

Appeal No. VA07/3/045

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

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APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Supermarket at Lot No. 72B, Mell, West Gate, Drogheda Borough, County Louth

B E F O R E

Maurice Ahern - Valuer

Deputy Chairperson

Frank O'Donnell - B.Agr.Sc. FIAVI.

Member

Michael F. Lyng - Valuer

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 11TH DAY OF JANUARY, 2008

By Notice of Appeal dated the 30th day of July, 2007 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of €12.00 on the above-described relevant property.

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

"The Valuation is excessive and inequitable in relation to comparable properties in the rating area."

The appeal proceeded by way of an oral hearing held in the offices of the Valuation Tribunal, Ormond House, Ormond Quay Upper, Dublin 7 on the 17th day of October, 2007. Ms. Dawn Holland, B.Sc., MIAVI, GVA Donal O Buachalla, represented the appellant and Mr. Noel Rooney, Dip. Env. Econ., a Valuer in the Valuation Office, represented the respondent. At the oral hearing, both parties, having taken the oath, adopted their respective précis as being their evidence-in-chief.

Location

The property is located at the intersection of Mell Road and Cement Road on the North side of Drogheda.

Valuation History

The proposed Valuation Certificate was issued on 16th October, 2006 with an RV of €12. Following representations on 8th November, 2006 the Valuation Certificate was issued unchanged on 6th December, 2006. On 3rd July, 2007, following an appeal to the Commissioner, the Valuation Certificate was issued, again unchanged, at RV €12. On 30th July, 2007, an appeal was lodged to the Tribunal.

Description

The property is a purpose-built, single-storey, stand-alone, supermarket of typical steel frame construction with panelled concrete walls and insulated metal-decked mono pitch roof. The internal finish is plain with ceramic tiled floors and standard suspended ceiling with insert lighting and air ducts. Cobble-lock paved parking is provided to the side. A single loading bay is provided to the stores area to the rear.

The agreed floor area of the property is:

Supermarket	1075 sq. metres
Offices/canteen	49.5 sq. metres
Stores/loading bay	331.93 sq. metres
Canopy	106.33 sq. metres
Switch room	14.00 sq. metres

Appellant's Case

Ms. Dawn Holland, having taken the oath, adopted her written précis and valuation, which had been received by the Tribunal, as being her evidence-in-chief. She stated that the NAV adopted by the Commissioner of Valuation was too high when compared to comparable properties appearing in the valuation list for the Drogheda Borough area. The site on which the subject is located is defined as "Neighbourhood Centre" under the Drogheda Borough Council Development Plan 2005-2011. The lands directly North East have been zoned "Residential", but to date no development has occurred on the site. Lands to the North are zoned "Redevelopment" or "Renewal of Obsolete Area" (former Landfill and Quarry) and "Employment Generating Zone" (premature pending the provision of services).

Ms. Holland said that the subject property is in an inferior location in relation to each of the comparisons; it is removed from the town centre and also suffers from lack of adjacent commercial and retail activity in the immediate area. Ms. Holland then referred to the Respondent's 2 comparisons at Revision stage which she had listed in her précis. She said that Comparison No. 1 - Maxworth, Boyne Centre, enjoys a secondary town centre location and is supported by adjacent complementary businesses. It also has parking to the front and directly opposite. Comparison No. 2 - Londis, Hardimans Gardens, is a small convenience store which she felt was not wholly comparable.

In support of her opinion of net annual value Ms. Holland introduced 4 comparisons, details of which are at Appendix 1 to this judgment. She said her Comparison No. 1 - Natmore T/A Supervalu, Abbey Centre, is currently closed due to the redevelopment of the Abbey Centre. Comparison 2 - Lidl, Donore Road was, she said, the most similar to the subject property and was located in an established retail warehousing area and close to a large established residential area. It also has a good passing trade due to the high volume of traffic on the Donore Road. Ms. Holland said she was introducing her Comparisons 3 and 4 in the town centre to give the Tribunal an overall view of the "tone of the list" in Drogheda. Comparison No. 3 - Dunnes Stores in West Street, next to Penneys, is being redeveloped internally at present. Its retail area of 889 sq. metres is valued at €2.02 per sq. metre. Comparison No. 4 – Dunnes Stores, Drogheda Town Centre with an area of 2,369 sq. metres, is also valued at €2 per sq. metre. This store has frontage to the internal mall only.

Having regard to the foregoing, Ms. Holland felt that a fair valuation of the subject property would be as follows:

Retail	1,075 sq. metres	@ €47.82 sq. metres	=	€1,406.50
Office	49.5 sq. metres	@ €37.59 sq. metres	=	€1,860.70
Store	331.93 sq. metres	@ €20.50 sq. metres	=	€6,804.56
Plant room	14 sq. metres	@ €17.08 sq. metres	=	€239.12
Canopy	106.33 sq. metres	@ €6.83 sq. metres	=	<u>€726.23</u>
Total NAV				€1,037.12
RV @ 0.63 %				= €384.53
Say				€385

Ms. Holland felt that the inferior location of the subject property, together with the lack of any commercial premises in the vicinity to provide “footfall” and the fact that any development in the North side of Drogheda is unlikely to take place in the near future due to lack of public services, must be taken into account when valuing the subject property.

Cross-examination

Under cross-examination Ms. Holland confirmed that the entrance to the subject property was from Cement Road. She accepted that her Comparison No. 1 – Natmore, has been closed for 2 years. She also agreed with Mr. Rooney’s floor areas and NAV per square metre in respect of the common comparison, Lidl on Donore Road. She further accepted that her Comparisons 3 & 4 were town centre properties while the subject was in a suburban location. In reply to the Tribunal, Ms. Holland stated the reason her valuation of the subject property was lower than many of her comparisons was because of location. She would not agree that the subject property had the same profile as Lidl (the common comparison) because, she said, the subject was located in a relatively isolated area.

Respondent’s Case

Mr. Noel Rooney, having taken the oath, adopted his précis as being his evidence-in-chief.

He assessed the rateable valuation of the subject property as follows:

Supermarket	1,075.00 sq. metres	@ €61.51 sq. metres	=	€66,123.25
Canteen/Office	49.5 sq. metres	@ €44.68 sq. metres	=	€2,706.66

Stores/Loading Bay	331.93 sq. metres	@	€34.17 sq. metres	=	€11,342.04
Switch Room	14.00 sq. metres	@	€27.34 sq. metres	=	€382.76
Canopy	106.33 sq. metres	@	€6.84 sq. metres	=	€727.30
Total NAV	€1,282.00				
RV @ 0.63%	= €12.07				
Say	€12				

Mr. Rooney stated that the subject property had an excellent location at the intersection of Mell Road and Cement Road on the north side of Drogheda. He said it was a modern, purpose-built supermarket of steel frame structure with block-infill walls and insulated cladded roof. The floors were tiled and it had a separate loading bay for incoming stock. It also had 127 car parking spaces.

He said the valuation was made by reference to the values of comparable properties appearing in the valuation list for Drogheda Borough area. Mr. Rooney also referred to the Recycling Centre which could be accessed only by passing the subject property, thus providing a through-flow of traffic. He stated that the subject and the common comparison, Lidl, were physically identical except for size, the retail part of the subject being about 300 sq. metres smaller than the retail part of Lidl but, as far as location and generation of traffic were concerned, he felt that both properties were similar. Lidl was located at the entrance to Donore Industrial Estate en route to Drogheda Retail Park while the subject property was on a more primary road en route to the M1 Retail Park, a superior Retail Park because of the mix of tenants such as Woodies, Heatons, Smyths Toys etc..

Mr. Rooney said that, in valuing the subject property at the same levels as Lidl, he had taken account of location and generation of traffic and the fact that both are purpose-built properties on green field sites and both are adjacent to housing developments. Ballsgrove housing estate, close to Lidl, has its own shopping centre, Mr. Rooney said. Both depend on people driving to them.

In support of his opinion of net annual value Mr. Rooney introduced 5 comparisons, details of which are at Appendix 2 to this judgment. He said his Comparison No. 1 – Lidl (the common comparison) was the first purpose-built supermarket in Drogheda and is similar in every way to the subject. Comparison No. 2 - Londis Supermarket, Boyne Centre, was an

amalgamation of two units. It was poorly laid out with all the stock having to come through the small car park. Comparison No. 3 - Staffords, Bryanstown, was a new supermarket, not on a main road and with only 38 car spaces. Comparisons No. 4 and 5 (both Centra Supermarkets) were only convenience stores, which have been extended over the years.

Cross-examination

In reply to Ms. Holland regarding the location and lack of development in the area of the subject property, Mr. Rooney stated that planning permission had been sought for some development within the area.

Summary

In summary Ms. Holland stated that the subject property was in an inferior location to her comparisons with no complementary retailing and not as much of a residential base in the immediate vicinity.

In summary Mr. Rooney said that the subject property was a modern, purpose-built supermarket in an excellent location with easy access and was valued in line with other supermarkets in the same rating area.

Findings

The Tribunal has carefully considered all the evidence and arguments adduced by both parties and makes the following findings:

- (1) Both parties agree – and the Tribunal finds - that the common comparison, Lidl supermarket on Donore Road, is the best comparison for the subject property.
- (2) Both Lidl and the subject property are modern, purpose-built supermarkets in similar locations.
- (3) Both properties are located on busy roads which lead on to the M1 Motorway and are equi-distant from Drogheda Town Centre.
- (4) Both properties have large, surrounding residential bases.
- (5) Both properties are close to complementary commercial activity in the M1 Retail Park and the Drogheda Retail Park.

Determination

Having regard to the foregoing the Tribunal determines that the valuation of the respondent is fair and reasonable. The Tribunal therefore affirms that valuation of €12.

And the Tribunal so determines.