

Appeal No. VA94/1/027

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

Dunnes Stores Limited

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Shop at Map Ref: 63-65, O'Connell Street, U.D.: Ennis No. 4 Urban, Co. Clare
Quantum - Comparisons, ratio

B E F O R E

Paul Butler

S.C. (Acting Chairman)

Veronica Gates

Barrister

Joe Carey

P.C. M.I.A.V.I.

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 23RD DAY OF MARCH, 1995

By Notice of Appeal dated the 6th day of May 1994 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £1,600 on the above described hereditament.

The grounds of appeal as set out in the Notice of Appeal are that:

- "(1) the valuation is excessive and inequitable
- (2) the valuation is bad in law."

The Property:

The property is a modern supermarket located in the heart of the old town of Ennis. The ground floor area including stock room of around 6,000 square feet extends to 63,000 square feet. The shop is accessible via a shopping mall and a pedestrian entrance off O'Connell Street, via Cooks Lane to the goods receiving yard and also via a completely new road at the rear. There is a car park which can accommodate 387 cars at this side. All retail areas are at ground floor level with exterior brick finish. There are suspended ceilings internally with Amtico flooring on the walkways. The heating and air conditioning are computer controlled. The shop sells hardware, drapery and groceries. There is a coffee shop on the premises.

Valuation History:

This is a new development, which involved the acquisition of a number of different lots. All old buildings were demolished to make way for the new supermarket.

Written Submissions:

A written submission was received on the 16th January 1995 from Mr. Alan McMillan A.R.I.C.S. an Associate of the Society of Chartered Surveyors and a Director of Donal O'Buachalla & Company Limited on behalf of the Appellant. In his written submission Mr. McMillan set out the background to the subject appeal, described the property including its accommodation, services and condition and set out the considerations which he felt applied to the determination of rateable valuation on the subject premises.

He said that he had assumed a ratio of N.A.V. to R.V. of 0.4% as determined and presumably applied by the Commissioner. He said that it was a modern retail facility built to a good standard of finish and decoration. He said that Ennis was a good provincial town with a population including environs of approximately 16,000 people. He said that the premises was not in a "designated area" and that the large section of the town to the east which was so designated had attracted considerable commercial development. He said that O'Connell Street was a narrow street with one way traffic only permitted. He said that the shop lacked prominence and visibility thereby reducing opportunity for passing trade. Mr. McMillan set out a number of comparisons of both rentals and net annual values in his written submission and also supplied a summary schedule of the comparisons as set out below:

PROPERTY	AREA/SQ.FT.	RATE/PSF
Lisduggan	22,620	£3.24
Athlone	19,763	£3.54
Dundalk	27,280	£4.38

Shannon	20,533	£3.00
Tralee	30,386	£5.20
Ballinasloe	19,412	£3.35
Arklow	14,208	£4.00
Newbridge	11,000	£4.50
Clonmel	12,240	£5.00
Thomond S.C.	38,000	£2.63
Parkway	26,953	£4.80
Crescent S.C.	21,336	£5.80
Crescent S.C.	13,745	£6.00
Galway	26,653	£5.10

Mr. McMillan said that his estimate of rateable valuation on the subject premises was as follows:-

	sq.ft	psf		
Retail	: 56,293 @	£3.75	=	£211,099
Stockrooms	: 5,597 @	£2.00	=	£ 11,194
Mezzanine stockrooms	: 10,113 @	£1.00	=	£ 10,113
1st Floor offices/service areas	: 3,078 @	£2.50	=	£ 7,695
External Plant rooms etc.	: 1,436 @	£1.50	=	<u>£ 2,154</u>
		N.A.V.		£242,255
	R.V. @	.4%	=	£969.00
		Say		£970.00

A written submission was received on the 13th of January 1995 from Mr. Brian O'Flynn, a District Valuer with 19 years experience in the Valuation Office. In his written submission, Mr. O'Flynn described the property and set out the considerations which he had applied in assessing the rateable valuation on the premises. He said that to determine the net annual value on the premises particular regard had been had to the rateable valuation on the Penneys/Quinnsworth supermarket in Ennis. He said that his valuation had reflected the location off O'Connell Street, in a prime retail area with excellent car parking in the development. He gave details of the valuation as follows:-

Nett Supermarket Retail ground floor:	57,340 @ £6.00	=	£344,040
Nett Stock rooms ground floor:	5,791 @ £2.00		
Gross Stock rooms first floor:	9,554 @ £2.00	=	£ 30,690
Gross Internal. Admin./Canteen:	5,952 @ £6.00	=	£ 35,712
Outside store:	2,614 @ £2.00	=	<u>£ 5,230</u>

N.A.V.	=	£415,672
@ 0.4%	=	£ 1,660 R.V.

Mr. O'Flynn also assessed the valuation on the subject premises at a ratio of R.V. to N.A.V. of 0.5%. The conversion he said of net annual value to rateable valuation based on 0.5% was as follows:-

Net annual value of £415,672 as set out above at 0.5% = £2,080 rateable valuation.

Mr. O'Flynn said that in assessing rateable valuation on the 0.5% fraction he had given proper consideration to the findings of the Valuation Tribunal in VA92/3/007 - AIB -v- Commissioner of Valuation which had determined that it was necessary to estimate a rateable valuation based on a uniform fraction. Mr. O'Flynn quoted *VA92/6/029 - MF Kent & Company* and *VA92/2/052 & VA92/2/053 - Molloy Brothers Limited* as further evidence of the views of the Tribunal that a uniform 0.5% should apply in county areas. Mr. O'Flynn gave four comparisons which are summarised below:-

Comparison No. 1

Quinnsworth & Penneys, U.D. Ennis
Lot 36.37/16 Francis Street, Ennis
Penneys Limited - Revised 1988.

Shop:	6,254 square feet @ £7.20 p.s.f.	=	£45,029
Store:	2,235 square feet @ £2.75 p.s.f.	=	£ 6,146
1st floor canteen & Office:	1,055 square feet @ £4.20 p.s.f.	=	<u>£ 4,431</u>
	Total	=	£55,606
	@ .4%	=	£220.00 R.V.

Comparison No. 2

Lot 36.37/17 Francis Street, Ennis
Quinnsworth - Revised 1989/3

Shop:	10,688 sq. ft. @ £7.20 p.s.f.	=	£76,954
Stores:	3,993 sq. ft. @ £2.75 p.s.f.	=	£10,980
1st floor Canteen & Office:	1,055 sq. ft. @ £4.20 p.s.f.	=	<u>£ 4,431</u>
			£92,365
N.A.V.:	£92,365 @ .4%	=	£365.00

Comparison No. 3

Dunnes Stores, Parkway Shopping Centre, Limerick.

Valued in three lots. The breakdown of the valuations are quoted in the written submission and are briefly summarised below:

Lot 24A

Shop: 24,968 sq. ft. @ £6.00 p.s.f.

Lot 24a

Shop: 24,699 sq. ft. @ £6.45 p.s.f.

Lot 19a.20a.21a

Shop: 9,960 sq. ft. @ £6.00 p.s.f.

Total rateable valuation £2,095

Comparison No. 4

Quinnswoth Crescent Shopping Centre, Limerick.

R.D. Limerick No. 1

Agreed with agent.

Shop:	20,990 sq. ft. @ £6.00 p.s.f.	=	£125,940
Cold store:	366 sq. ft. @ £3.00 p.s.f.	=	£ 1,098
External Cooler Building:	380 sq. ft. @ £2.00 p.s.f.	=	£ 760
Generator House:	433 sq. ft. @ £2.00 p.s.f.	=	£ 866
1st fl. gross internal:	2,212 sq. ft. @ £2.00 p.s.f.	=	£ 4,424
Standby Generator 414 hp @ 0.5p	(Allow 50%)		
			£133,088

£133,088 N.A.V. buildings @ 0.5% =£665.00

Add Generator =£ 10.00

R.V. =£675.00

Oral Hearing:

The oral hearing took place in Ennis Urban District Council, Ennis on the 25th day of January, 1995. Mr. Alan McMillan of Messrs. Donal O'Buachalla & Company Limited appeared on behalf of the appellant accompanied by Mr. Des Killen (also of Messrs. Donal O'Buachalla & Company Limited) and Mr. Brian O'Flynn, District Valuer appeared on behalf of the respondent.

It emerged from the evidence that there were three areas of dispute between the parties, namely:-

- (1) The measured area of the subject premises.
- (2) The fraction to be applied.
- (3) Quantum.

Insofar as the measured area is concerned the Tribunal proposes to compromise the figures given by each party, by taking the appellant's retail area and the respondent's measurement for the other areas.

Insofar as the fraction is concerned, Mr. Killen submitted that in three cases in Ennis the .4% fraction was applied and that the Commissioner of Valuation had carried out research which indicated a fraction of 0.4%. Mr. O'Flynn cited cases where .5% applies. The Tribunal is satisfied that the balance of evidence suggests that the appropriate fraction is 0.4%.

On quantum the Tribunal took account of the fact that Dunnes Stores is very well located, just off the centre of Ennis, which is County Clare's major town with a population of about 16,000 people including environs, to "hoover" or attract business from adjacent smaller towns. The premises is a purpose built modern supermarket and is constructed to a high specification illustrated by the reported cost of about £80.00 per square foot for construction and with adjacent car parking for 387 cars. Mr. McMillan presented the Tribunal with a wide range of comparative, notional supermarket rents from Munster and other southern locations which were of assistance to the Tribunal. Mr. O'Flynn referred to the notional rents obtaining in the other two supermarkets in town and to net annual values applicable in comparative supermarkets in Limerick which were noted by the Tribunal.

Taking all of the evidence into consideration and bearing in mind the large area of the subject property the Tribunal concludes that a fair net annual value of the subject premises is £342,500. Applying the fraction of 0.4% the Tribunal, therefore, determines rateable valuation at £1,370.

