

Appeal No. VA10/1/016

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

**Lidl Ireland GmbH**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Property No: 2200235, Supermarket at Lot No. 26A/1, Dunglow, Dunglow, Glenties, County Donegal

**B E F O R E**

**Maurice Ahern - Valuer**

**Deputy Chairperson**

**Patrick Riney - FSCS FRICS FIAVI**

**Member**

**Michael Connellan Jr - Solicitor**

**Member**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 20TH DAY OF AUGUST, 2010**

By Notice of Appeal dated 19th day of February, 2010 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of €340 on the above-described relevant property.

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

"The valuation is excessive in comparison to similar properties in the area."

The appeal proceeded by way of an oral hearing at the offices of the Valuation Tribunal, Ormond House, Ormond Quay Upper, Dublin 7 on the 26<sup>th</sup> day of April 2010. At the hearing the appellant was represented by Mr John Algar, BSc, Bardon & Co, and the respondent by Mr. Liam B. Murphy, BSc, a Valuer in the Valuation Office. At the hearing, both parties having taken the oath, adopted their respective précis as their evidence-in-chief.

### **The issue**

Quantum only.

### **Subject Property**

The property concerned consists and comprises of a purpose-built detached single storey supermarket together with offices and store with a concrete and brick car park and with designated parking for approximately 99 car spaces. The building is laid out in the typical supermarket fashion with the entrance lobby and retail area to the front and offices and store to the rear. It is constructed with concrete floors, concrete walls, aluminium framed windows and pitched tile roof. Headroom is a minimum of circa 3.3 metres.

### **Location**

The property is situated on the south side of Cremore Road circa 0.8 km east of Dungloe Town centre. Dungloe is a coastal town to the north west of the county and relies heavily on tourism. It is in the Gaeltacht area of the county, circa 47 km west of Letterkenny and circa 290 km north west of Dublin. The population, according to the 2006 census, is 1,912 people.

### **Services**

The usual main services of water, drainage, electricity and telephone are supplied and connected to the property. The property also has an air-circulation system.

### **Accommodation**

The accommodation has been agreed by the parties as follows:

Retail	1,060.00 sq. metres
Office & canteen	41.28 sq. metres
Stores	220.80 sq. metres

### Valuation History

The rateable valuation was initially assessed on 26<sup>th</sup> June, 2009 at €345. On appeal to the Commissioner of Valuation it was reduced to €340. On 22<sup>nd</sup> February, 2010 an appeal was lodged to the Valuation Tribunal.

### Appellant's Evidence

Mr. Algar for the appellant maintained that Dungloe was a quiet town with little activity outside a few short summer months. It is on the N56 which is a coastal road connecting the larger town of Donegal with the coastal towns and villages of north west Donegal. There is little or no industrial or commercial development in Dungloe, unlike Donegal or Letterkenny. There are 4 supermarkets in or around the town of Dungloe - (1)The SuperValu shopping centre, (2) Aldi (3) the subject property and (4) Cope supermarket in the town centre, which has been recently refurbished and is now known as EUROSPAR.

Mr. Algar valued the subject property as follows:

Retail	1,060 sq. metres	@ €38.26 per sq. metre =	€40,556
Office and canteen	41.28 sq. metres	@ €30.00 per sq. metre =	€ 1,239
Stores	220.80 sq. metres	@ €27.33 per sq. metre =	<u>€ 6,035</u>
Total			€47,830

€47,830 @ 0.5% = €239.14

RV Say €240.00

He gave three comparisons in support of his submission:

1. The original Cope Supermarket which is located in Main Street, Dungloe. It has recently been refurbished and was last revised in 2004. Mr. Algar maintained that these premises are in a superior location to the subject, being in the centre of town. These premises have a huge frontage to the Main Street with an extensive car park at the rear. This supermarket was founded in 1906 and was the only supermarket in the area until the development of SuperValu in 1994. It is now called EUROSPAR. The prime rental area of this property has been valued at €38.26 per sq. metre.

2. SuperValu is in a similar location to the subject property but has the benefit of a shopping centre with complimentary retail units adjacent, including a pharmacy and a butcher's shop. Mr. Algar maintained that these premises were more valuable than a standalone supermarket. The premises have a greater footfall because of their location in a shopping centre with complimentary retail units. The prime retail area for this property is valued at €8.05 per sq. metre. The property was last revised in November 1994.
  
3. Comparison 3 is not a supermarket, but is a large retail unit with extensive warehouse facilities to the rear. The occupier is Temple crone Co-op Society (Builder Providers). It is a similar location to the subject property. The prime retail area of this property is valued at €30.75 per sq. metre. It is on the Mill Road circa 1.1 km north of the town. The retail area to the front is constructed and fitted out to a similar specification as that of the subject unit.

Mr. Algar set out the factors which influenced him in arriving at his valuation as already set out herein.

1. The subject property is situate in a secondary location on the outskirts of the town.
2. It has massive competition from 3 other supermarkets situate within 100 metres of it.
3. The subject property should be valued in line with the valuation on the EUROSPAR premises in the town centre and not on the valuation placed on the original SuperValu with its complimentary retail units.
4. The EUROSPAR premises are in the Main Street, a much superior location than the subject premises and have a significantly lower level of valuation than the appellant's premises.

**Respondent's Evidence:**

Mr. Murphy contended for a rateable valuation calculated as follows:

Supermarket	1,060.00 sq. metres @ €6.71 per sq. metre =	€60,112.60
Office	41.28 sq. metres @ €41.00 per sq. metre =	€ 1,692.48
Store	220.80 sq. metres @ €27.33 per sq. metre =	€ 6,034.46
Total		€9,839.54
NAV	€9,839.54 X 0.5% =	€339.19
	Say	€340.00

Mr. Murphy in his evidence gave 3 comparisons as follows:

1. SuperValu - as already described at appellant's comparison No 2. This property which forms part of a retail development of 12 other units was first valued in 1994 when the valuation was agreed at first appeal stage. The property was subsequently extended and levels were agreed at 1994/04 first appeal stage with rating agent Patrick McCarroll at €360.
2. Lidl Ireland GmbH, Donegal, situate on the outskirts of Donegal town, just off the by-pass on the Ballybofey road. It consists of a supermarket, office and stores, is comparable in size to the appellant's property and is of a similar finish. The rateable valuation of €385 was agreed at a Tribunal hearing in 2002.
3. The Cope t/a EUROSPAR, Dungloe - as already described in the appellant's comparison. This is a newly built supermarket with office and stores, with an excellent fit out. It is in a better location than the subject property.

### **Findings**

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

1. The subject property is a standalone, single-storey supermarket on the outskirts of the small coastal town of Dungloe and has competition from 3 other supermarkets.
2. Supervalu, a common comparison, is located in a large retail unit which has 12 other units including a Pharmacy and Butchery and because of this would have a greater footfall and more business.
3. EUROSPAR, formerly the Cope Supermarket, has a large frontage to the Main Street in the town. It also has an extensive car park at the rear of the premises. It is in the centre of the town, a much better location than the appellant's property.
4. Lidl in Donegal town may be comparable in size and finish to the appellant's property. It is, however, in a much larger town with greater footfall, business and trade opportunities.

**Determination**

Having regard to the foregoing, the Tribunal determines the rateable valuation of the property concerned to be as follows:

Retail unit	1,060 sq. metres	@ €50 per sq. metre	= €3,000.00
Office	41.28 sq. metres	@ €41 per sq. metre	= € 1,692.48
Store	220.80 sq. metres	@ €27.33 per sq. metre	= <u>€ 6,034.46</u>
			€6,726.94
NAV <del>€</del> 60,726.94 @ 0.5% = <del>€</del> 303.63			
RV Say €303			

And the Tribunal so determines.