

Appeal No. VA95/3/004

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

**Wilton Securities Management**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Offices and stores at Map Ref: 48, Wilton Shopping Centre, Ward: Bishopstown, County  
Borough of Cork

Quantum - Offices in S.C. adjacent to toilets

**B E F O R E**

**Mary Devins**

**Solicitor (Acting Chairman)**

**Brid Mimmagh**

**Solicitor**

**Marie Connellan**

**Solicitor**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 14TH DAY OF MAY, 1996**

By Notice of Appeal dated the 23rd day of August 1995 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £60 on the above described hereditament.

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

"The notional rental assessed by the Valuation Office does not have any justification based on market criteria or based on the trading history of the complex. The assessment is excessive and inequitable."

### **The Property:**

The property comprises the management offices of the Wilton Shopping Centre. Wilton is the premier peripheral shopping centre in Cork city built in 1979 and first valued in 1980. The main competing shopping centres are Douglas Court (1979) and Douglas Village (1972) which latter was substantially upgraded in 1993. Other centres are Merchant's Quay in the city centre and Ballyvolane (much smaller) on the North side. A recent competitor is Dunnes Stores, Bishopstown, which as yet does not have units attached. The centre is located at an important junction in Bishopstown Ward on the south-western side of the city, across from Cork Regional Hospital. It has two anchor tenants, one at each end of the shopping centre. The standard unit when the centre opened was 950 sq.ft. approximately and this remains the situation for units 1 to 11. However, those units linking the two long malls (units 15 to 24) are now generally subdivided.

Since the centre opened changes have been minimal. Some new units were created. The Bank of Ireland moved out of the centre proper into a free standing building near the eastern entrance. A garden centre was put in the car park, access from Wilton Road was changed, toilets and offices were relocated, creating two new units, entrances were highlighted with large illuminated signs. In Wilton customer numbers are 75,000 per week while in Douglas and Douglas Court numbers are 50,000 to 55,000. The car park surrounding the centre has 725 spaces. All units in the centre except for the management offices, are held on lease, usually 35/5 FRI from 1/10/1979 - for shell units. To date the oldest units have been reviewed on three occasions, 1984, 1989 and 1994. The 1984 and 1989 rent reviews went to an expert for determination. The results were:

1984 result + 80% on 1979

1989 result + 80% on 1984

1994 result + 6% on 1989 ( by agreement).

### **Valuation History:**

The entire centre was revised in 1994/4 revision and was also issued on the 10/11/1994. The revision was done on the arithmetical basis of 25% off passing rents to allow for rates correction factor and reduction to November 1988 levels.

#### ***1994/4 First Appeal***

There were 51 appeals with eight units not appealing. There were generalised reductions on appeal on two bases:

1. initially within-centre adjustments were made to RV's (reductions only) where units of similar size were too disparately valued.
2. secondly an across the board reduction of 5% was made to these adjusted figures.

From the 51 first appeals 14 units have advanced to Tribunal stage.

### **Written Submissions:**

A written submission was received on the 11th day of March 1996 from Mr. Frank P. Ryan, Chartered Surveyor of Colliers Jackson Stops on behalf of the appellant.

In his written submission, Mr. Ryan described the subject premises as comprising the manager's offices consisting of 896 sq.ft., office and staff rooms with 238 sq.ft. of stores. Mr. Ryan said that the premises were not rented but that the rateable valuation as assessed by the Valuation Office at £60 was equivalent to a rental as of November 1988 of £9,500. He said that this analysed at £9.35 psf for offices and £4.68 psf for stores. Mr. Ryan said that these rooms were located at the end of a fire exit hall and that you must pass the toilet lobby to access same. Mr. Ryan proposed the following rental based on the location of the premises:

Offices            £4.00 psf

Stores            £3.00 psf

Giving a rental value of £4,298 and a rateable valuation of £27.

A written submission was received on the 27th day of February 1996 from Mr. Terry Dineen, District Valuer with twenty years rating experience in the Cork area on behalf of the respondent.

In his written submission, Mr. Dineen described the shopping centre and its valuation history. He said that the subject premises had a rateable valuation of £60 before the 1994 revision. On revision the £60 RV was reduced to £37 but on appeal the £60 was restored. Mr. Dineen valued the subject premises as follows.

### ***Valuation***

Internal offices:	896 sq.ft. @ £10	=	£8,960
External store:	238 sq.ft. @ £ 3	=	<u>£ 714</u>

NAV		<u>£9,674</u>
RV @ 0.63%	=	£60.94
Say	=	£60.00.

Mr. Dineen offered as comparisons the following premises.

**1. Bank of Ireland**

NAV fixed at November 1988 as follows:

£15.00 psf for 4,132 sq.ft.

Basement at £4.00 psf for 3,071 sq.ft.

**2. Irish Permanent**

240 sq.ft. off the same passage rented for £4,000 or £16.60 psf in 1984.

Rented as a video shop for £5,200 or £21.66 psf between 1987 and Sept. 1989.

**3. The area adjoining the subject unit 6a, part of full unit 6.6a**

**4. Unit 37.38.39 (HCR)**

This unit of 707 sq.ft. was rented for £8,840 in October 1989 or £12.50 psf.

**Oral Hearing:**

The oral hearing took place in Cork on the 20th day of March 1996. Mr. Frank Ryan, Chartered Surveyor of Colliers Jackson Stops appeared on behalf of the appellant and Mr. Terry Dineen appeared for the respondent.

Having taken the oath, Mr. Ryan admitted his written submissions to evidence and explained that the subject premises was an administration office which was used as a central office for the shopping centre. There was no lease in existence and no contract existed in regard to any rent passing.

Mr. Ryan had no argument with the respondent's suggestion of £9,500 per annum as an assumed market rent and felt that this was reasonable in normal circumstances. However, he was not convinced that the Valuation Office had taken into account the presence of toilets adjacent to the offices in determining the rental value of this particular premises.

Because of the proximity of the public toilets servicing the shopping centre to the subject premises Mr. Ryan was unable to offer any comparisons. However, he was of the view that

the offices should be valued at £4 per square foot and would agree with the respondent's submission of £3 per square foot for the stores.

Mr. Dineen, having taken the oath, also submitted his written submissions to evidence. He explained that since 1994 the subject premises had been "reconstituted" within the store. He explained that following this "reconstitution", the rateable valuation was reduced to £37 but on appeal was again increased to £60. In clarifying this matter, Mr. Dineen explained that the basis of the £37 reflected an office valuation of £6 per square foot but that the area involved was incorrect and the store had not been included..

His contention was that the ratio of £10 per square foot for office and £3 per square foot for stores was not unusual. In regard to Mr. Ryan's contention that the offices were adjacent to the toilets and so devalued in rental value, Mr. Dineen submitted that before the "reconstitution" the toilets were beside units which were let freely on the open market. He also contended that the offices corresponded closely to the Bank of Ireland premises vis-à-vis location. Mr. Dineen was of the view that the toilets referred to were not "public toilets" in the usual sense as they were supervised and well kept by the management of the shopping centre. He also indicated that there was an optional outside entrance to the subject premises as well as along the passageway which housed the toilet area.

In regard to his comparisons, Mr. Dineen felt that his first comparison of the Bank of Ireland was his best and this reflected a valuation of £15 per square foot for office space and £4 per square foot for basement space.

It was accepted that his second comparison of the Irish Permanent was part of a "reconstituted" premises within the centre. On cross-examination by Mr. Ryan, Mr. Dineen accepted that Bank of Ireland is a free standing building. He also accepted that at the time of the valuation of the Irish Permanent there were no toilets near it. In regard to his comparisons 3 and 4 they being two shop units, he accepted that they have been extended.

In summary, Mr. Dineen contested Mr. Ryan's figure of £4 per square foot for office space as quite unreasonable in the circumstances and said that there was actual storage space in the centre which had been valued at up to £12 per square foot.

**Determination:**

In its determination the Tribunal considered the written submissions of the parties together with the oral evidence offered at the hearing. While it is accepted that most, if not all of the units within the centre were valued on the basis of the rental evidence available, this premises does not reflect any rent whatsoever. However, the Tribunal considers that it must accept the contention of both parties, that there should be consistency in valuation within the centre to reflect fairness and equity and indeed the "Tone of the list".

The Tribunal acknowledges Mr. Ryan's contention that the subject premises is adjacent to public toilets but accepts Mr. Dineen's contention that the toilets herein are well supervised and well cared for by the centre's management and thus would not decrease the value of the subject premises to any major extent. It has also taken into account the evidence offered of some storage space within the centre attracting up to £12 per square foot rental. All of the evidence offered suggests that the subject premises is a management office servicing a very well established and successful shopping centre and also that there has been general consistency in regard to the valuation of all the units within the centre. Consequently, the Tribunal affirms the decision of the Commissioner.