

Appeal No. VA91/2/012

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

Mordor Investments Limited

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Shop at Lot No. 5/Unit 5 Dundrum Shopping Centre, Dundrum - Sweetmount, Co. Dublin
Quantum - Service charge, Unit in S.C.,

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 18th day of July, 1991, the appellants appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £115 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 875 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 £16,500. He said that in his opinion the rateable valuation of the property should be £90.00. 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 £17,500 less £3,800 service charge giving a final net annual value of £13,700. 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 £86.00 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.

Details of these comparisons are attached as appendix A to this judgment.

A written submission was received on the 26th August, 1991 from Mr. Christopher Hicks, an appeal valuer in the Valuation Office on behalf of the Respondent. In this precis Mr. Hicks said that virtually all of this Shopping Centre was appealed to the Commissioner and in valuing it he attempted to adopt a uniform approach. He said that in all cases the base date used is November 1988 and the rent/rates ratio is .63%. The factors for consideration are:

- (1) The rents fixed at the most recent review in 1985.
- (2) New lettings close to the base date
- (3) The Capital Value of the leases.
- (4) Zoning

He said that the Centre came on the market in 1971 and the basic ground floor units were let at that time for £1,590 per annum. He said that the vast majority of the current rents date from a review in 1985 at which stage the basic rent was fixed at £15,500 per annum. He said that one unit "Ashley Reeves" was let in 1984 at an agreed rent of £18,500 which he said indicated that the tenant's interest in the lease is worth an extra £3,000 per annum. He said further that this rent was reviewed in 1989 to £21,750 which he said was the most recent rental evidence and also evidence very close to the base date of November 1988. He said that all of this points to the fact that the rent for the basic unit would be no less than £20,000. He said that in calculating the rateable valuation an estimated rent of only £18,250 was used and that this must be seen as exceptionally low. Mr. Hicks devalued that rent as follows:

Overall: 865 ft² @ £21 per ft² = £18,165

OR

Zoning: _____ Zone A 355 ft² @ £32 = £11,360

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	355 ft ² @ £32	=	£11,360
Zone B	355 ft ² @ £16	=	£ 5,680
Balance	155 ft ² @ £8	=	<u>£ 1,240</u>
			£18,280
N.A.V. Say	£18,250 @ 0.63%	=	R.V. £115

Mr. Hicks offered as a comparison "Ashley Reeves" which he said was an identical unit to the above, valued in 1990 at first appeal stage at £115 rateable valuation and he said that this was not currently the subject of a revision or appeal.

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 is the basic unit, with no basement and is of a standard size.

Mr. Boyle said that the premises comprises 875 square feet and that he had estimated the N.A.V. at £17,500.

Mr. Hicks felt that his estimation of N.A.V. at £18,250 was a relatively modest valuation. He said that the details of the "Ashley Reeves" letting, which are not disputed, point to a figure of £18,250 as being a minimum that a standard unit is likely to let at. There are other units in the Shopping Centre which are valued at £115 and whose valuations are not disputed e.g. the "A-Wear" unit and the "Prescott" unit which also has a basement valued at £15. The "Bewleys" unit has been agreed and the "Boylans" unit has not been appealed.

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