

Appeal No. VA01/1/009

AN BINSE LUACHÁLA
VALUATION TRIBUNAL
AN tACHT LUACHÁLA, 1988
VALUATION ACT, 1988

TSB Bank (Monaghan)

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Bank at Lot No. 17. 19. Dawson Street, Townland: Mullagh Monaghan, UD:
Monaghan Urban, County Monaghan

B E F O R E

Fred Devlin - FSCS.FRICS

Deputy Chairman

Finian Brannigan - Solicitor

Member

Patrick Riney - FSCS. MIAVI

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 26TH DAY OF FEBRUARY, 2002

By Notice of Appeal dated 12th April 2001 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of €241.25 (£190). The grounds of appeal as set out in the Notice of Appeal were: "The Valuation is excessive inequitable and bad in law."

1. This appeal proceeded by way of an oral hearing held in the offices of the Tribunal at Ormond House, Upper Ormond Quay, Dublin 7, on Wednesday 12th December 2001. At the hearing the appellant was represented by Mr. Alan McMillan ASCS., MRICS., MIAVI., of GVA Donal O Buachalla & Company. The respondent was represented by Mr. Damien Curren MRICS., ASCS., a district valuer in the Valuation Office.
2. The subject property forms part of the ground and first floor of a new three storey development with retail units at ground floor level and with residential accommodation overhead. The premises occupied by the T.S.B. are located on the west side of Dawson Street, close to the town centre and opposite to the Dawson Mall entrance to Monaghan Shopping Centre. An ATM facility is installed onto the Dawson Street frontage.
3. The accommodation consists of a banking hall, manager's office and interview rooms at ground floor level with stationary store, canteen and staff toilets at first floor level. The agreed areas measured on a *net* internal area basis are as follows:

The ground floor	199.9 m ² (2,152 sq. ft.)
First Floor	32.5 m ² (350sq. ft.)

The property was first valued in November 1999 and the rateable valuation assessed at £215.00, which was reduced to €241.25 (£190.00) at first appeal stage. It is against this assessment that the appeal to this Tribunal now lies.

The Appellant's Contentions

4. Mr. McMillan contended for a rateable valuation of £154 calculated as set out below:

Ground floor:

Banking Hall, Managers Office etc. - 199.9m^2 @ £145.31 = £29,047.

First Floor:

Canteen, Stores & Toilets - 32.5m^2 @ £54.90 = £1,784.

Total = £30,831

Net Annual Value say £30,800

Rateable Valuation @ 0.5% = €195.54 (£154)

In support of his valuation Mr. McMillan introduced ten comparisons, three of which were located in Monaghan and the remainder in other similarly sized towns i.e.

Cavan, Dundalk, Drogheda and Mullingar.

In his evidence Mr. McMillan pointed out that the subject property was not purpose built and occupied a secondary commercial location relative to the Diamond and Church Square, where a number of other bank premises are located. He also considered the location to be inferior to the IPBS premises on the opposite side of the road, at the entrance to Monaghan Shopping Centre.

Mr. McMillan took issue with Mr. Curran's valuation of the banking hall, which he said was calculated on a basic rate of £161.46 per sq.m., plus 10% for the ATM facility. In his opinion this represented an overvaluation of the benefits of the ATM

facility. Whilst he accepted the principle that the presence of an ATM facility did add value, it was not correct to say that it enhanced the value of the ground floor by a factor of 10% in all instances. The 10% used by Mr. Curran, was in his opinion based upon a wrong interpretation of the Valuation Appeal Ref. No: VA99/3/004 – Ulster Bank (Sligo) v Commissioner of Valuation.

Mr. McMillan drew attention to his comparison No.2, i.e., the Ulster Bank premises at 1.2 The Diamond, Monaghan. Mr. McMillan said that in agreeing the valuation of this property at the 2000/3 revision, it was agreed that the ATM would not be specifically referred to in the valuation. In regard to a question from Mr. Curran regarding his comparison No.4, i.e., The Bank of Ireland premises in Cavan, he rejected the proposition that at first appeal stage he had agreed to a devaluation, which showed an uplift of 16% to reflect the added value of the ATM. In all appeals that he had dealt with, Mr. McMillan said, in relation to bank premises he had never agreed to a specific uplift for an ATM facility. In those instances he said, where there is no mention of an ATM in the valuation calculation, it is not true to say that it had been ignored. In regard to the IPBS premises opposite to the subject, he said that whilst it was valued by reference to the tone of the list established within the shopping centre, it nonetheless was a bank premises with an ATM facility and should be treated as such.

In regard to the comparison No 3 included in Mr. Curran's evidence Mr. McMillan said he had no option but to accept Mr. Curran's evidence to the fact that the square metre rate applied to the bank reflected the presence of the ATM. As far as his local comparisons were concerned he considered the location of the Ulster Bank to be the

best, followed in order of prominence by the IPBS premises, the subject and the Credit Union Building. The comparisons drawn from outside Monaghan were included merely to show established levels in other towns, all of which were valued at square metre levels lower than that contended for by the Valuation Office in this instance.

5. The Respondent's Evidence

Mr. Damien Curran in his evidence contended for a rateable valuation of €241.25 (£190) calculated as set out below:

Ground Floor:

Banking Hall, Manager's Office and Interview Rooms:

199.92 sq. m. @ £177.60 = £35,505

First Floor:

Store Canteen and Toilets:

32.51 sq.m. @ £75.35 = £2,450

Total £37,955

NAV say £38,000

Rateable Valuation @ .5% = £190

In support of his valuation Mr. Curran introduced five comparisons. Three of his comparisons were located in Monaghan one in Belturbet and one in Ballyconnell. Mr. Curran pointed out that the most relevant comparisons were those premises situated in Monaghan. He also drew attention to the fact that in two of these i.e. the Ulster Bank premises on the Diamond and the IPBS property, the presence of the ATM facility had not been specifically addressed. In his opinion the valuation of these properties was too low and the rate per square metre attributed to the ground

floor banking hall in each case should be increased by 10%. In his opinion an ATM facility attached to a bank was an important feature which must be reflected in the valuation.

In response to questions from Mr. McMillan, Mr. Curran agreed that the Ulster Bank premises had been the subject of an appeal to this Tribunal in 1999 (ref: VA99/2/001) and that there was no reference to the ATM in the judgement and that the matter was not specifically addressed at the 2000/3 Revision. Mr. Curran also agreed that Dawson Street was subject to heavy traffic during the working day but said that this applied equally to all the primary streets in Monaghan. In locational terms he agreed that the Diamond and Church Square were better than Dawson Street but in his opinion the differential in value terms was narrowing due to the development of the Shopping Centre and other smaller development schemes on Dawson Street itself.

6. Findings

The Tribunal has carefully considered all the evidence introduced including the comparisons and the arguments adduced and makes the following findings:

1. The subject property is located within the central business core of Monaghan.
2. The Tribunal considers the most relevant comparisons are local comparisons.
3. The Tribunal finds the most helpful of the local comparisons submitted to be the IPBS premises in terms of location and user, though there is a significant difference in the area of the ground floor accommodation. Both premises are within recently completed schemes of development and used as banks and have an ATM facility. The Tribunal does not consider the location of either of these premises to be superior to the other.

4. The Tribunal considers Dawson Street to be an inferior business location to the Diamond and Church Square but not significantly so.
5. This Tribunal in line with other judgements considers the presence of an ATM facility to enhance the efficiency of bank premises and hence should be reflected in Net Annual Value. Where a bank is being valued by comparison with other bank premises where there is an ATM facility no problem arises in that like is being compared with like.
6. The Tribunal notes Mr. Curran's opinion that the valuation of the IPBS Building is low and Mr. McMillan's opinion that the valuation is in line with the valuation of retail units within the Shopping Centre. However the facts of the situation are that it is a bank with an ATM facility. It is located almost opposite to the subject property and its valuation was agreed at the 1998/4 first appeal stage. As such it meets the requirements of Section 5 (2) of the Valuation Act 1986 and hence cannot be disregarded as a relevant comparison without good reason.
7. Not for the first time the Tribunal notes that there is a lack of consistency among consultants and the Valuation Office about the treatment of ATM facilities in the valuation process. In the circumstances the Tribunal would again ask that this matter be considered further by the Valuation Forum particularly in the light of the upcoming revaluation as envisaged by the Valuation Act 2001.

Determination

Having regard to the above the Tribunal determines the Rateable Valuation of the property which is the subject of this appeal to be €218.40 (£172) as set out below:

Ground Floor:

Banking Hall, Manager's Office etc.	199.9m ²	@	€205.01	(£161.46)m ² =
			€40,982	(£32,276)

First Floor:

Store, Canteen and Toilets	32.5m ²	@	€81.97	(£64.56p) =
			€2663.91	(£2,098)

Total			€43,645	(£34,374)
-------	--	--	---------	-----------

Net Annual Value	say		€43,679	(£34,400)
------------------	-----	--	---------	-----------

Rateable Valuation	@	0.5%	=	€218.40	(£172)
--------------------	---	------	---	---------	--------