

Appeal No. VA10/2/029

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

Ulster Bank

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Property No. 2200970, Bank, at Lot No. 63-64 Main Street, Bray, Bray No.3, Bray UD, Wicklow, County Wicklow

B E F O R E

John Kerr - Chartered Surveyor

Deputy Chairperson

Frank Walsh - Valuer

Member

Michael F. Lyng - Valuer

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 7TH DAY OF DECEMBER, 2010

By Notice of Appeal dated the 8th day of June, 2010, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of €293 on the above-described relevant property.

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

This appeal proceeded by way of an oral hearing held in the offices of the Valuation Tribunal, Ormond House, Ormond Quay Upper, Dublin 7 on 28th July, 2010. At the hearing the appellant's company was represented by Ms. Siobhan Murphy BSc.(Surv) MSCS MRICS, who is employed by GVA Donal O Buachalla, in the role of senior surveyor. Ms. Fidelma Malone BSc.(Hons) Estate Management, MIAVI, a valuer in the Valuation Office appeared on behalf of the respondent, the Commissioner of Valuation.

Valuation History

The subject premises was first assessed in June 2009 when a proposed Valuation Certificate was issued at RV €296. Following representations, the final Valuation Certificate was issued in October 2009 wherein the valuation was unchanged at RV €296. An appeal was subsequently made to the Commissioner of Valuation, following which the valuation was reduced nominally to €293 in May 2010 as a result of an adjustment in the floor areas. An appeal was lodged with the Valuation Tribunal thereafter.

Location

The property is located at 63-64 Main Street, Bray, Co. Wicklow.

Description

The property is a ground floor retail unit within a four storey mixed-use development of five ground floor retail units (1 double) with residential accommodation overhead and a basement car park. The subject is a double-fronted retail unit in use as a bank. It is finished to a good standard with raised access floors, suspended ceilings and air conditioning. It has profile to Main Street and has the benefit of return frontage to Parnell Road. It also has two car spaces located at basement level.

The areas are agreed as follows:

Floor area: Ground Floor: Retail/Banking Hall 311.04 sq. metres

Basement: 2 car spaces

Tenure

The subject is held under a 9 year and 11 month lease from September 2008.

Appellant's Case

Ms. Siobhan Murphy, BSc. (Surv), MSCS, MRICS, senior surveyor with GVA Donal O Buachalla, having taken the oath, adopted her précis which had previously been received by the Tribunal as being her evidence-in-chief. She outlined to the Tribunal that the subject property is located at the southern end of Main Street, Bray. Here the main retail thoroughfare ceases and, in her opinion, is a weaker trading pitch compared to the primary retail hub located at the northern end of Main Street between Quinnsborough Road and Novara Avenue where AIB, Dunnes Stores, Lifestyle Sports, Vodafone, O2 and Elverys are located.

Ms. Murphy stated that the subject comprises a corner retail unit with frontage to both Main Street and Parnell Road, the latter is not a commercial thoroughfare and is primarily in residential use. Furthermore the excessive fenestration fronting Parnell Road has been tinted and is not utilised. Indeed, she outlined that fenestration is not desirable to most retailers as it considerably limits the display space within the unit and, similarly fenestration is not any great benefit to retail banking. She did not believe that the rear section of the unit was suitable for retailing purposes due to its narrow configuration and physical isolation from the main retail area due to the location of the lift lobby serving the upper floors, which does not form part of the subject demise.

Ms. Murphy contended that a fair assessment of the NAV for the subject property was as follows:

311.04 sq. metres @ €156 per sq. metre =	€48,522
2 Car spaces @ €200 each	= <u>€ 400</u>
Total NAV	€48,922
RV €48,922 @ 0.5% =	€244.61
Say	€45

In support of her opinion of net annual value of the subject property, Ms. Murphy introduced five comparisons details of which are attached at Appendix 2 to this judgment. In her evidence she stated that the most comparable properties of the five were Permanent TSB and Bank of Ireland. They are close to the subject as they are both located on the same stretch of Main Street and both were in similar financial use. The Permanent TSB ground floor

measures 174.65 sq. metres and is valued at €109.11 per sq. metre. Bank of Ireland, which is located opposite the subject, has a ground floor area of 367.42 sq. metres and is valued at €156.06 per sq. metre.

Cross-examination

Ms. Murphy confirmed to the Tribunal that the TSB and Bank of Ireland have no parking in front of their premises and, as far as she is aware, they have no car parking at all. She also confirmed that Vevay Road was very busy and the end of the commercial retail area which has the Credit Union and McDonalds. In reply to Ms. Malone, Ms. Murphy stated that she had no rental evidence to hand to suggest that AIB and Dubray Books were located in a superior retail trading area than the subject. Ms. Murphy also stated that there is no evidence that the value of Bank of Ireland property was discounted to reflect a non-traditional retail front at the date of revision, adding that the property has not been revalued to reflect the altered façade now in position.

Respondent's Case

Ms. Fidelma Malone, having taken the oath, adopted her written précis which had previously been received by the Tribunal as being her evidence-in-chief. She agreed with the description, location and floor areas already presented to the Tribunal by Ms. Murphy. Ms. Malone contended for a valuation of €293 as follows:

Ground Floor Retail	311.04 sq. metres	@ €187 per sq. metre	= €58,164.48
Car Spaces	2	@ €200 each	= <u>€ 400.00</u>
Total NAV			€58,564.48
RV @ 0.5%			= €292.82
Say	€293		

In regard to her comparisons, details of which are attached at Appendix 3 of this judgment, Ms. Malone stated that her first comparison was Unit 2A, 51 (ground floor) Main Street Bray, which is a purpose-built retail unit in a three-storey building. She felt it was located in an inferior location to the subject, it was irregular in shape and had no parking. The property devalues at €148.46 per sq. metre. Comparison two, Bank of Ireland, Main Street, Bray is a purpose-built bank on the east side of the Main Street opposite the subject property. Ms. Murphy stated that when this property was revised in 1994, the RV then was based on an

unattractive façade without any display window and a single point entrance through the hall door and was clearly inferior to more traditional retail frontages. The property has no parking and the ground floor is valued at €156.06 per sq. metre. Comparison three, Bray Credit Union is located in an inferior location to the subject and the ground floor is valued at €164.01 per sq. metre. Ms. Malone stated that comparison four, Carmel McGinn, was in an inferior location with the ground floor shop valued at €225.55 per sq. metre.

In reply to the Tribunal, Ms. Malone stated that the valuation of comparison two in her précis, Bank of Ireland, was reduced at appeal from €412.66 to €93.62 to reach agreement. In reply to a further question, she stated that, in some cases, the zoned method is used in valuing properties in Main Street, Bray. In regard to her comparison three, Ms Malone told the Tribunal that Bray Credit Union did not include the totality of the property in that particular block, because an extension had been added. She stated that comparison four, Carmel McGinn, measuring 44.98 sq. metres, is a small ground floor shop with one car space.

Cross-Examination

Under cross-examination, Ms. Murphy stated that the steps to the WC area in the subject property, Ulster Bank, are not rated. In reply to Ms. Murphy, Ms. Malone agreed that Main Street, Bray has become quite busy and is now considered a good retail area. Ms. Malone also agreed that there are some vacant units in the development where the subject is located. She also agreed that, in her opinion, a material change of circumstances had taken place in relation to the refurbishment of Bank of Ireland but that she was not aware if the property was listed for revision.

Findings

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

1. The Bank of Ireland premises, being the sole common comparison of the parties, was deemed the most appropriate comparison to the subject. Here, the rate per sq. metre applied to the ground floor banking hall and offices was €156.06. However, it was noted that this premises did not have its façade upgraded at the time it was revised.
2. In considering the other comparison properties cited by the appellant, namely the Permanent TSB, AIB, Bray Credit Union and Dubray Books, which de-valued at rates of €108.80, €174.65, €164.01 and €148.93 per sq. metre, respectively, for their ground floor

retail spaces, the Tribunal is satisfied that the position, profile and fenestration of the subject merited closer consideration and comparison with the common comparison (Bank of Ireland) premises.

3. The Tribunal concluded that Comparison No. 1 in the respondent's submission, namely the vacant restaurant, was of limited value to its task. Similarly Comparison No. 4, (namely Unit 7, Market Court) with its very small floor area and position was of little assistance to the Tribunal in its deliberations, while the ground floor offices of the Bray Credit Union (namely Comparison No. 3) was a more useful guide.
4. The subject Ulster Bank premises is located on the ground floor of a multi-storey complex with frontages onto Parnell Road and Main Street. It was noted that the footfall and commercial activity on Parnell Road is limited.
5. Having regard to all of the matters agreed in the respective précis of evidence submitted prior to hearing by both parties, together with the additional detail submitted on the date of hearing by the appellant, providing devaluation exercises on Permanent TSB, Bank of Ireland, AIB, Credit Union and Dubray Books premises, all in Bray, together with all of the foregoing, the Tribunal is of the view that the appropriate rate per sq. metre applicable to the subject premises should be set at a level equivalent to 110% of that applied to the common comparison property, being the Bank of Ireland, plus the agreed two parking spaces.

Accordingly, the RV should be calculated as follows:

Ground Floor Retail 311.04 sq. metres @ €171.66 per sq. metre =	€3,393.13
Car Spaces 2 @ €200 each	= <u>€400.00</u>
Total NAV	€3,793.13
RV @ 0.5%	€268.96
Say	€269

And the Tribunal so determines.