

Appeal No. VA15/5/042

**AN BINSE LUACHÁLA  
VALUATION TRIBUNAL  
AN tACHT LUACHÁLA, 2001  
VALUATION ACT, 2001**

**Studio Twenty One Ltd**

**APPELLANT**

**And**

**Commissioner of Valuation**

**RESPONDENT**

**In Relation to the Issue of Quantum of Valuation in Respect of:**

Property No. 2175917, Retail (Shops), Floor 0, 49 South Quay, Newcastle West, County Limerick.

**JUDGMENT OF THE VALUATION TRIBUNAL  
ISSUED ON THE 21<sup>st</sup> DAY OF AUGUST, 2017**

**BEFORE:**

**Niall O Hanlon – BL**

**Deputy Chairperson**

**Hugh Markey –FSCSI, FRICS**

**Member**

**Claire Hogan – BL**

**Member**

By Notice of Appeal received on the 10<sup>th</sup> day of September, 2015 the Appellant appealed against the determination of the Commissioner of Valuation in fixing a net annual value of €31,500 on the above described relevant property on the grounds as set out in the Notice of Appeal attached at Appendix 1.

The Tribunal, having examined the particulars of the property the subject of this appeal; having confirmed its valuation history; having examined and considered the written evidence and having heard the oral evidence on the 11<sup>th</sup> day of July, 2016 and the 16<sup>th</sup> day of February, 2017 adduced before us by Mr. Eamonn Halpin on behalf of the Appellant, who contended for a net annual value of €16,480, and Mr. Dean Robinson on behalf of the Respondent to the appeal,

## **DETERMINES**

That the net annual value of the subject property be as set out below:

Ground Floor Retail	611.93 sq. m.	@ €40 per sq. m.=	€24,477.20
Ground Floor Store	37.92 sq. m.	@ €20 per sq. m. =	€ 758.40
Total			€25,235.60
Say,			€25,235 (Reduction)

**The reasoning being:**

### **Matters Agreed:**

The premises comprise the ground floor of a modern development, situated on the N21, Limerick to Tralee, road. The parties were in agreement on the following: the floor areas; that this is a peripheral location in the town of Newcastle West; that it comprises an extensive retail area with ancillary storage; the property enjoys 54m frontage to the N21; there are double yellow lines outside but some car parking bays available opposite with 1 hour free.

### **The Evidence:**

Mr. Halpin contended that there would have been limited demand for the subject as of the relevant date in 2012. He pointed to both the significantly depressed macroeconomic conditions; the struggling local market and the effects of the 2008 flooding on business in the town; *inter alia* the inability to secure flood insurance subsequently. He adduced evidence to indicate that the Appeal Valuer had agreed to recommend a figure of €25,400 for the subject; which recommendation was overturned within the Valuation Office.

He outlined the history of the several lettings of the property since 2009; all to the same entity; the landlord having changed c. February 2015. The initial two leases were accepted as being between connected parties; while the third dating from February 2015 at €20,000 on an IRI basis is both significantly later than the relevant date but is also for a 1 year period and as such does not meet the requirements of Section 48 of the Valuation Act 2001.

Mr. Halpin suggested that there was limited demand for retail units of this scale in the town.

In his direct evidence, Mr. Robinson, in supporting the level placed on the property, relied heavily on ‘two key rental transactions’. He maintained there was limited evidence of large format stores in the town.

### **The Comparables:**

Mr. Halpin placed reliance on the 2015 letting of the subject on a 1 year lease. Mr. Halpin chose not to rely on the rental evidence of the subject as at the valuation date 1<sup>st</sup> March 2012, but relied heavily both on the 2015 lettings and the tone placed by the Commissioner on ‘new’ and ‘old’ showrooms forming part of Newcastle West Autos. The lettings, in 2015, suggest levels of €29 & €25 per sq. m respectively; while the rateable assessment analyses at €45 & €35.

The older showrooms were previously used for car sales before the occupier moved to the adjoining modern car showrooms. The latter have been let to Auto Tech.

The Tribunal is of the view that the ‘new’ showrooms are of less relevance given their use, one that could not easily be accommodated in the subject premises. The rate derived from the ‘old’

showrooms is somewhat helpful insofar as this user (motor accessories) is a retail user and could readily be accommodated in the subject premises.

Mr. Halpin's Comparisons 2 & 3 - PN 1258612 (Sheehan's Road, Newcastle West) and PN 1259179 (Maiden Street, Newcastle West) were of limited assistance comprising a detached retail warehouse, more than twice the size of the subject and a disused car showroom, respectively.

The Tribunal found Mr. Halpin's fourth comparison PN 2199800 (Dooley's Pharmacy, Bishop Street, Newcastle West) to be helpful, particularly in the absence of immediately comparative properties. Whilst somewhat smaller and located in the best position in the town, the Tribunal found the application of the proportionate Zone A rates relating to the differing locations to be helpful.

Mr. Halpin's comparison No. 5 PN 1044455 (Dock Road, Limerick) was of limited assistance, as it is located in a city environment and is in a different use category.

Mr. Robinson, representing the Commissioner, relied particularly on 2 comparators as evidence of market rentals - PN 2174809 (Thomas Condon, South Quay, Newcastle West) and PN 1259460 (Boher Bui, Newcastle West). The Tribunal found these of limited assistance having approximately 6% and 13% of the retail floor space of the subject.

Comparison No. 3 adduced by the Respondent as evidence of equity and uniformity - PN 1259563 (Former Mace, South Quay, Newcastle West), is of some assistance but is significantly smaller (23%); is located closer to the town centre and was vacant both at the time of this appeal and at the valuation date. The overall rate of €66 per sq. m., overall, needs to be considered in that context.

Mr. Robinson adduced 3 comparables as representing the 'Tone of the List'. The first, PN 1258927 (Garvey's Supervalu, Newcastle West) is of limited assistance insofar as the witness accepted that there was a single 'tone' for supermarkets and that tone did not apply to the subject of this appeal.

The Tribunal questions why the Respondent's Valuer introduced a comparable from a different town - PN 2170662 – (Meaney's Centra, Drumcolliher) and in supermarket use when there was immediate evidence available in the town of Newcastle West - the Appellant's comparison No.4 PN 2199800 (Dooley's Pharmacy, Bishop Street, Newcastle West).

Mr. Robinson's final comparison is in common with the Appellant's Comparison No. 2 PN 1258612 (Sheehan's Road, Newcastle West) and the same comments apply, as earlier.

### **Reasoning:**

The Tribunal regrets the paucity of comparable evidence placed before it by the valuers, thus rendering the task of arriving at a fair and equitable Net Annual Value more difficult. The members had limited evidence on which to base a decision but having considered the written and oral evidence placed before them; having adjusted the comparables adduced to reflect differences in size and location; the Tribunal considers a level of €40 per sq. m appropriate to apply to the retail area; with a rate of €20 per sq. m. applied to the storage area.

And the Tribunal so determines.