

Appeal No. VA16/3/012

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

Lidl Ireland

APPELLANT

and

Commissioner of Valuation

RESPONDENT

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

Property No. 5005629, Supermarket, Lidl Supermarket, Rathfarnham Road, Terenure,
County Borough of Dublin.

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 13th DAY OF APRIL, 2017

BEFORE:

John Stewart - FSCSI, FRICS, MCI Arb

Deputy Chairperson

Carol O'Farrell - BL

Member

Hugh Markey - FRICS, FSCSI

Member

By Notice of Appeal received on the 29th day of July 2016 the Appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of €381,000 on the above described relevant property on the grounds as set out in the Notice of Appeal as follows:

“The valuation is excessive based on the values of similar properties appearing on the Valuation List”.

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 18th day of January 2017 adduced before it by Mr. John Algar, GVA Donal O’Buachalla on behalf of the Appellant, who contended for a valuation of €267,000 (in the Notice of Appeal), and Mr John O’Brien, Valuer, Valuation Office on behalf of the Respondent to the appeal,

DETERMINES

That the rateable valuation of the subject property be as set out below:

€371,000

Subject property

Location: The subject property is situated on the eastern side of Rathfarnham Road, at its intersection with Beechlawn Way just south of Terenure Village. Terenure is an established commercial location serving a large residential hinterland. Access is from Beechlawn Way and the subject property is set back from Rathfarnham Road.

Description: The property comprises a modern, c.2014, purpose built two storey detached building. The main area includes a first-floor supermarket and ancillary accommodation which includes a lobby and trolley area, offices, stores staff and toilet accommodation. The supermarket is fitted out to a high standard typical of LIDL supermarkets with tiled floors, partially tiled walls and an acoustic tiled ceiling incorporating modern lighting panels.

The smaller ground floor includes an access lobby, loading bay and stores, and is mainly set out as a car park. Car parking is provided at ground floor level below the first-floor construction and comprises approx. 57 spaces of which 16 are in the open in front of the building. Public access to the supermarket is provided by a traveller, lift and stairs. A goods lift provides access for stock.

Accommodation: The accommodation and agreed GIA floor areas are as follows:

	Sq. Ft.	M²
Ground floor		
Enclosed lobby, stores and loading bay	367.97	3,961
First floor:		
Supermarket lobby & trolley area offices, stores and staff	<u>1861.71</u>	<u>20,039</u>
	2,229.68	24,000

Tenure: we have been informed that the premises is freehold.

Services: All main services were available to the property.

The reasoning being

1. The parties, in determining their respective valuations of the appeal property, placed reliance upon their analysis of values determined in respect of other supermarket properties in various locations in the Dublin City Council rating area. The Appellant identified nine comparison properties with valuations ranging between €115 and €160 per m². The five comparisons relied upon by the Respondent show values ranging between €110 and €160 per m².
2. In the first instance, the Tribunal considers little assistance can be gained from looking at the values of properties which were generally much smaller than the appeal property and accordingly it has disregarded from consideration those supermarket properties having areas less than 1,000m². The application of the fit-out criteria referred to by both parties does not apply to these smaller stores. Whilst, both the Appellant and the Respondent proffered the Tesco premises situated on Terenure Road East (which is the nearest of the comparison properties in terms of location), aside from the fact that it is below 1000m² in size, the Tribunal does not consider it a suitable comparison as it is a converted former public house with surface level car parking whereas the appeal property is a modern purpose built supermarket at first floor level.
3. The value of a supermarket property depends on number of factors including and in no particular order, whether purpose built or a conversion, the adequacy of car parking including number of spaces and whether level, underground or multi-storey, size, accommodation, layout, access, and location. Having regard to these features the Tribunal considers that the net annual value of the appeal property should be determined by reference to Aldi on the Long Mile Road valued at €115/ m²; Lidl on Walkinstown Avenue valued at €115/m²; Aldi on the East Wall Road valued at €140/m² and Tesco on Rathmines Road Lower valued at €160/m². Of these four properties, only Aldi on East Wall Road can properly be described as "a similarly circumstanced property" it being the only one with a first-floor level supermarket with a covered car park below.
4. The Respondent acknowledged that the ground floor of the appeal property which comprises the access and circulation area, elevator, plant, and stores has a lower valuation than the first floor due to the absence of any retail space. Mr. O'Brien gave uncontested evidence that the Respondent applied a 16.66% reduction and the Tribunal will adopt the same approach to the valuation of the ground floor.
5. During the hearing, some inconsistency arose in relation to the application of the fit-out component for several of the comparisons adduced; however, discounting those supermarkets which are less than 1,000/m² where the application does not apply, the Tribunal accepts that the fit-out provision of 7% should apply to the subject property. This is in accordance with the agreement contained in the 'Revaluation Guidance Note Fitting out of Dept. Stores and Supermarkets' which is a practice note agreed between the Valuation Office and a Rating Consortium comprising a number of leading

practitioners. It is also noteworthy that the Appellant adopted the 7% fit out element of the valuation calculation.

6. The Tribunal considers that the Respondent's valuation of the first floor of the appeal property at €160 per m² is not consistent with the assessments of the four key comparison properties. The Tribunal regards the ALDI and LIDL locations at Long Mile Road as inferior to the subject property in location and value terms. The similarly circumstanced ALDI premises at East Wall Road is of similar size and analogous to the subject property in terms of construction but is situated in a poorer rental location. The Tesco premises in Rathmines is regarded by the Tribunal as marginally superior to the subject property by virtue of its ground floor position and surface car park. Adjusting for location, it is the Tribunal's view that the appropriate rate for the first-floor supermarket area is €155/m².
7. Accordingly, the Tribunal determines the valuation of the appeal property as follows:

LEVEL	USE	AREA M²	RATE M²	NAV
0	Ground Floor Access	367.97	€133	€48,940.01
1	Supermarket offices Stores	1,861.71	€155	€288,565.05
	Fit Out 7%	2,229.68	€23,625.35	€23,625.35
	Off Licence		€10,000	€10,000.00
				€371,130.41

SAY RV €371,000

And the Tribunal so Determines.

