

Appeal No. VA95/1/010

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

**Adam F. Torrie Limited t/a L. & N.**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Supermarket at Map Ref: 9A/Unit 18, Townland: Killelland, Ashbourne Town Centre,  
ED: Donaghmore, RD: Dunshaughlin, Co. Meath  
Quantum - Method of valuation , unit in S.C.

**B E F O R E**

**Henry Abbott**

**S.C. Chairman**

**Veronica Gates**

**Barrister**

**Fred Devlin**

**FRICS.ACI Arb.**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 6TH DAY OF DECEMBER, 1995**

By Notice of Appeal dated the 10th day of April 1995 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £400 on the above described hereditament.

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

"the rateable valuation as assessed by the Commissioner of Valuation is excessive and inequitable by comparison with other similar hereditaments."

**The Property:**

The property comprises a large supermarket situated at the main entrance to Ashbourne Town Shopping Centre. It is the anchor shop for the centre. The entire centre including the subject was newly constructed in 1991.

**Recent Valuation History:**

In 1992 first valued (completely new building). RV fixed at £400. There was no change made to this figure at first appeal.

**Written Submissions:**

A written submission was received on the 24th October 1995 from Mr. Frank O'Donnell, Principal of Frank O'Donnell & Company, Valuation Rating & Property Consultants on behalf of the appellant.

In the written submission, Mr. O'Donnell described the premises as a relatively small supermarket designed to specifically cater for the local customer. He said that the areas were agreed as follows:-

<i>Description</i>	<i>Area</i>
Supermarket	12,323 sq.ft.
Store (ground floor)	2,247 sq.ft.
First floor (incl. canteen, stores etc.)	448 sq.ft.

Mr. O'Donnell set out his calculation of the net annual value and rateable valuation as follows:-

<b>Description</b>	<b>Area</b>	<b>Rate psf</b>	<b>Net Annual Value</b>
Supermarket	12,323 sq.ft.	£4.40	£54,221.20
Store (ground floor)	2,247 sq.ft.	£2.50	£ 5,617.50
First floor	448 sq.ft.	£1.00	<u>£ 448.00</u>
			<u>£60,286.70</u>
RV 0.5%	£301.43	Say	<b>£300.00.</b>

Mr. O'Donnell set out a table of comparisons in his submissions which are appended to this judgment as Appendix 1.

A written submission was received on the 26th day of October 1995 from Mr. Patrick McMorrow, B.Agr.Sc.(Econ), Dip. Planning and Development Econ., a Valuer in the Valuation Office on behalf of the respondent.

In his written submission, he described the premises and its valuation history as set out above. Mr. McMorrow set out his calculation of the rateable valuation as follows:-

***Basis of rateable valuation***

***Method A.***

**Ground floor:**

Supermarket	12,367 sq.ft. @ £5.50psf
Stores	2,247 sq.ft. @ £2.50psf
Service yard	7,400 sq.ft.

**First floor:**

Canteen/office/etc	2,247 sq.ft. (gross) @ £2.75psf ( 448 sq.ft. (nett))
<b>Total</b>	<b>£79,815.00.</b>

***Method B Contractor's Test***

1990/91 Site Acquisition cost	£100,000
Add for acquisition costs say 10%	
adjusted to 1988 say 95%	= £105,000
1991 construction cost c.	£900,000
adjusted to 1988 say 95%	= <u>£855,000</u>
Total cost adjusted to 1988	= £960,000

NAV, using a composite capitalisation rate of 10% = £96,000  
(which would be considered low in these circumstances).

*Conclusion:* Taking A & B above, NAV £80,000 is considered reasonable.

NAV £80,000 @ 0.5% = RV £400.00.

Mr. McMorrow gave details of a number of comparisons in his written submission. Mr. McMorrow summarised these in a table of comparative evidence appended to this judgment as Appendix 2.

**Oral Hearing:**

The oral hearing took place in Dublin on the 13th day of November 1995. Mr. Martin O'Donnell appeared on behalf of the appellant and Mr. Patrick McMorrow appeared on behalf of the respondent.

Mr. O'Donnell spoke to his written submission and highlighted the fact that the Ashbourne Town Centre was built to serve the local community. Whilst it was the only supermarket in the town it was nonetheless in competition with other well established shopping centres within a relatively short distance such as Finglas, Swords and the Omni Shopping Centre at Santry. He also made the point that Ashbourne was mainly residential in character and lacked identity.

Mr. O'Donnell referred to the comparisons submitted by the Valuation Office and with the exception of the supermarket in Swords considered these to be of little assistance to the Tribunal. In relation to the Swords supermarket the information provided by the Valuation Office was incorrect and in his opinion the total area was in the order of 39,763 sq.ft. as against the 34,193 sq.ft. as stated by the Valuation Office.

In regard to Mr. McMorrow's valuation of the subject property, Mr. O'Donnell considered that only that portion of the first floor space capable of beneficial occupation should be valued.

Having regard to all the factors he was of the opinion that the appropriate rateable valuation was £300 and that the comparables he submitted supported this figure.

Mr. McMorrow in his opening statement referred to his written submission in some detail. In regard to the first floor space he agreed that only a small area was used as offices and canteen. The remainder of the space was used for housing a compressor and other building services.

With reference to the supermarket in the Swords Shopping Centre he could not reconcile his information with that provided by Mr. O'Donnell. However, whatever the difference the area of the supermarket itself at something in excess of 25,000 sq.ft. was not in dispute.

In a detailed examination of Mr. O'Donnell's comparisons Mr. McMorrow stated that with the exception of the supermarket in Swords they were of little assistance to the Tribunal in that they had been valued prior to the introduction of the 1986 Valuation Act. He also made the point that they were located in areas remote from Ashbourne. Mr. McMorrow submitted that turnover was of little assistance in determining net annual value.

In his closing submission, Mr. McMorrow stated that Ashbourne was a commuter based community with a growing population. The supermarket in Swords and the shopping centre generally was much larger and served a larger population but it was nonetheless a useful comparison. Dunnes Stores supermarket in Portmarnock was also relevant and he drew attention to the fact that the rents of the unit shops at this supermarket were similar to the rents paid in the Ashbourne Town Centre.

Mr. O'Donnell in his concluding remarks contended that the population growth at Ashbourne may have peaked. In his opinion this was borne out by the fact that none of the larger supermarket operators considered it a suitable location. In his opinion the evidence regarding the supermarket in Swords was of limited assistance as it was located in a much larger town which provided a wide range of other facilities and served a larger catchment area.

**Determination:**

Over the past twenty years Ashbourne has become a dormitory town for Dublin city and this development is likely to continue into the future.

The Ashbourne Shopping Centre by its very nature is a neighbourhood centre and draws its custom from the town and the surrounding rural area. By virtue of its size and tenant mix, the catchment area for the Town Centre development is quite limited.

Mr. McMorrow in his submission, submitted a second valuation based on the contractor's method. The Tribunal does not consider this method of valuation to be appropriate for determining the net annual value of this property. Similarly the evidence in relation to turnover is not considered relevant in this instance either.

The evidence in relation to the first floor accommodation is somewhat at variance. Whilst both valuers have agreed that the area is 2,247 sq.ft., Mr. O'Donnell contended that only 448 sq.ft. of this accommodation is capable of beneficial use. The rest of the accommodation he

said was given over to service facilities and such like and indeed Mr. McMorrow did not disagree with this contention.

Both valuers in their lists of comparisons submitted details of the J.C. Supermarket in Swords but differed on the degree of its relevance to this appeal. The Tribunal in arriving at its decision attached considerable weight to Mr. McMorrow's evidence in regard to this property even allowing for the size and locational differences. Support is drawn from the evidence in regard to the Dunnes Stores supermarket at Portmarnock.

Having regard to all the evidence adduced and arguments advanced by the valuers, the Tribunal determines the rateable valuation of £350 to be calculated as follows:-

***Ground floor***

Supermarket	12,367 sq.ft. @ £5	=	£61,835
Stores	2,247 sq.ft. @ £2.50	=	£ 5,617

***First floor***

Canteen	448sq.ft. @ £2.50	=	£ 1,120
Remainder	1,799 sq.ft. say	=	<u>£ 1,500</u>
	Net annual value	=	<u>£70,072</u>
	Say	=	£70,000
	Rateable valuation	=	<b>£350.00.</b>