

Appeal No. VA98/2/022

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

**Bank of Ireland, Camden Street Lower**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Bank & yard at Map Ref: 88/89/90 Camden Street Lower, Ward: St. Kevins, County Borough of Dublin

Quantum - Banks to be valued as retail or in comparison with other financial institutions

**B E F O R E**

**Fred Devlin - FRICS.ACI Arb.**

**Deputy Chairman**

**Barry Smyth - FRICS.FSCS**

**Member**

**Finian Brannigan - Solicitor**

**Member**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 5TH DAY OF MAY, 1999**

By Notice of Appeal dated the 28th day of April 1998 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £450 on the above described hereditament.

The Grounds of Appeal as set out in the said Notice of Appeal are that "the valuation is excessive and inequitable having regard to the provisions of the Valuation Acts and on other grounds also.

The appeal proceeded by way of an oral hearing which took place on the 1<sup>st</sup> day of February 1999 at the offices of the Valuation Tribunal, Dublin. The appellant was represented by Mr. Owen Hickey B.L. with Mr. Thomas Davenport ARICS ASCS Chartered Surveyor of Lisney and the respondent was represented by Mr. Aindrias O’Caoimh S.C. with Mr. Tom Costello, a District Valuer in the Valuation Office.

Having taken the oath each valuer adopted as his evidence in chief his written submission, which had previously been exchanged with the other valuer and submitted to the Tribunal.

### **Material Facts agreed or found by the Tribunal**

#### **1. Valuation History**

The property was first valued in 1965 shortly after its construction. Following 1966 First Appeal and 1966 Circuit Court Appeal the ground floor bank was valued at R.V. £300 and the first and second floor offices at R.V. £210. In the 1997/2 revision the valuations were amalgamated and reduced to R.V. £450. No change was made on appeal.

#### **2. Situation**

Property is situated on the west side of Camden Street Lower just south of the intersection with Camden Row. This is a secondary retail area with ground floor shops and a mix of residential, office and storage accommodation on the upper floors.

#### **3. Property**

The property comprises a three storey mid terrace building with a single storey over part basement, rear extension constructed in the early 1960’s and accommodating a banking hall and ancillary accommodation at pavement level and offices on the upper floors.

#### **4. Accommodation**

<b><i>Ground floor</i></b>	Banking Hall/Offices	248 m <sup>2</sup>	2677 sq.ft.
	Safe/Strong room	12m <sup>2</sup>	127 sq.ft.
	Stationery/Book room	17m <sup>2</sup>	182 sq.ft.
	Kitchen	<u>3.5m<sup>2</sup></u>	<u>37 sq.ft.</u>
	<i>Total net ground flr. Area</i>	280.5 m <sup>2</sup>	3,013 sq.ft.

<b><i>First Floor</i></b>	Offices/Stores/Canteen	176.5 m <sup>2</sup>	1,900 sq.ft.
<b><i>Second Floor</i></b>	Offices/Stores	176.5 m <sup>2</sup>	1,900 sq.ft.
<b><i>Basement</i></b>	Boiler house	<u>14 m<sup>2</sup></u>	<u>148 sq.ft.</u>
	<i>Total floor area</i>	633.5 m <sup>2</sup>	6,813 sq.ft.

### **The Appellant's Case**

Mr. Davenport in his précis and direct evidence stated interalia;

1. An analysis of recent agreements with the Valuation Office or decisions of the Tribunal confirms that historically the assessments on premises of the main banks are demonstrated to have been excessive.
2. That the ground floor, although a banking hall is suitable for general retail purposes.
3. That the premises must be treated in its entirety of 633.5 m<sup>2</sup> (6,813 sq.ft.) and there would be limited demand for retail accommodation with almost 4,000 sq.ft. of offices overhead as one unit.
4. That the following Valuation Tribunal judgments were of relevance in this case;
  - (a) VA96/2/010 – *Irish Permanent Building Society, 22A Upper Baggott Street* in which the Tribunal noted that the hereditament had all the physical characteristics of a shop and was located in a predominantly retail area and that therefore the established Zone A rate should apply rather than the higher Zone A rate reflecting its use as a bank.
  - (b) VA95/6/013 – *Bank of Ireland, Tullamore* in which the Tribunal noted that more and more banks are locating in what must be described as normal commercial premises....and as such it seems inequitable to value banks in any other way than that in which rateable occupiers of similar commercial property are considered.

- (c) VA93/2/008 – *Allied Irish Bank, Dun Laoghaire* the Tribunal noted that the zoning method was appropriate and determined a rateable valuation having regard to the comparisons.
5. (a) That the correct approach to valuation in this case is on the zoning basis because of the configuration of the premises.
- (b) That Zone A rental comparisons in the area are in the range of £16-£18 p.s.f. and that existing R.V./N.A.V.'s devalue on the basis of £19.50 p.s.f. Zone A.
- (c) That the ATM machines occupy approximately 88 sq.ft. and are included in his Zone A proposal.

Mr. Davenport proposed a rateable valuation on the premises of £270 calculated as follows;

	Sq.ft.	£ Per Sq. Ft.	
Ground Flr. Zone A	796	18.00	14,328
Zone B	796	9.00	7,164
Remainder	1,075	4.50	4,838
Book Room/Safe	309	4.00	1,236
Kitchen	37	3.00	111
First Flr. Offices/Stores/Lunch Room	1,900	4.00	7,600
Second Flr. Offices/Lunch Room	1,900	4.00	7,600
<b>Total Net Annual Value</b>			<b>£42,877</b>
Say			£43,000

*Reducing factor to translate NAV to RV = £0.63%*

*Estimate of RV £43,000 x 0.63% = RV £270*

Mr. Davenport provided details of four open market rents in the locality (full details appended to this judgment) which showed Zone A rent ranging from £16 to £18 p.s.f. and offices at £4 p.s.f. and he further provided six comparisons of R.V.'s/N.A.V.'S (details of which are again appended to this judgment) which on analysis show Zone A rents of £19.50

but £15.00 on the premises of Indur Limited 72/73 Camden Street. These analysis also show upper floor offices rents in the range of £4.50-£7.00 p.s.f.

He offered the view that the Irish Nationwide premises was a very prominent building and is a less reliable comparison than that of the First National Building Society/First Active at 41B Camden Street and The Irish Permanent Building Society at 14 Camden Street Lower. He also offered the view in relation to Mr. Costello's valuation that there was no supporting evidence for the £7.00 p.s.f. on the 3,800 sq.ft. of offices in the subject premises.

Under cross-examination Mr. Davenport provided the following information;

1. That there was no quantum reduction in the case of the Irish Nationwide Building Society premises but that the rents on the upper floors at £7.00 p.s.f. were too high.
2. That the Irish Permanent Building Society premises on Upper Baggott Street was not a purpose built bank.
3. That zoning was not applied by the Tribunal in the Bank of Ireland premises in Rathmines.
4. That the first floor of the subject premises is used by the bank branch staff but the second floor by other bank staff.
5. That he has not valued the space occupied by the ATM machine separately but has included the area occupied by them in his Zone A.

In relation to comparisons, Counsel for the respondent raised the following points;

- **6 Wexford Street**

That the Valuation Office records show an analysis of the rent to be £20 p.s.f. on Zone A and the premises has a shared entrance with the upper floors.

- **70 Lower Camden Street (Caddyshack)**

That the Valuation Office analysis is £22 p.s.f. Zone A based on the passing rent.

- **56 Camden Street (McPherson Paints)**

The Valuation Office analysis is £19 p.s.f. as opposed to the appellants £18 p.s.f. and that this is not as active a retail area as the location of the subject premises.

- **Irish Permanent Building Society (14 Camden Street)**

First Floor offices are analysed at £7.00 p.s.f. and £4.00 p.s.f. on basement office without the benefit of separate access and a lift to upper floor as in the subject premises.

- **Irish Nationwide Building Society (1-4 Camden Street)**

Upper floor offices are at £7.00 p.s.f.

- **72/73 Camden Street (Indur Ltd.)**

These are wholesale showroom premises rather than retail premises.

### **The Respondent's Case**

Mr. Costello in his précis and direct evidence stated interalia;

1. That this was an improving retail location and that in addition three hotels had been developed in recent times.
2. The ground floor is a purpose built banking hall and there is a separate entrance to the upper floors with a lift and originally the upper floors were a separate letting.
3. Zoning was not appropriate for these premises and the Irish Nationwide premises had not been zoned and neither had AIB in Rathmines or Bank of Ireland in Rathmines.
4. The smaller building society premises in the street were relatively small and most of their value is in fact in Zone A.

5. Bigger properties do not lend themselves to zoning.
6. Much larger floor areas on the upper floors in the Irish Nationwide Building are taken as £7.00 p.s.f. for N.A.V. as is the first floor of the Irish Permanent Building in Camden Street.
7. He has added £15 each for the rateable valuation of the two ATMs, which is a low figure, and he has utilised this because he has not taken the ATMs out of the floor area.
8. That the problem with Mr. Davenport's valuation lies in the zoning principle which gives rise to a Zone C of £4.25 and he obviously cannot put a higher figure on the first and second floors.
9. Mr. Costello proposed an R.V. of £450 derived as follows;

		<i>Sq.ft.</i>	<i>£</i>
<b>Ground Floor</b>	Banking Hall	2,667 @ £14 =	37,338.00
	Strong room	127 @ £10 =	1,270.00
	Stationery room	182 @ £10 =	1,820.00
	Kitchen	37 @ £10 =	370.00
<b>First Floor</b>	Offices	1,900 @ £ 7 =	13,300.00
<b>Second Floor</b>	Offices	1,900 @ £ 7 =	13,300.00
<b>Basement</b>	Store	148 @ £ 5 =	<u>740.00</u>
			68,138.00
	R.V. £68,138 x 0.63%	=	£429.26
	Add for 2 A.T.M.'s	=	<u>£ 30.00</u>
			£459.26
	<b>R.V.</b>	=	£450.00

Ground Floor overall 3,013 sq.ft. devalues £13.50 sq.ft.

Mr. Costello provided nine comparisons three of which were also provided by Mr. Davenport. Details are set out in the appendix.

Mr. Costello commented on Mr. Davenport's comparisons as follows;

- **Wexford Street Pharmacy**

Rateable valuation is £48.00 and this equates to £20.00 p.s.f. on Zone A.

- **Caddyshack**

His understanding of the breakdown of the floor area is different to Mr. Davenports and there is a structural wall across the width of the property and as a result he devalues the Zone A at £22.00 p.s.f.

- **Mc Pherson Paints**

In the 1992/4 appeal Zone A was agreed at £19.00 p.s.f.

- **Irish Nationwide Building Society**

The N.A.V. was agreed at £70,985 with the appellant's consultant and this premises has a separate entrance to the upper floors with a lift.

- **Centra Convenience Stores**

The rear stores in this premises are valued in the Valuation Office file at £4.00 p.s.f. which is the same rate as Mr. Davenport applies to the offices in the subject premises.

In addition Mr. Costello noted the premises beside the Caddyshack which is 800 sq.ft. and a rent of £20,000 per annum or £25.00 p.s.f. overall is being sought.

In cross-examination Mr. Costello stated that;

1. Camden Street was mainly a retail street and the most valuable section was near Wexford Street where the subject premises is located.



2. That £19.50 Zone A is the tone of the list but Mr. Davenport uses £18.00 p.s.f. and that zoning was not appropriate for larger properties.
3. That it was wrong to zone premises such as this with 37 foot frontage in a rectangular shape and the reduction to Zone C of £4.25 proves this point whereas the premises of the Irish Nationwide directly opposite with first floor larger areas has £7.00 p.s.f. on it.
4. The Tribunal did not zone the AIB in Rathmines.
5. He accepted that the subject could be converted to retail use but had no idea of the cost of conversion.
6. The Rathmines banks comparisons were introduced to show that zoning was not carried out and not for comparison purposes as Rathmines is a better trading location.
7. There is a letting from the branch to a Bank Of Ireland department on the second floor but he accepted that the property had to be dealt with as a single unit although it was noted that it had a separate entrance and a lift to the upper floors.
8. He accepted that 2,600 sq.ft. of ground floor space was unusually large for this location with the exception of the Irish Nationwide premises.
9. He submitted that a potential tenant requiring 2,600 sq.ft. on the ground floor would be aware that he could sublet the upper floors.
10. The ATM machine affects the efficiency of the ground floor as noted by the Tribunal in the Ballincollig Bank case.
11. He accepted that the Irish Nationwide premises is a more impressive building and is very much larger but stated that internally it was not better than the subject and the side street from which it has secondary frontage is little more than a laneway.
12. The First National/First Active premises banking hall area is valued at £19.00 p.s.f.

13. The subject premises was built as a bank and has no shop front therefore it has not got the characteristics of a shop.
14. The Irish Nationwide comparison giving 10,600 sq.ft. on the upper floors at £7.00 p.s.f. supports his figure of rent on the upper floors of these offices.
15. In his opinion the Irish Nationwide is the most important comparison and the Bank of Ireland and AIB in Rathmines show that it is not appropriate to zone the subject premises.

### **Determination**

In the view of the Tribunal it is not appropriate to zone the ground floor of these premises. It is interesting that it is more often the Valuation Office who are proposing zoning and the appellant objecting to it but it is the reverse in this case. There is evidence of both direct rental values and NAV's derived from RV's in the immediate locality on premises of various sizes many of which can be compared with the subject in one part or another but not in their entirety. The Irish Nationwide premises is probably the most appropriate comparison although it is noted that it is a more prestigious building and a larger building.

Taking the above evidence and submissions into account the Tribunal determines the rateable valuation at £390 derived as follows;

#### **Banking Hall/Offices gd. flr.**

2,667 sq.ft. @ £14.00 p.s.f. to reflect the size of the property and the presence of the ATM machines and the advantage this gives to the efficiency of the ground floor space and the ability to trade outside normal hours.

£37,338

#### **Ancillary gd. flr. space.**

346 sq.ft. @ £5.00 p.s.f. = £1,730

First floor offices 1,900 sq.ft.    }

Second floor offices 1,900 sq.ft. } 3,800 sq.ft. @ £6.00 = £22,800

Total £61,868

**N.A.V.** @ 0.63% = £389.76

*Say* £390

