

Appeal No. VA91/2/011

AN BINSE LUACHÁLA
VALUATION TRIBUNAL
AN tACHT LUACHÁLA, 1988
VALUATION ACT, 1988

Grenmay Services Limited

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Shop at Lot No. 14 (Unit 12) Dundrum Shopping Centre, Dundrum - Sweetmount, Co. Dublin

Quantum - Passing rent, no deduction for service charges.

B E F O R E

Henry Abbott

Barrister Chairman

Paul Butler

S.C.

Veronica Gates

Barrister

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 2ND DAY OF MARCH, 1992

By notice of appeal dated 19th day of July, 1991, the appellants appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £85 on the above described hereditament.

The grounds of appeal as set out in the Notice of Appeal are that the valuation is out of line with property in the location and the method of application of the present legislation is inequitable and inaccurate.

THE PROPERTY

The subject property is situated in the Dundrum Shopping Centre which was developed in 1971 and was one of the earlier Shopping Centres in Dublin. The subject property comprises a ground floor area of 725 square feet. There is a total of 16 ground floor units in the Shopping Centre, two units at a lower level and 7 separate first floor units.

WRITTEN SUBMISSIONS

A written submission dated the 3rd September, 1991 was received from Mr. Desmond J. Boyle, F.R.I.C.S., A.C.I.Arb, M.I.A.V.I., Chartered Valuation Surveyor on behalf of the appellant. In this Mr. Boyle said that at November 1988 the passing rent was £14,000. He said that in his opinion the rateable valuation of the property should be £75.00. Mr. Boyle said that there is no evidence of open market lettings on the ground floor of Dundrum Shopping Centre as at November 1988. He said that in drawing evidence from the open market lettings in Main Street, Dundrum deductions would have to be made from these open market levels to bring a semblance of parity. He said that in the Shopping Centre shops pay a service charge which in 1988 was about £4.30 per square foot. Mr. Boyle said that in his opinion a rental value at the rate of £20 per square foot applies in Main Street, Dundrum. He said that applying this to the subject property would imply a net annual value of £15,000 less £3,000 service charge giving a final net annual value of £12,000. He said that by applying a percentage of .63 as a percentage between rental values and rateable valuation he would arrive at a rateable valuation of £75.00 for the subject property. Mr. Boyle supplied comparisons as follows:

- (a) Xtra Vision, Main Street, Dundrum
- (b) Carr's Newsagency, Main Street, Dundrum
- (c) Stillorgan Shopping Centre
- (d) 9, Main Street, Dundrum.

Zone B	355 ft ² @ £16 =	£ 5,680
Balance	155 ft ² @ £8 =	<u>£ 1,240</u>
		£18,280

Mr. Hicks then made out his calculation of the rateable valuation for the subject premises as follows:

Zone A	232 ft ² @ £32	=	£ 7,424
Zone B	232 ft ² @ £16	=	£ 3,712
Balance	247 ft ² @ £8	=	<u>£ 1,976</u>
			£13,112

N.A.V. Say £13,500 & 0.63% = R.V. £85

OR

"Ashley Reeves" 1989 agreed rent £21,750 = **R.V. £115**

Subject 1989 agreed rent £16,000

Derive R.V. by direct proportion between these two rents:

$$\frac{16,000}{21,750} \times £115 = £84.60$$

Say £85

Oral Hearing

An oral hearing took place on the 11th day of September, 1991. Mr. Desmond Boyle, Chartered Surveyor gave evidence on behalf of the Appellants. Mr. Christopher Hicks, District Valuer, appeared on behalf of the Respondent.

Mr. Boyle relied on his written submission and gave details of the comparisons therein.

Mr. Hicks said that this property comprises 725 square feet. The rent passing in 1988 was £14,000 per annum. The landlord bought back the leasehold in 1984 for £30,000.

Annualizing this £30,000 capital value, Mr. Hicks took the 1984/85 "Ashley Reeves" case in which the review rent was £15,500 and the new rent was £18,500. Therefore he concluded that the annualized capital value would be approximately £3,000. If this £3,000 -£2,500 is added to the rent then £16,500 would be the N.A.V. and the R.V. £104 which is higher than the present R.V. of £85.

Determination

Having considered the evidence given by both parties in relation to the levying of a service charge on the tenants of the Dundrum Shopping Centre, the Tribunal is of the opinion that it is not appropriate to make any deduction from the rental value for the service charge.

The Tribunal has had regard to the comparisons put forward by both parties, particularly the similar units in the Shopping Centre and on Dundrum Main Street.

The Tribunal considers that the Respondent has adopted a reasonable approach in arriving at the N.A.V. and R.V. of the subject premises and feels that this is an appropriate approach.

In all circumstances, the Tribunal determines that the R.V. of the subject premises be affirmed.