

Appeal No. VA07/2/004

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

Alan Condron

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Unit A, Abbeylands Shopping Centre, Abbeyland, Clane, Naas 1, County Kildare

B E F O R E

Michael P.M. Connellan - Solicitor

Deputy Chairperson

Michael F. Lyng - Valuer

Member

Aidan McNulty - Solicitor

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 19TH DAY OF SEPTEMBER, 2007

By Notice of Appeal dated the 30th day of April, 2007 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of €775.00 on the above described relevant property.

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

"On the basis that the RV as assessed is excessive, inequitable and bad in law. Quantum allowance should also be applied and the valuation attributable to the yard should be omitted. Further allowance must also be made for the first floor store and location and profile of Centre."

The appeal proceeded by way of an oral hearing in the Offices of the Valuation Tribunal, Ormond House, Ormond Quay Upper, Dublin 7 on the 18th day of June, 2007. Mr. Eamonn Halpin, B.Sc. (Surveying), ASCS, MRICS, MIAVI, represented the appellant and Mr. Denis Maher, MRICS, Staff Valuer in the Valuation Office, represented the respondent. At the oral hearing, both parties, having taken the oath, adopted their précis as their evidence-in-chief.

The Property Concerned

The property is located in the newly developed Abbeylands Shopping Centre in Clane, Co. Kildare, about ¼ mile from Main Street, Clane, 18 miles south-west of Dublin and 6 miles north of Naas. The Centre also comprises a hotel as well as 12 other retail units, upper floor office space and underground parking.

The subject property is a modern purpose-built SuperValu Supermarket with ground floor supermarket and offices and ancillary first floor stores and second floor offices.

Valuation History and Floor Areas

The property was inspected for revision on 7th June, 2006 and the Valuation Certificate was issued on 4th September, 2006 with an RV of €330. The appellant appealed this valuation through Eamonn Halpin & Co. Ltd. on 3rd October, 2006. On 7th March, 2007 a letter was received by Mr. Halpin from Mr. Christopher Hicks of the Valuation Office requesting plans and architect's confirmation of headroom in the first floor stores. On 2nd April, 2007 Mr. Halpin and Mr. Maher had a brief discussion relating to the property and a sketch plan of second floor was submitted. On 3rd April, 2007 the Commissioner of Valuation issued the result of the first appeal with the RV reduced to €775 without agreement. On 30th April, 2007 the appellant appealed the Commissioner's decision to the Valuation Tribunal.

In the respondent's précis of evidence the reduction in the valuation from €330 to €775 at First Appeal is stated to reflect (i) the omission from the valuation of the yard at the rear of the subject property which was included in the revision valuation and (ii) the respondent's acceptance of the appellant's claim that parts of these offices had fire escapes running through them on foot of which claim an adjustment of the 2nd Floor office areas from 466.19 sq. m. to 241.2 sq. m. was made. However the respondent stated that, having re-inspected the property, it was now his understanding that not all of the floor space itemised as fire escape

routes was such and he therefore proposed adjusting the floor space to 361.69 sq. m. leading to a proposed revised valuation of €800 [as against the listed valuation of €775].

Prior to hearing the Tribunal required the parties to agree the floor areas and to make any necessary resultant amendments to their respective valuations. In response they agreed the floor areas as follows:

Ground Floor

Supermarket	1,760.00 sq. metres
Offices	23.12 sq. metres
Store	58.00 sq. metres

First Floor

Stores	466.19 sq. metres
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Second Floor

Offices	313.26 sq. metres
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In addition Mr. Halpin amended his proposed valuation from €635 to €646 and Mr. Maher amended his proposed valuation from €800 to €783.

Appellant's Case

Mr. Eamonn Halpin, having taken the oath adopted his written précis and valuation, which had been received by the Tribunal, as being his evidence-in-chief. He stated that the valuation adopted by the Commissioner of Valuation was too high in view of the following:

- The subject was not located on a primary route and did not have a high profile location.
- The design was less than ideal with only 3m headroom at first floor level.
- The design, location, layout and construction of the subject were all moderate and did not enhance the property
- The second floor included staff area and offices which were only adequate with no natural light in some of the offices.
- A quantum allowance should apply because of the large size of unit.

Mr. Halpin contended for a rateable valuation of €646 calculated as set out below:

Supermarket	1,760.00 sq. metres @ €61.49 per sq. metre	= €108,222.00
Office & Store	23.12 sq. metres @ €41.00 per sq. metre	= €948.00
Store	58.00 sq. metres @ €34.17 per. sq. metre	= €1,982.00
1 st floor Stores	466.00 sq. metres @ €20.50 per sq. metre	= €9,553.00
2 nd floor Offices	311.26 sq. metres @ €27.34 per sq. metre	= <u>€8,510.00</u>
Total NAV		€129,215.00
RV @ 0.5%	€646.37	
Say	€646	

Mr. Halpin stated that the property is located in Abbeylands Shopping Centre, Clane, Co. Kildare which is a relatively moderate location on the outskirts of Clane. The ground floor retail area comprises the largest part of the property with stores at first floor level and offices at second floor level. He stated that the design was unusual in that none of the units had frontage to the exterior of the development. He also felt that the design was influenced by the proximity of the old abbey ruins to the property. The development has a very low profile because of its location. It also has design problems with 3m headroom at first floor and some areas at second floor with no natural light. He felt that a quantum allowance of 10% should be allowed for the size of the unit. In regard to his comparisons, details of which are at Appendix 1 hereto, he stated that Tesco in Clane, a modern Tesco Express Store with an RV of €215, was only about one third the size of the subject. His second comparison, SuperValu in Clane with an RV of €80, is about half the size of the subject. His third comparison, SuperValu Naas, is about half the size of the subject, is valued at €49.18 and is located in an area with 40,000 people as against Clane which has a population of about 6,000. He questioned whether the hypothetical tenant would pay the same rent per square foot for the larger shop in a place like Clane.

Cross-examination

Under cross examination Mr. Halpin said that a level of €70 per sq. metre could only be achieved in Clane where properties had exclusive car parking, unlike the subject which had shared parking. He also stated that where a property exceeds 800 sq. metre an allowance for size should always be made.

Respondent's Case

Mr. Denis Maher, having taken the oath, adopted his précis as being his evidence-in-chief. In his précis of evidence He assessed the rateable valuation of the subject property as follows:

Supermarket	1,760.00 sq. metres @ €70 per sq. metre	= €23,200.00
Office (gr. Floor)	23.12 sq. metres @ €70 per sq. metre	= €1,618.40
Store (gr. Floor)	58.00 sq. metres @ €35 per sq. metre	= €2,030.00
Stores (1 st Floor)	466.19 sq. metres @ €35 per sq. metre	= €16,316.65
Offices (2 nd Floor)	313.26 sq. metres @ €41 per sq. metre	= <u>€2,843.66</u>
Total NAV		€156,008.71
RV @ 0.5% =	€782.71	
Say	€783	

He said his Rateable Valuation was assessed at 0.5% of net annual value, which was in line with the basis adopted for the determination of value of other revised properties in the Kildare County Council area.

The subject property comprised a modern purpose-built supermarket. Mr. Maher stated that Clane was a developing and expanding town. The property was well positioned to benefit from this development because of its location adjacent to the ring road and substantial car parking, possibly 400 – 500 spaces. The owner had a supermarket on the Main Street which he closed down and moved to the present premises which gave him access to the relief road. In regard to the lack of lighting in part of the premises, Mr. Maher stated that because the owner built partitioned walls to facilitate office accommodation, natural light was eliminated in the office area.

In regard to his comparisons, details of which are at Appendix 2 hereto, Mr. Maher stated that the subject premises was a better supermarket than any of his comparisons. With regard to the 10% quantum allowance sought by Mr. Halpin he felt that the premises was fully utilised and that all the available space was fully used, otherwise the owner would have portioned off part of the supermarket.

Cross-examination

Mr. Maher would not agree with Mr. Halpin that a property in the centre of Main Street would command a higher rental value than the area where the subject is located. He agreed with Mr. Halpin that the Commissioner would value first floor offices at a lesser rate per square metre than ground floor offices and that second floor offices would be valued at a lower rate per square metre than first floor offices.

Determination

The Tribunal having carefully considered all the evidence and arguments adduced by the parties made the following findings:

1. The subject is a modern purpose-built supermarket in a good location.
2. There is no evidence before the Tribunal to support a reduction for quantum.

In view of the foregoing, the Valuation Tribunal considers that the listed rateable valuation of €775 is fair and reasonable and affirms that valuation.

And the Tribunal so determines.