

Appeal No. VA06/3/005

Status of Judgment: **Ready**

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

**Tallow Area Credit Union Ltd.**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Office(s) at Lot No. 69, Convent Street, Tallow, Lismore, County Waterford

**B E F O R E**

**John Kerr - BBS. ASCS. MRICS. FIAVI**

**Deputy Chairperson**

**Maurice Ahern - Valuer**

**Member**

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

**Member**

**JUDGMENT OF THE VALUATION TRIBUNAL  
ISSUED ON THE 11TH DAY OF DECEMBER, 2006**

By Notice of Appeal dated the 5th day of July, 2006, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of €122.00 on the above described relevant property.

The Grounds of Appeal are set out in a letter attached to the Notice of Appeal, a copy of which is attached at Appendix 1 to this Judgment.

**At issue****Quantum**

The appeal proceeded by way of an oral hearing, which took place in the Hearings Chamber of the Valuation Tribunal, located on the first floor of Ormond House, Ormond Quay, Dublin, on the 11<sup>th</sup> October, 2006. The Appellant was represented by Mr. Des Geary, Manager, Tallow Area Credit Union, and the Respondent by Ms. Olivia Bellamy, MIAVI., a Valuer in the Valuation Office.

In accordance with the Rules of the Tribunal, the parties had exchanged their respective précis of evidence prior to the commencement of the hearing and submitted same to this Tribunal. Prior to formal proceedings commencing, Ms. Bellamy brought the attention of the Appellant and the Tribunal to a typographical error on Page 2, Section 2 of her précis of evidence, which indicated that the property was valued at €180.00. She confirmed that this figure should have correctly read €122.00.

At the oral hearing, both parties, having taken the oath, adopted their précis as being their evidence in chief. This evidence was supplemented by additional evidence given either directly or via cross-examination. From the evidence so tendered, the following emerged as being the facts relevant and material to this appeal.

**The Property**

The property comprises a recently purpose built two storey detached premises which is owner / occupied by Tallow Area Credit Union Ltd. The external elevations are rendered walls with a timber and glass front. Parking is provided to the rear for six cars. The ground floor features offices at the front leading to an open banking area with a canteen, w/c, strong rooms and store to the rear. The ground floor features plastered and painted walls, suspended ceiling, carpeted and tiled floors and is air-conditioned.

The first floor is laid out in offices and features a Board Room, with similar wall and ceiling finishes to the ground floor. The building is served with a lift and understood to have been built and completed at a cost of €980,000, excluding land, in 2004.

**Location**

Fronting onto Convent Street in Tallow, Co. Waterford.

### **Accommodation**

Ground Floor Office and Banking area:	165.36 sq. metres
Ground Floor Canteen, Store, Strong Room, Ante Room & Computer Room:	83.93 sq. metres
First Floor Offices and Board Room:	<u>201.24 sq. metres</u>
Total net internal area:	450.53 sq. metres

### **Tenure**

It is understood to be freehold.

### **Valuation History**

The property was revised in 2005. A Valuation Certificate (proposed) was issued by the Commissioner on 22<sup>nd</sup> November, 2005, with an RV of €122.00.

An Appeal was lodged with the Commissioner on 25<sup>th</sup> January 2006 following which the RV remained unchanged.

An Appeal was filed with the Valuation Tribunal on 5<sup>th</sup> July, 2006.

### **Appellant's Case**

Proceedings commenced when Mr. Geary assumed his position in the stand, took the oath, formally adopted his précis as his evidence-in-chief and commenced by remarking that the Board of the Tallow Area Credit Union is a voluntary body and wished it to be known that they were aggrieved with the Commissioner introducing the commercial AIB building in Tallow as a comparison for the subject property. He noted that the AIB, unlike the subject, is located in the centre of the trading area in Tallow.

Mr. Geary then reviewed his submission by reference to correspondence dated 26<sup>th</sup> September, 2006, from Tallow Area Credit Union Ltd., to the Valuation Tribunal, copy of which is enclosed herewith as Appendix 2. This submission recited the contents of Appendix 1 above noted with the exception of the first and final paragraphs contained in Mr. McCarthy's correspondence of 5<sup>th</sup> July, 2006. In addition to the Grounds of Appeal, Mr. Geary again contended that the AIB Bank premises in Tallow was an inappropriate comparison for the Commissioner to use as the bank building is, in his opinion, a professional commercial unit located in the trading centre of the town, whereas the subject

relevant property, he contended, does not have the same passing traffic as the AIB Bank. Mr. Geary also queried the Commissioner's valuation based on the quality and design of the subject relevant property, which he indicated was the result of decisions made by the Planning Authority in accordance with Building Regulations. He repeated that the Credit Union is made up of voluntary members who felt they were being penalised for having complied with the requirements of the Planning Authority in terms of the design and elevations of the building, and concluded his submission by reminding the Tribunal of the invaluable service the members of the Credit Union in Tallow provide to the community.

### **Cross-examination by the Respondent**

Ms. Bellamy commenced her cross-examination of Mr. Geary by asking for his opinion on whether he felt that the Rateable Valuation applying to the relevant property would be reasonable if it were occupied by a commercial institution, to which Mr. Geary replied that the building, in his opinion, is not a commercial premises inasmuch as the Credit Union is not considered a commercial body. On the condition of the building, Mr. Geary confirmed that he considered it to be satisfactory but added that it was designed exclusively for Credit Union business, and is occupied by the Tallow Area Credit Union Ltd., totally as a stand alone organisation. Ms. Bellamy queried if he felt the premises was suitable for use as a bank and in reply Mr. Geary indicated that he would concur that the ground floor would but the upper floor would not as it offered more office space than would be needed for a bank.

Ms. Bellamy queried if the recent change in location of the Credit Union within the town had negatively impacted on business, but Mr. Geary confirmed that there was no apparent change, to which Ms. Bellamy posed an open question as to why Mr. Geary had earlier in his submission referred to the location as isolated.

Mr. Geary also confirmed that the Credit Union's submission contained no valuation calculations but did seek a reduced RV of €80.00, being what the Credit Union considered to be their fair share and a reasonable RV. Ms. Bellamy sought details of any other comparison properties which the Credit Union may have adopted to support their argument to which Mr. Geary replied that the Board had taken cognisance on a general basis of the rates being paid on other properties in the area, but was not able to offer specific details. Ms. Bellamy asked if the Rateable Valuation should be the same on two adjoining buildings

and Mr. Geary replied in the negative noting that the Credit Union is a “Not for Profit” organisation. Mr. Geary indicated that the population of Tallow is approximately 1,000 and that the Credit Union employs eight full time people, which number he noted exceeds that of the AIB, and added that the organisation was formed by a local committee, trades as an independent organisation, but maintains contact with the Irish League of Credit Unions.

### **Respondent’s Case**

Ms. Bellamy then assumed her position in the stand, took the oath, formally adopted her précis as her evidence-in-chief and reviewed her submission. She provided a description and location of the premises and confirmed that the net internal areas ground and first floor, as noted above, were agreed with the Appellant. She summarised the valuation methodology and indicated that the ground floor offices and banking area of 165.36 m<sup>2</sup> had a rate/m<sup>2</sup> applying thereon of €65.00 and the Strong Room, Ante Room, Computer Room, Canteen and Stationary Store, which measured 83.93 sq. metres had a rate of €50.00 per sq. metre and the first floor, which measures 201.24 sq. metres had a rate of €47.83 per sq. metre applied, which resulted in a total NAV of €24,570.18. With the reduction factor of 0.5% applied, the resultant Rateable Valuation calculation was €122.85, which the Commissioner reduced to €122.00.

Ms. Bellamy summarised the valuations on four comparison properties, which are attached hereto as Appendix 3, and include the AIB Bank, Barrack Street, Tallow, the Bank of Ireland on West Street, Lismore, the John Ford shop on Convent Street, Tallow and the former Tallow Area Credit Union premises on West Street in Tallow. She also drew reference to previous determinations of the Valuation Tribunal, namely **VA05/1/024 – Portlaoise Credit Union** and **VA05/2/026 – Millstreet Credit Union**, citing the following respective extracts:-

*“The subject premises to all intents and purposes is a bank and is constructed and finished to a high standard. In the circumstances, the Tribunal is of the view that the most relevant comparisons are those of bank premises in Portlaoise town centre, as introduced by Mr. Fahey. The assessment of retail outlets and offices in the vicinity is helpful but to a lesser degree.”*

*“The subject premises to all intents and purposes is a bank and is constructed and finished to a very high standard with air-conditioning and lift. In the circumstances, the Tribunal is of the view that the most relevant comparisons are those of the bank premises in Millstreet introduced by Mr. Fahey.”*

Ms. Bellamy concluded her submission by stating that the subject property is a modern, purpose built, two storey Credit Union in excellent condition and the size of the property was considered when arriving at the valuation.

In reply to a query from the Tribunal, Ms. Bellamy stated that her primary comparison was the AIB Bank in Tallow, taking a lead from the aforementioned Tribunal determinations. She confirmed that RV's on her comparisons had not been appealed and acknowledged that Comparison No. 3, being Ford's Retail Shop, may not be considered a reliable comparison. She acknowledged that she had not visited the AIB Bank but that she had taken copy notes on its internal condition from a report held by the Valuation Office.

#### **Cross-examination by the Appellant**

Mr. Geary challenged Ms. Bellamy on her assertion that the subject and AIB location were similar and capable of enjoying like passing pedestrian traffic in particular. He noted that the new Credit Union premises are located further away from the commercial core of the town than their former premises, which for reference purposes, is identified as Comparison No. 4, in Ms. Bellamy's submission.

Mr. Geary concluded his evidence by repeating that the Tallow Area Credit Union was a “not for profit”, non-commercial organisation, not to be compared with the AIB premises.

Ms. Bellamy, in her concluding remarks, noted the Appellant's view that if the AIB and Credit Union premises were located side-by-side, they should not be rated similarly. However, she contended that such would be incorrect and inconsistent, if not contrary to the provisions of the Valuation Act 2001, and the determinations made by the Tribunal on the Portlaoise and Millstreet aforementioned premises.

**Findings and Determination**

1. The Tribunal acknowledges the very laudable efforts and contributions made by Tallow Area Credit Union Ltd., Members and Staff to the local community.
2. The Tribunal acknowledges the selfless voluntary inputs made by the Credit Union Members and Board.
3. The Tribunal is bound by the statutory provisions of the Valuation Act 2001 and is obliged to consider only the evidence submitted and evidence adduced at hearing.
4. Having considered such evidence, together with the arguments made by both parties at the hearing, the Tribunal has concluded that insufficient argument was made to support or warrant a reduction in the Rateable Valuation of the subject relevant property.

Accordingly, the Tribunal determines that the Rateable Valuation calculated by the Commissioner of Valuation was correct, fair and reasonable and hereby affirms same at €122.00.

And so the Tribunal determines.