

Appeal No. VA98/4/012

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

Governor and Company of the Bank of Ireland (Naas)

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Bank, office, yard & small garden at Map Reference 22, Main Street, Townland: Naas East, Naas Urban, U.D. Naas, Co. Kildare

B E F O R E

Barry Smyth - FRICS.FSCS

Deputy Chairman

John Kerr - MIAVI

Member

Tim Cotter - Valuer

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 26TH DAY OF JULY, 2000

By Notice of Appeal dated the 28th day of October 1998, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £435 (buildings) on the above described hereditament.

The Grounds of Appeal as set out in the said Notice of Appeal are that; "the rateable valuation is excessive and inequitable and bad in law 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 27th March 2000, in the Valuation Tribunal Offices. The Appellant was represented by Mr. Owen Hickey B.L., Mr.

Thomas Davenport A.R.I.C.S., Chartered Surveyor of Lisneys, gave evidence. The Respondent was represented by Mr. Brendan Conway B.L., instructed by the Chief State Solicitor. Mr. Kevin Heery B.Comm. M.I.A.V.I., Grad. Diploma (Planning & Development Economics), a District Valuer with twenty-nine years experience in the Valuation Office, gave evidence on behalf of the Respondent.

Having taken the Oath, each Valuer adopted as his evidence-in-chief his written submission which had been exchanged with the other Valuer and submitted to the Tribunal in advance of the hearing.

Material Facts Agreed or Found by the Tribunal

Valuation History

The property was the subject of a Revision and Appeal in 1974, with a Ratable Valuation set at £185, and again in 1982 with the R.V. fixed at £250. In 1986 R.V. was increased to £270. A 1991/4 Revision and Appeal resulted in an agreement reached between the Appellant and the Commissioner of Valuation, providing a reduction from R.V. £340 to £300. A Revision in 1997 produced an R.V. of £435 (buildings). No change was made at first appeal. The subject appeal is against this figure.

Situation

The property is situated on the east side of South Main Street in the town of Naas, close to the intersection with Basin Street, and is in close proximity to other banks, licensed premises, restaurants, and offices.

Property

The property comprises a single storey building recently extended, together with an adjoining three storey over basement office building to the rear, with a rear car park served by a lane abutting the southern gable of the single storey section. It is a listed building for preservation purposes in the Naas UDC Development Plan. The three storey section, formerly used as a Manager's residence, is constructed of brick and masonry walls, partially stone-faced front

elevation, sash windows, concrete and suspended timber floors, and pitched slated roof.

Improvement works carried out to, and accounted for in the 1997 Revision included:

- Single storey extension to Banking Hall;
- First floor extension providing new toilets and staff area;
- New stairwell at back of building and removal of two internal stairwells;
- General upgrading of property;
- Enlargement and resurfacing of car park.

Total amount expended relating to the above improvements was £384,000. The property is in good decorative and structural order throughout, with the exception of the basement which is used for archival storage purposes only.

Accommodation

- Ground Floor Banking Hall/Offices	416.4 m ²
- First Floor Offices	93.8 m ²
- Second Floor Offices	88.6 m ²
- Basement Store	52.8 m ²
- Outside Store	75.5 m ²
- Rear Car Park	51 Car Spaces

Tenure

Freehold

The Appellant's Case

Mr. Davenport in his evidence stated that:

- When bank buildings were previously valued with other bank buildings, Lisney agreed to higher valuations, until the decision of the Tribunal in the Tullamore Appeal VA/95/6/013.

- The main commercial retail activity in Naas occurs further north on Main Street, around the area of Naas Shopping Mall and Superquinn.
- The area of the subject property is dominated by offices interspersed with financial institutions and licensed premises, with no significant retail activity.
- The areas of the subject property should be considered as one for rental purposes with a consequential lower value.
- Valuation Office should have applied different values between Ground Floor Banking Hall and Ground Floor Offices, and that the Valuation Office should not have zoned the premises.
- The older three-storey structure is not ancillary.
- An analysis of recent agreements with the Valuation Office, or decisions of the Tribunal, confirm that historically the assessments on premises of the main banks have been higher.
- The varying ceiling heights of the Banking Hall and steps to adjoining three storey offices were not properly considered by the Valuation Office.
- The Following Valuation Tribunal Judgements are of relevance in this case;
 - VA 95/6/013 Bank of Ireland, Tullamore
 - VA 96/2/055 Bank of Ireland, Pembroke Rd., Dublin
 - VA 96/2/054 Bank of Ireland, 111 Main Street, Bray

Mr. Davenport proposed a Ratable Valuation on the premises of £250 calculated as follows:

Ground Floor

(Single Storey Building)

Banking Hall/Offices	3,268 sq. ft. @ £10psf
Strong Room/Coin Room	187 sq. ft. @ £ 5psf
(Three Storey Building/Front Offices)	
Front Offices	1,027 sq. ft. @ £ 7psf

First Floor

Offices	1,010 sq. ft. @ £ 5psf
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Second Floor

Offices	954 sq. ft. @ £ 3psf
Basement/Stores	568 sq. ft. @ £ 1psf

External

Store	813 sq. ft. @ £ 1psf
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Total NAV £50,097, say £50,000 @ 0.5% = **R.V. £250**

Mr. Davenport provided seven comparisons summarized as follows:

Comparison No. 1

Ferris O'Reilly, Property Consultants/Auctioneers, North Main Street.

R.V. £57

NAV £11,400

Analysis

Ground Floor	Public Offices	515 sq. ft. @ £16 per sq. ft.
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First Floor	Offices	505 sq. ft. @ £ 6 per sq. ft.
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New retail office building. Good corner location with excellent frontage. Prime trading area of Naas.

Return Store 503 sq. ft. @ £ 5.00 per sq. ft

External Store 170 sq. ft. @ £ 3.00 per sq. ft.

Compact shop unit in superior location to the subject located on the west side of South Main Street. Much smaller than the subject.

Comparison No. 5

Wilkinson & Price, Solicitors, South Main Street.

R.V. £80

NAV £16,000

Analysis

Ground Floor Office 1,080 sq. ft. @ £ 8.00 per sq. ft.

First Floor Office 1,412 sq. ft. @ £ 5.00 per sq. ft.

This property is located quite close to the subject. The main building has been completely refurbished throughout and a new two-storey extension has been added.

Modern office accommodation.

Comparison No. 6

CKR Radio, 25 Main Street

R.V. £20 (recently revised)

NAV £4,000

Analysis

Floor Area 770 sq. ft. @ £ 5.20 per sq. ft.

This premises was let on a 2 year 9 month lease from 1st March 1990, at a rent of £4,800 per annum (£6.85 per sq. ft.).

Comparison No. 7

Allied Irish Bank, Main Street

R.V. £335

NAV £67,000

Analysis

Ground Floor	Banking Hall	4,660 sq. ft. @ £11.00 per sq. ft
First Floor	Offices	1,873 sq. ft. @ £ 4.00 per sq. ft
Second Floor	Offices	1,783 sq. ft. @ £ 3.00 per sq. ft
Car Spaces		21 @ £150 per space

This property was revised following an amalgamation and complete refurbishment of two adjoining buildings.

Mr. Davenport asserted that his most appropriate comparisons were No. 2 and No. 3, i.e. N.I.B. and Naas Credit Union.

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

Naas is the administration headquarters for Co. Kildare, a dormer town within commuting distance to Dublin, with a population in 1996 of 14,074 persons. The 1997 Revision took account of the earlier noted improvement works on the subject property. All of the older three-storey building (former residence) is used as offices. South Main Street is regarded as a secondary trading area, and that the east side of the street, where the subject is located is inferior in rental levels to the west side of the street where there are a number of retail users.

Mr. Conway in cross-examining Mr. Davenport stated that;

- South Main Street is approximately one minute walking distance from North Main Street.
- Mr. Heery had calculated 51 parking spaces (as compared to 45 by Mr. Davenport).
- That the previous agreement on the R.V. set at £300 was not based on any convention existing at the time of the Agreement.
- The ground floor layout is a fully integrated Bank premises.
- That the older building is not ancillary and that the entire building should not be considered as office/commercial.

- That rear parking should be valued as it is provided as a convenience and service for the bank's customers.

With regards to the comparisons provided by Lisney, Mr. Conway asserted that:

- A. Bank of Ireland is a much more substantial building than Ferris O'Reilly's, the latter not having direct on-street or rear parking.
- B. The National Irish Bank has smaller frontage, no on-street car parking facilities, is not as prominent or imposing a building as the Bank of Ireland.
- C. The Credit Union occupies a corner site, has no immediate parking facilities, and has a much smaller internal ground floor area.
- D. Comparison No. 4, Office Supplies Retail Unit has a street frontage of only 13.5 feet, and headroom of less than 8 ft. Therefore not a good comparison to use.
- E. Wilkinson and Price has a poor overall floor layout and lacks good lighting and does not have an imposing frontage.
- F. Each of the two AIB front external doors service internal stairways only and the AIB has only one banking hall.

Respondent's case

Mr. Heery in his evidence stated that three banks dominate the area of the subject property, and that in addition, the general area is characterized by office and retail services. He assessed a Ratable Valuation of £435 calculated as follows:

Ground Floor Bank Hall/Offices	4,482 ft @ £14.50 per ft	=	£64,989
First Floor	1,010 ft @ £ 8.00 per ft	=	£ 8,080
Second Floor Office	954 ft @ £ 5.00 per ft	=	£ 4,770
Basement Store	568 ft. @ £ 2.50 per ft	=	£ 1,420
Outside Store	813 ft @ £ 2.50 per ft	=	£ 2,033
Car Park 51 spaces @ £100 per space		=	£ 5,100
			£87,000
	SAY		

416.4 m ² @ £156 per m ²)	
93.8 m ² @ £ 86 per m ²)	
88.6 m ² @ £ 54 per m ²)	
52.8 m ² @ £ 27 per m ²)	£87,000
75.5 m ² @ £ 27 per m ²)	
Car Park 51 spaces @ £100 per space)	

Or, as check by Zoning basis

Ground Floor Zone A 1,613 ft @ £25 per ft	=	£40,325
Zone B 1,110 ft @ £12.50 per ft	=	£13,875
Zone C 967 ft @ £ 6.25 per ft	=	£ 6,044
Remainder 1,192 ft @ £3.50 per ft	=	<u>£ 4,172</u>
		£64,416

Add other elements as above

£21,403

£85,819

Say £87,000

@ 0.5% = R.V. = £435

Mr. Heery provided six comparisons

Comparison No. 1 VA93/2/039

Bank of Ireland (Subject Property)

22 Main Street.

RV £300

NAV £60,000

Analysis

Ground Floor	Bank Hall/Office	3521 sq. ft. @ £13.50 =	£47,533
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First Floor	Offices/Canteen	695 sq. ft.	@ £6.00	=	£4,170
Second Floor	Office	727 sq. ft.	@ £3.00	=	£2,181
Basement	Storage	568 sq. ft.	@ £2.50	=	£1,420
Outside	Store	813 sq. ft.	@ £2.50	=	£2,032
Car Park		9095 sq. ft.	@ £0.20	=	<u>£1,800</u>
					£59,136

Comparison No. 2

Allied Irish Bank PLC

12 to 14 Main Street.

RV £335

NAV £67,000

Analysis

Ground Floor	Zone A	942 sq. ft.	@ £25	=	£23,550
	Zone B	849 sq. ft.	@ £12.50	=	£10,613
	Zone C	959 sq. ft.	@ £6.25	=	£5,994
Remainder		689 sq. ft.	@ £3.50	=	£2,412
First Floor	Offices	1,873 sq. ft.	@ £7.70	=	£14,422
Second Floor Office	/File Store	1,783 sq. ft.	@ £4.00	=	£7,132

Or Valuation:

Ground Floor	(Banking Area)	3,439 sq. ft.	@ £13.20	=	£45,395
First Floor	(as above)			=	£14,422
Second Floor	(as above)			=	<u>£7,132</u>
					£66,950

Valuation of £335 fixed at 92/4 1st Appeal. Traditional bank adjacent to Bank of Ireland. The frontage to bank is considerably less than subject property, 62 feet as against 88 ft. 21 spaces in car park as against 51 spaces with Bank of Ireland.

Comparison No. 3

Ulster Bank Ltd.

17 Main Street.

R.V. £150

NAV £30,000

Analysis

Ground Floor	Zone A	639 sq. ft. @ £26	=	£16,614
	Zone B	178 sq. ft. @ £13	=	£2,314
	Zone C	398 sq. ft. @ £6.50	=	£2,587
First Floor		692 sq. ft. @ £7.00	=	£4,844
Second Floor		921 sq. ft. @ £3.50	=	<u>£3,224</u>
				£29,583

Or Valuation:

Ground Floor	Banking Area	1,215 sq. ft. @ £17.70	=	£21,505
First Floor	(as above)		=	£4,844
Second Floor	(as above)		=	<u>£3,224</u>
				£29,573

Small traditional bank adjacent to subject property. This bank is the subject of an outstanding 99/4 first appeal as a result of 99/4 Revision. The frontage of this bank is 30 feet as against 88 feet for the Bank of Ireland. There are 22 car spaces at back compared to 51 spaces in Bank of Ireland.

Comparison No. 4

ACC Bank

25a 26a (pt) Main Street

RV £110

NAV £22,000

Analysis

Ground Floor	Zone A	596 sq. ft. @ £25	=	£14,900
	Zone B	476 sq. ft. @ £12.5	=	£5,950
	Zone C	290 sq. ft. @ £6.25	=	£1,813
Remainder		353 sq. ft. @ £3.00	=	<u>£1,059</u>
				£23,722

Or Valuation:

Ground Floor (overall)	1,715 sq. ft. @ £12.80	=	£22,000
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ACC Bank is adjacent to subject property. Plain premises with small public area. Cramped situation in part of two buildings. Long narrow layout to premises. Frontage of 30 feet narrows to width of 21 feet over majority of area. No car parking attached. Valued on 1997/4 Revision /First Appeal.

Comparison No. 5

National Irish Bank

48a/1BC

RV £100

NAV £20,000

Analysis

Ground Floor	Zone A	393 sq. ft. @ £26	=	£10,218
	Zone B	393 sq. ft. @ £13	=	£5,109
	Zone C	393 sq. ft. @ £6.50	=	£2,545
Remainder		308 sq. ft. @ £3.25	=	<u>£1,001</u>
				£18,873

Or Valuation:

1,487 sq. ft. (overall) @ £13.45 = £20,000

National Irish Bank is located at far end of Main Street to subject property. Not a very imposing building. Frontage is 20 feet to main street. No car park attached. Valued at 94/2 Revision/First Appeal.

Comparison No. 6

E.B.S. Building Society

49a Main Street

RV £75

NAV £15,000

Analysis

Ground Floor	Zone A	290 sq. ft. @ £26	=	£7,540
	Zone B	290 sq. ft. @ £13	=	£3,770
	Zone C	290 sq. ft. @ £6.50	=	£1,885
Remainder		85 sq. ft. @ £3.25	=	<u>£276</u>
				£13,471

Or Valuation:

Ground Floor Offices (Overall) 955 sq. ft. @ £15.70 = £15,000

Refurbished Building Society offices at far end of Main Street to subject property. 20 feet frontage to Main Street. No car parking attached. Valued in 1994 Revision.

Mr. Heery made the following additional comments:

The Revision figure established in 1991 on the subject property was agreed with Lisney in 1996 and that Revision took account of suitable comparisons. The ground floor in all areas

of the subject premises is fully integrated. The door serving the former three storey residence is normally kept closed and the public primarily uses the front door servicing the single storey area, and consequently, access to the older interior is through the single storey internal Banking Hall. A railing protects the under street level front of basement. He commented further on the Lisney comparisons as follows:

- No. 1 No improvements had been carried out at time of last valuation.
- No. 2 Valuation only applied to the first building, i.e. with the large sign overhead in the photograph. The older section had not yet been valued and parking is not permitted to the front.
- No. 3 Valued on lesser figure as confirmed by records.

On cross-examination by Mr. Hickey, Mr. Heery acknowledged that the zoning approach may not be appropriate. Mr. Hickey stated that the Valuation Office should have adjusted their Valuation on the building as Mr. Heery had applied a value of £100 x 51 to the car park. Mr. Hickey stated his assumption that Mr. Heery had apparently employed a base figure of rateable valuation £300 and then took the amount spent on the improvements into account. Mr. Heery said the Naas Credit Union building has no parking, is smaller in frontage and floor area, and that a figure of £12.50 per sq. ft. might be an appropriate rental rate. Mr. Heery did not support Mr. Hickey's assertion however that if floor area increases, there might be a corresponding decrease in rental rates per sq. ft.

Mr. Conway in summation referred the Tribunal to VA 95/6/006, AIB Tullamore, Paragraph 5, VA95/6/013 Bank of Ireland Baggott Street and VA98/3/051 Bank of Ireland, Portarlinton.

Determination

1. The Tribunal considers that as the car park was valued, the Valuation on the building should be accordingly reduced. Furthermore, it considers that the offices should not be

considered of a similar nature to the Banking Hall. It is the Tribunal's view that allowing for approximately 1,000 sq. ft. of difference in area, the AIB Bank (Respondent's Comparison No. 2) served as a particularly appropriate comparison. The Tribunal is mindful of previous determinations and in particular those noted by both Appellant and Respondent. The premises under Appeal has all the characteristics of a bank and should be valued not only in relation to other premises of similar use in the area, but also having regard to other comparisons which include offices and retail shops.

2. The parties agreed that the subject premises is in very good order having undergone a number of changes, extensions, and improvements over the years. The former three-storey residence is now in use as offices, and taken together with the single storey extension and rear extensions, car park and its location, it is reasonable to assume that the property is best suited to its current use.

3. The Tribunal in reaching its decision takes into consideration the location and information provided on the ACC, AIB and Ulster Bank and their proximity to the subject, and also the location and details of the NIB and EBS and their proximity to the main retailing areas of Naas. It has also taken account of the floor areas, street profiles and the availability of adjoining parking facilities for each of the comparisons submitted.

Taking all the evidence into account the Tribunal determines the Ratable Valuation of these premises, calculated as follows:

Ground Floor

Banking Hall/Offices/Strong/
Coin Room (all treated as one)

3,455 sq. ft. @ £14 = £48,370

Former Residence

Ground Floor 1,027 sq. ft. @ £12 = £12,324

First Floor 1,010 sq. ft. @ £ 8 = £ 8,080

Second Floor 954 sq. ft. @ £ 4 = £ 3,816

Basement & Outside Store	1,381 sq. ft. @ £ 2	=	£ 2,762
			<hr/>
			£75,352

Total £75,352

Say £75,000

£75,000 NAV @ 0.5% = R.V. £375.00

The Tribunal therefore determines the rateable valuation on the subject premises at £375 (buildings).