

Appeal No. VA95/3/007

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

**EBS Building Society (Wilton Securities Management)**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Offices at Map Ref: 44, Wilton Shopping Centre, Ward: Bishopstown, County Borough of Cork

Quantum - Passing rent, unit in S.C.

**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 £93 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 unit 44, occupied by EBS Building Society, in Wilton Shopping Centre. 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.

Mr. Ryan said that the subject comprised 628 sq.ft. He said that the shop was divided into 3 units. He said that the RV assessed by the Valuation Office at £93 was equivalent to a deemed rental at November 1988 of £14,700 or £23.40 psf. Mr. Ryan said that the fringe units such as the subject, are the weakest sector of the centre and that the traders had relocated from these units to others in the core of the centre. Mr. Ryan said that based on negotiated settlements with the Valuation Office the following pattern of rentals emerged:

Units 475 sq.ft. = £25.26 psf

Units 950 sq.ft. = £19.78 psf.

Mr. Ryan said that he proposed a rental of £19 psf or RV £75 on the subject premises.

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.

Mr. Dineen said that the subject premises is virtually a twin of unit 43 (subject of VA95/3/012). The 1984 rent for each was £10,500. The unit was split in three at 1989 review, the aggregate rent being £22,500, slightly higher than unit 43 (£20,742). The difference was £1,758 or 8.5%. Mr. Dineen said that this was the only unit with a 1988 rent.

Mr. Dineen said that the 1989 rent passing on the subject premises was £22,500 on revision 25% was deducted giving a passing rent of £16,875 (RV £106). However, in line with unit 43, an RV of £98 was assessed implying an NAV allowance of £1,300. Mr. Dineen calculated the RV as follows:

**Valuation**

Opening NAV at appeal	£15,500
Allow 'standard' 5% deduction	<u>£ 775</u>
	<u>£14,725</u>
RV £14,725 x 0.63%	£ 92.76

Say £93 RV.

**NOTE:**

1. This unit was treated broadly as other units in the centre, specifically unit 43.
2. The January 1988 rent is 32% higher than the November 1988 NAV.
3. The actual 1989 rent (aggregate) is 53% higher than 1988 NAV.
4. The 1988 evidence of rent is significant and this significance extends to the other units in the centre currently at Tribunal Appeal.

Mr. Dineen in conclusion said that the assessment of net annual value was based on information arising from within the centre. The 1989 rents passing were the starting points in these calculations - being the closest in time to 1988.

**Oral Hearing:**

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

Mr. Dineen gave evidence in relation to the rental value of the subject as of 1988. He pointed out that the 1989 passing rent had been the starting point for the computation and that he had made extremely generous deductions in order to arrive at his assessment of 1988 rent. He confirmed that he had not allowed for any differential by reason of a unit's location within the centre and pointed out that while rateable valuations might not always be based on rent passing in this shopping centre the rateable valuation should be so based because of the wealth of evidence in relation to passing rents. Mr. Dineen submitted that the pattern of rents within the centre must have made sense to the arbitrator at rent review and concluded by saying that all conceivable allowances had already been made by him in assessing the rateable valuation of the subject.

Mr. Ryan referred to his written submission and submitted that allowances should be made in respect of different units within the centre by reason of location, size, frontage and pedestrian circulation.

Mr. Ryan agreed that the rents achieved at the rent reviews of 1989 were unusually successful but he submitted that it was his intention to bring consistency to the rateable valuations of units of similar trading strength.

**Determination:**

The Tribunal accepts Mr. Dineen's evidence in relation to rental values, not only of the subject premises but of the entire centre.

It notes that of 51 appeals within the centre 36 were agreed at first appeal, presumably on the basis of rental evidence.

The Tribunal accepts Mr. Dineen's submission that if one is to use rental evidence for the majority of units within a shopping centre the rateable valuation of the remaining few units should also be decided on the same basis. While it does appear that certain extraneous factors may have affected the 1989 rent review nonetheless the evidence has been that the Wilton

Shopping Centre is well established and has proved to be successful. In the circumstances therefore, and in light of all of the evidence adduced the Tribunal affirms the decision of the Commissioner.