

Appeal No. VA97/4/040

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

McHugh Concerns Ltd.

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Supermarket at Map Ref: 1B/1, Townland: Limekiln Farm, Templeogue Limekiln, South
Dublin, Co. Dublin
Quantum

B E F O R E

Con Guiney - Barrister at Law

Deputy Chairman

Marie Connellan - Solicitor

Member

Michael Coghlan - Solicitor

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 24TH DAY OF JULY, 1998

By Notice of Appeal dated the 29th day of July 1997 the Appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £190 on the above described hereditament.

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

"the valuation is excessive and inequitable (given the potential letting value of this premises at this location) when compared with other properties of similar nature in superior locations".

The appeal proceeded by way of an oral hearing which took place on 18th March 1998 in Dublin. The Appellant was represented by Mr. Eamonn Halpin, BSc (Surveying), ASCS, ARICS, MIAVI of Eamonn Halpin & Co., and the Respondent was represented by Mr. Denis Maher, a District Valuer with over 20 years experience in the Valuation Office. In accordance with practice both Valuers had exchanged written submissions, which had previously been submitted to the Tribunal in advance of hearing.

Upon the commencement of the oral hearing, Mr. Halpin and Mr. Maher sought to explain the circumstances wherein their submissions had been filed late. After consideration of this preliminary point the Tribunal indicated that in this instance it was prepared to proceed, notwithstanding the lateness and noting the desire of both parties, to dispose of the matters at issue.

The following facts either agreed or found by the Tribunal emerged as being relevant to this appeal.

The premises is comprised of a mainly single storey small supermarket with cold store, bakery and warehouse areas adjacent. The areas which are not in dispute are set out below:-

Supermarket	4,510 sq.ft.
Cold Store	180 sq.ft.
Bakery	520 sq.ft.
Balance of stores etc.	576 sq.ft.
Warehouse store	1,079 sq.ft.

Valuation History

The property was revised in November 1995 and the rateable valuation remained unchanged at £240. In December 1995 the Appellant lodged a first appeal against this decision to the Commissioner of Valuation. On 1st July 1997 the first appeal decision issued and the RV was reduced to £190. It is against this determination that the subject appeal lies to this Tribunal.

Appellant's Evidence

Mr. Halpin adopted his written précis as his evidence in chief. Mr. Halpin said that the subject premises is accessed off a small mall containing a chemist, crèche, small post office and two vacant units. He stated that on the exterior frontage there are four further units, two of which are vacant. The centre is known locally as the Greenhills Shopping Centre. He said that the shop is rectangular and rather deep and that the front of the shop is 160 feet from the back of the unit and customers can only enter from the front entrance off the mall. He said that there is a 50 foot frontage to this mall and that it is set back from the adjacent small parking area. Mr. Halpin described the location of the premises as being located off St. James' Road in a residential area about a mile and a half from Walkinstown Cross and adjoining the "Traders" public house which is a secondary/tertiary location with no passing trade. The entire centre he said including the supermarket was purchased for £170,000 in 1987 and that subsequently the street frontage of the supermarket was converted to two shops which are separately let. The remedy sought in support of his appeal by Mr. Halpin was that the quantum be reduced to a level that would accurately reflect the letting value (1988 tone) of this poorly fitted supermarket without street frontage situated in a secondary location and with very limited potential for business. He said that the estimated NAV of £30,250 on the 1988 tone is grossly excessive and in support of this said that the relative value of the centre is capped at very modest sums due to its location away from any main road with no passing trade, that the supermarket has no street frontage, that it has poor potential for business due to its proximity to large shopping centres such as the Square, Blanchardstown and Kilnamanagh. Mr. Halpin also said that even small units in the centre have very modest rentals and their NAVs for rating purposes reflect this. He said that the general perception is that the centre is struggling and is in a poor business location. By way of comparisons Mr. Halpin cited three units in Greenhills Shopping Centre. Mr. Halpin assessed the valuation on two bases as set out below:-

Agreed Areas	Sq.ft.	Estm NAV (1988 tone)
Supermarket	4510 @ £3.00 psf	£13,530
Disused Bakery & Miscellaneous Areas	1096 @ £1.75 psf	£ 1,888
Cold Store	180 @ £2.00 psf	£ 360
External Stores	1079 @ £1.00 psf	<u>£ 1,079</u>
		<u>£16,856</u>

@ 0.63% = RV £106.19. **Say £105**

OR

Front Zone A		
(Adjoining the mall)	949 @ £6.50	£ 6,169
Zone B	1175 @ £3.25	£ 3,819
Zone C	1114 @ £2.00	£ 2,228
Balance	1272 @ £1.50	£ 1,908
Bakery etc.	1099 @ £1.75	£ 1,923
Cold Store	180 @ £2.00	£ 360
External	1079 @ £1.00	<u>£ 1,079</u>
		<u>£17,486</u>

@ 0.63% = **RV £110**

He said that he had considered the adjacent retail units to be the best comparisons and indicated that there was a general low tone of rent within the shopping centre. Mr. Halpin did not consider that he needed go beyond the shopping centre itself which had been badly affected by the coming on line of outlets within the Tallaght Town Centre.

Under cross examination he did not agree that other supermarkets ought to be considered for comparison. It was Mr. Halpin's contention that a Valuer would generally look at adjoining premises for the best comparisons. Mr. Halpin was unable to make comment on the

comparisons of the Valuation Office. He did agree that generally supermarkets were likely to be valued on a pound psf basis.

Respondent's Evidence

Mr. Denis Maher gave evidence for the Respondent and adopted his written précis as his evidence in chief. Mr. Maher also said that many of the disadvantages highlighted by the Appellant would have been there at the 1991/1 revision stage although the full effect of the Tallaght Town Centre might not have been evident but definitely would have been anticipated or envisaged. Mr. Maher's assessment of rateable valuation of £190 is as set out below;

Supermarket	4510 ft ² @ £5.50 psf	£24,805
Cold Stores	180 ft ² @ £4.00 psf	£ 720
Bakery & Balance of Building	1096 ft ² @ £3.00 psf	£ 3,288
Warehouse	1079 ft ² @ £2.00 psf	<u>£ 2,158</u>
		<u>£30,971</u>
	Say	£30,000

Estimated NAV = £30,000 @ 0.63% = RV £189. **Say** **£190.**

Mr. Maher's submission included details of six comparative properties, five in relation to supermarkets and one in respect of a shop.

He went on to state that he had reduced the value of the subject premises substantially at first appeal. He stated that most of the comparisons used by him had the same drawbacks as the subject as they were near to the Tallaght Town Centre. He noted that all the comparisons have higher rateable values. Mr. Maher stated that he had valued the subject premises on a rate psf basis and had no experience of valuing supermarket premises on a zoned basis. They were smaller units and their only link was that they shared the same location as the subject.

Under cross examination, Mr. Maher noted that Firhouse was twice as large an area. He noted that there had been a rent fixed of £17,500 in or about 1983 on the subject but was not

sure of the passing rent at 1988. Mr. Maher was unable to form a view as to the sale value of the premises.

In summing up, Mr. Halpin stated that the £12 psf could not be sustained in this shopping centre. Mr. Maher responded that he did not accept the comparisons offered by Mr. Halpin and that in the circumstances his comparative evidence was compelling.

Determination

The Tribunal has taken note of the evidence submitted in written form and the remarks of the witnesses under Oath. It is of the view that supermarkets are a preferable comparator to the subject premises and in particular, those located at Firhouse and Old Bawn Shopping Centre together with the supermarket at the Edmondstown Shopping Centre.

The Tribunal notes that the areas are essentially agreed and therefore finds a proper rateable valuation for the main supermarket and ancillary store areas is £171 based on an annual value of £27,260 and as set out below.

Supermarket	4510 ft ² @ £5.00 psf	£22,550
Cold Stores	180 ft ² @ £2.00 psf	£ 360
Bakery & Balance of Building	1096 ft ² @ £2.00 psf	£ 2,192
Warehouse	1079 ft ² @ £2.00 psf	<u>£ 2,158</u>
		<u>£27,260</u>

@ 0.63% = RV £171.73

Say = £171