

Appeal No. VA15/5/066

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

Petmania

APPELLANT

And

Commissioner of Valuation

RESPONDENT

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

Property No. 2203097, Retail (Warehouse), Floor 0, 2 Eastpoint Retail
Park, Limerick, County Limerick

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE XXX DAY OF XXX, 201X

BEFORE:

Barry Smyth - Chairperson/Deputy Chairperson
Pat Riney - Member
Aidan McNulty -Member

By Notice of Appeal received on the 10th day of September 2015 the Appellant appealed against the determination of the Commissioner of Valuation in fixing a net annual value of €47,200 on the above described relevant property on the grounds as set out in the Notice of Appeal as follows:

“The subject property’s estimate of net annual value is excessive and inequitable. Subject property is a retail warehouse in the former Eastpoint Retail Park. All other units, including the anchor, have been vacant and to let since the end of 2009. The Commissioner’s approach is to value this development as a retail park, however, with no anchor and no other tenants bar the appellants this is completely inappropriate. The subject property should be valued by

reference to one off showroom uses, since the major attraction and source of value in retail parks is co-operative users, from which the subject derives no benefit.

Given the large amount of retail warehouse space still available in the more successful retail parks in Limerick it is difficult to see how the hypothetical tenant could be interested in this unit unless offered at an extremely competitive rent, as he would effectively have to build the retail park around him, which would be far in excess of the obligation of a normal unit.”

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 16/08/2016 adduced before us by David Halpin, Eamonn Halpin & Company Limited on behalf of the Appellant, who contended for a net annual value of €26,300 and Dean Robinson on behalf of the Respondent to the appeal,

DETERMINES

That the NAV at €37,200 calculated as follows:

653.40 M2 at €55 per M2	€35,937.00
Mezzanine -110.88M2 at €11.00 per M2	€1,219.68
	€37,156.68

Say

€37,200

Reduction.

The reasoning being:

1. From the evidence, it is clear that this is a disadvantaged retail park proven by the effectively total vacancy bar the subject property and one other that at the statutory valuation date was let on a rolling one year lease, but has subsequently been vacated. The anchor tenant had failed prior to the valuation date and none of the other units had been occupied.
2. The passing rent on the subject property at the statutory valuation date is as originally agreed for a lease commencing on the 1st June 2008. The parties agreed that by the valuation date of March 2012 rental values had reduced considerably and that the original rent was therefore not that relevant at the valuation date.
3. The abated rent on the subject premises, while not providing for any other inducements, cannot necessarily be regarded as an open market rent because the tenant was tied into

a 20 year lease albeit with an option to break at the end of year 10 and was therefore not free to walk away from a deal if he did not like the terms.

4. The rent on the Broderick unit was short term only.
5. The Tribunal accepts the appellant's evidence that for a successful retail park there must be a range of trades or business's and an active anchor tenant and neither of these factors was in place in this retail park at the valuation date.
6. Stand-alone units and units in business parks are less relevant than retail park units to our consideration of the appropriate NAV for the subject property which comprises part of a retail park.
7. Delta Retail Park is clearly actively trading and fully occupied and has NAVs calculated at €45 per M2. However it does not have the same main road profile as the subject park.
8. The Jetland Retail Park is clearly in a superior location and is a fully let and active retail park, adjacent also to a shopping centre with a Dunnes Stores anchor tenant. In this instance the NAVs are calculated at €70 per M2 and the subject must be less than this.
9. City East also has a varied range of traders and NAVs calculated at €80 per M2. It is adjacent to the subject property. However, in view of its full occupancy compared with the subject property with one unit only occupied, it is clearly a better or more popular park and therefore of greater value.