

Appeal No. VA95/4/025

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

Dunnes Stores

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Supermarket at Lot No: 1E, Townland: Garranedarragh, ED: Inishkenny, RD: Cork Lower,
Co. Cork
Quantum

B E F O R E
Liam McKechnie

S.C. Chairman

Joe Carey

PC.DDSc.DBAdm. MIAVI.

Rita Tynan

Solicitor

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 20TH DAY OF JANUARY, 1997

By Notice of Appeal dated the 5th day of October 1995 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £1,500 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."

1. The appeal proceeded by way of an oral hearing which took place on the 11th day of September 1996 at the Courthouse, Angelsea Street, Cork. The appellant was represented by Mr. Des Killen FRICS, FSCS, IRRV, a Fellow of the Society of Chartered Surveyors in the Republic of Ireland and a Director of Donal O'Buachalla & Company Limited. The respondent was represented by Mr. Peter Conroy, a District Valuer in the Valuation Office. Having taken the oath both Valuers adopted as their evidence in chief the respective written submissions which had previously been exchanged by them and submitted to the Tribunal.

The Property:

2. It was agreed between the parties that the property comprises a large purpose built supermarket with no inherent disadvantages located in the Bishopstown area with access at the new Bandon Road roundabout. There are car parking facilities for 560 cars.

The accommodation agreed between the parties is as follows:

Ground floor

Retail	3,905 m ²	42,035 sq.ft.
Stock Rooms	563 m ²	6,056 sq.ft.

First floor

Stock Rooms	612 m ²	6,587 sq.ft.
Staff Rooms (incl. toilets, passages & stairs)	533 m ²	5,734 sq.ft.

Valuation History:

3. The property was first valued in 1995 at £1,500 with no change at first appeal stage.
4. **Mr. Killen** pointed out that the subject retail unit had to compete with the Wilton Shopping Centre, which is regarded as the premier shopping centre on the perimeter of Cork city. Also, the Wilton Shopping Centre, had the advantage of being in the centre of a densely populated area, whereas the subject property, which is located close to the Bandon Road roundabout on the Southern Ring Road, enjoyed little or no pedestrian trade as it was remote from the housing estates. Therefore, Mr. Killen held that the subject property was more similar to the Dunnes Stores at Ballyvolane which has an agreed net annual value of £4.75 psf rather than to either Quinnsnorth or Roches

Stores in the Wilton Shopping Centre, both of which have agreed net annual values of £5.25 psf, or Quinnsworth in Douglas village, which has an agreed net annual value of £5.25 psf. Mr. Killen said that recent statistics indicated that Wilton Shopping Centre attracted 75,000 shoppers per week and Douglas Shopping Centre attracted 50,000 shoppers per week which ensured an excellent retail trade at those centres. Moreover, he held that Wilton Shopping Centre had 725 car parking spaces and Douglas Shopping Centre had 825 car parking spaces to facilitate shoppers, while the subject property had only 560 car parking spaces.

Taking his written submission and the above points into account, Mr. Killen submitted that a fair rent of the retail area was £4.75 psf on the subject property, £2.75 psf for the stock room and £2.50 psf for the stock room and staff room on the first floor.

5. **Mr. Conroy** for the respondent did not agree that the subject property was in an isolated location as in his opinion it was situated strategically on the Southern Link Road, at a major roundabout and beside Bishopstown. In Mr. Conroy's opinion, the subject property which is newly built and only recently opened, would command higher rental values than both Roches Stores and Quinnsworth at the Wilton Shopping Centre or Quinnsworth at the Douglas Shopping Centre, which are now 20 years old and have "peaked". This view, he held, was substantiated by the fact that in recent rent reviews at Wilton Shopping Centre, only 6% increases were achieved. He also pointed out that the car parking at Wilton Shopping Centre was being used by motorists who were attending the hospital or other businesses nearby and not shopping in the shopping centre. In his view the correct net annual value on the subject premises was £5.75 on the retail area, £3.50 on the stock room and £3 for the stock room and staff room on the first floor.

6. Mr. Killen made the point that the subject hereditament is a "stand alone" supermarket and not a shopping centre per se, as Dunnes Stores are the sole occupants and traders therein. Both valuers assisted the Tribunal with information on various comparative properties and agreed valuations, but it was generally felt that the comparisons from Limerick, were less applicable than those from the Cork area. With the conflicting information available it was not possible for the Tribunal to establish the exact cost of purchasing the site and building the subject premises at Bishopstown.

Findings:

7. Having considered both the written and oral evidence and taking into account the fact that the total floor area of the subject property was much greater than any of the comparative premises, and also in a "stand alone" situation, nevertheless the opinion of the Tribunal was that the subject hereditament had future upward potential, not yet realised. In the Tribunal's opinion the net annual value should be as follows:-

Retail	42,035 sq.ft. @ £5.25 psf = £220,683.75
Stock Room	6,056 sq.ft. @ £3.50 psf = £ 21,196

First floor

Stockroom	6,587 sq.ft. @ £3.00 psf = £ 19,761
Staff rooms (incl. toilets, passageways & stairs)	5,734 sq.ft. @ £2.50 psf = £ 14,335
Total NAV = £275,975.75	
RV @ 0.5% = £1,379.87. Say £1,380.	

The Tribunal therefore determines the rateable valuation on the subject hereditament to be £1,380.