade.*
2. *Belturbet has experienced population decline since 2006, as per the 2011 census. This is in marked contrast to other medium sized villages and towns which have all grown in population. Indeed, County Cavan's population growth as a whole was 13.9% between 2006 and 2011, 5.8% above the national average.*
3. *The Commissioner has failed to take into account the overall age and quality of the building in arriving at his estimate of NAV. There is a well established tone for newly constructed, purpose built supermarkets in Cavan (@ €47.84/m²), however, the Commissioner has failed to make any adjustment to reflect the clearly inferior building and nature of the development in this case, together with its location. The subject property is a converted boot factory, with asbestos roofing, which is vastly inferior to the comparisons adopted here by the appellant and by the Commissioner at reps and appeal. Much of the balance of the original building is vacant and disused (having been vacant and to let for a number of years).*

4. *The subject unit would be unattractive to the hypothetical tenant, who would undoubtedly much prefer to be located in the main street prime area or as part of a modern shopping centre development. Equally, the hypothetical tenant would significantly reduce his rental offer given the age and condition of the structure including the asbestos roof in leasing the premises on full FRI terms.*
5. *The levels suggested by the Commissioner for the subject property are at variance with the broad tone of the list for comparable properties.*
6. *The appellants seek to have their assessment reduced to more fairly reflect their unit's relative value taking into account their actual location, type of construction and configuration, together with the level applied to other superior units as shown by the comparisons.”*

Mr. Halpin contended for a valuation of €165 calculated as follows:

Supermarket	540.38 sq. metres @ €30.25 per sq. metre	=	€ 16,346
Staff Area	39.00 sq. metres @ €27.34 per sq. metre	=	€ 1,066
Store	70.00 sq. metres @ €20.50 per sq. metre	=	€ 1,436 [sic]
Store (poor)	181.00 sq. metres @ €10.25 per sq. metre	=	€ 1,855
Office	70.50 sq. metres @ €27.34 per sq. metre	=	€ 1,927
Petrol/Diesel Sales		=	€ 11,000
			€ 33,630

@ 0.5% = €168.15

SAY RV €165

In support of his opinion of NAV Mr. Halpin put forward three comparisons as follows:

Comparison 1

Property number 2160804 - Padraig Donohoe, The Realta Centre, Ballyconnell.

NAV basis: Shop 222 sq. metres @ €30.75 per sq. metre. RV €32 (2009).

Comment: Somewhat similar small shopping centre development in the centre of Ballyconnell. Converted from a factory in the early 2000s. Superior to the subject in terms of location, scale and overall appearance. Part of a development with 6 other retail units with SuperValu as anchor. Ballyconnell: Population 1,508 in 2011, approx 11% greater than Belturbet.

Comparison 2

Property number 1990752 - John Foy, SuperValu, Cootehill.

NAV basis: Supermarket 1,473 sq metres @ €47.82 per sq. metre; store 371 sq. metres @ €20.51 per sq. metre. RV €406 (2010 Revision).

Comment: Large SuperValu with extensive prime main street frontage in the centre of Cootehill, large car park and second entrance to rear. Vastly superior location and population base to the subject. Much of the rear section is modern in nature. Balance has been fully updated to a good standard. Cootehill: Population of 2,646 in 2011 - nearly double the population of Belturbet.

Comparison 3

Property number 2188083 - Gavin's Centra, Bellanagh.

NAV basis: Supermarket 759.34 sq. metres @ €47.85 per sq. metre; store 283.93 sq. metres @ €20.51 per sq. metre. RV: €211 (2007).

Comment: Town Centre location in Bellanagh, purpose built in the mid-2000s. Superior location and construction to the subject, front and rear entrances and car park. Bellanagh: population of 1,353 - just 7 less than Belturbet.

Mr. Halpin agreed that the rate per sq. metre for modern supermarkets in the entire county of Cavan is €47.84 but argued that no allowance had been made in the subject case for the disadvantages.

When questioned by Mr. Murphy, Mr. Halpin agreed that the subject property has the benefit of passing trade.

The Respondent's Evidence

Mr. Murphy, having taken the oath, adopted his précis as his evidence-in-chief. He outlined the location, description, tenure, floor areas and valuation history of the property.

Basis of Valuation

Mr. Murphy stated that the property was valued by reference to the values of comparable properties appearing in the valuation list for the Cavan County Council area. He contented for a Rateable Valuation of €223 which he calculated as follows:

Supermarket	540.38 sq. metres	@ €47.84 per sq. metre
Staff Room	39.00 sq. metres	@ €27.34 per sq. metre
Store	70.00 sq. metres	@ €20.51 per sq. metre
Store (poor condition)	180.96 sq. metres	@ €10.25 per sq. metre

Office 70.52 sq. metres @ €47.84 per sq. metre
 Forecourt sales 243,000 gallons @ 0.05/gal NAV rounded to €11,000 as previous revision

Total € 44,582
 Total RV €223

In support of his opinion of NAV, Mr. Murphy put forward five comparisons all of which are located in the Cavan County Council area.

Comparison 1

Property Number 1990536 – (i.e. the Subject Property) - RV: €205.00

- The subject property was valued on revision in 2004.
- The only change between revision in 2004 and the current revision is that a retail unit has now been included with this valuation, hence the valuation increased from €205 to €223.
- The levels applied have not been changed from the 2004 revision.

Occupier	Location	Property Number	Floor Area	Rate per sq. metre	Valuation
Subject Property Revision 2004 (Comparison 1)	Belturbet, County Cavan	1990536	Supermarket 540.38 sq. metres	€47.84	€205.00
			Staff rooms 39 sq. metres	€27.34	
			Store 70 sq. metres	€20.51	
			Store poor 181 sq. metres	€10.25	
			Fuel sales 243,000 gal	€0.05	

Comparison 2

Property Number 2160830 - Padraig Donohoe - RV: €233.00

This property is located in Ballyconnell in Co. Cavan.

- Supermarket and filling station occupied by same occupier as subject property.
- Converted from industrial use into retail use which is the same as subject property.
- The subject property has been valued at the same level as this comparison.

Occupier	Location	Property Number	Floor Area	Rate per sq. metre	Valuation
Padraig Donohoe	Ballyconnell, Co. Cavan	2160830	Supermarket 631.99 sq. metres	€47.84	€233.00

Appeal 2012 (Comparison 2)			Offices 106.12 sq. metres	€27.34	
			Ancillary 49.50 sq. metres	€27.34	
			Stores 221.76 sq. metres	€10.25	
			WC 7 sq. metres	€20.45	
			Passage 4.24 sq. metres	€20.45	
			Petrol Throughput	€9,523	

Comparison 3

Property Number 1989343 - Parkside Stores Ltd - RV: €82.53

This property is located in Kingscourt, Co. Cavan.

- This property comprises a supermarket and store in a small retail development.
- Converted from industrial use into retail use which is the same as subject property.
- The subject property has been valued at the same level as this comparison

Occupier	Location	Property Number	Floor Area	Rate per sq. metre	Valuation
Parkside Stores Ltd Revision 1990 (Comparison 3)	Kingscourt, Co. Cavan	1989343	Supermarket 309 sq. metres	€47.84	€82.53
			Stores 84 sq. metres	€20.50	

Comparison 4

Property Number 1990752 - John Foy - RV: €406.00

This property is located in Cootehill, Co. Cavan.

- This property comprises a supermarket and store.
- The supermarket is nearly three times the size of the subject supermarket.
- The subject property has been valued at the same level as this comparison.

Occupier	Location	Property Number	Floor Area	Rate per sq. metre	Valuation
John Foy Revision 2010 (Comparison 4)	Cootehill, Co. Cavan	1990752	Supermarket 1473 sq. metres	€47.84	€406.00
			Store 371 sq. metres	€20.50	
			Store poor 187.92 sq. metres	€17.07	

Comparison 5

Property Number 2145956 - Anne Mills - RV: €30.00

This property is located in Erne Hill Shopping Centre at Belturbet, Co. Cavan.

- This property comprises a retail unit which is part of a terrace of retail units.
- The retail unit is located in the same development as the subject property.

Occupier	Location	Property Number	Floor Area	Rate per sq. metre	Valuation
Anne Mills Revision 2009 (Comparison 5)	Belturbet, Co. Cavan	2145956	Cafe/Kitchen 105.3 sq. metres	€58.10	€30.00

Mr. Murphy stated that in relation to comparison number 1, the only change since the revision of 2004 is that the office is now retail. When questioned by the Tribunal Mr. Murphy stated that all supermarkets throughout Cavan are valued at €47.84 per sq. metre whether they are new or converted, and regardless of size or location. He emphasised that the ‘tone of the list’ in Cavan is €47.84 per sq. metre.

Findings

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

1. The Tribunal accepts that the ‘tone of the list’ for supermarkets in the Cavan County Council area is €47.84 per sq. metre irrespective of size, location, or whether they are new or converted.
2. The office is a self-contained unit and is connected to the rest of the subject property by a service corridor.
3. The office should be valued at a rate of €27.34 per sq. metre, the same as that of the respondent’s comparison number 2.

Determination

Supermarket	540.38 sq. metres @ €47.84 per sq. metre =	€ 25,851.78
Staff Area	39.00 sq. metres @ €27.34 per sq. metre =	€ 1,066.26
Store	70.00 sq. metres @ €20.51 per sq. metre =	€ 1,435.70
Store (poor condition)	180.96 sq. metres @ €10.25 per sq. metre =	€ 1,854.84
Office	70.52 sq. metres @ €27.34 per sq. metre =	€ 1,928.02
Forecourt Sales		= € 11,000.00
		€ 43,136.60

RV = NAV €43,136.60 @ 0.5% = €215.68

SAY €215

And the Tribunal so determines.