

Appeal No. VA02/4/029

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

**Allied Irish Banks Ltd.,**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Bank at Map Reference: 17.18 Shop Street, Townland: Cahernamart, Westport Urban,  
County Mayo

**B E F O R E**

**Fred Devlin - FSCS.FRICS**

**Deputy Chairperson**

**Tim Cotter - Valuer**

**Deputy Chairperson**

**Michael McWey - Valuer**

**Member**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 15TH DAY OF MAY, 2003**

By Notice of Appeal dated 14 November 2002 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of €540 on the above described relevant property.

The Grounds of Appeal as set out in the Notice of Appeal are that:

"Valuation is excessive, inequitable and bad in law, Valuation is not in line with comparables and does not reflect quantum."

The appeal proceeded by way of an oral hearing which took place in the Tribunal Offices, Ormond House, Ormond Quay Upper, Dublin 7 on 11 April 2003. At the hearing the appellant was represented by Ms. Sheelagh O Buachalla, a Director of GVA Donal O Buachalla and Mr. Kevin Mulligan the Retail Facilities Manager with AIB gave evidence of fact in relation to the building works carried out at the premises which gave rise to the revision of Valuation. Mr. Colman Forkin BSC (Surveying) MRICS ASCS MIAVI a Valuer in the Valuation Office appeared on behalf of the respondent. Prior to the hearing the parties exchanged and submitted to the Tribunal written préces of evidence and valuation which were subsequently received into evidence.

### **The Property**

The subject property comprises a two-storey bank premises which has recently been renovated and extended. The building is located on the south side of Shop Street midway between its junction with The Octagon and Bridge Street in the centre of Westport. Gross frontage to Shop Street is 18.8m.

Westport is the third largest town in Co. Mayo with a population of 6,639 according to the preliminary population figures of the 2002 census. The town benefits from a significant level of tourist activity during the holiday months.

The agreed accommodation and areas measured on a net internal area basis is as follows:

Ground Floor	400.32m <sup>2</sup>
First Floor	274.53m <sup>2</sup>
Outside Store	2.88m <sup>2</sup>

At the rear there is an enclosed Car Park with access off Shop Street which can accommodate 18 cars. There is no access to the property either for staff or customers from the car park.

### **Rating History**

The property was first valued in 1970 at a rateable valuation of £180 (€28.55) and this was increased in 1987 to £220 (€79.34) when the residential accommodation at first floor level was converted to office use. It was again listed for revision in 1995 as a result of which the rateable

valuation was reduced to £200 (€253.95). In 2002 as a result of extensions and alterations the property was once again listed for revision and the rateable valuation increased to €540, no change was made at first appeal and it is against this decision that the appeal to this Tribunal lies.

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

Mr. Kevin Mulligan the Retail Facilities Manager of AIB in his evidence outlined the history of the recent reconstruction of the subject property. Mr. Mulligan said the original building was upgraded in the late 60's. In or about the mid 90's the bank decided that the premises were inefficient in layout and somewhat dated in appearance. In 1998 an architect was engaged and asked to come up with plans for altering and refurbishing the premises that would retain the courtyard in front of the existing premises. Following consultations with the local planning authority and due to adverse public reaction the scheme of redevelopment was withdrawn. Arising from the consultations with the planning authorities it became obvious that they wanted any proposed scheme of redevelopment to maintain the street line and not to be set back as was the then existing building. In the circumstances the bank appointed a different firm of architects to prepare plans which would meet the planners requirements, despite the fact that the bank did not need any extra accommodation but were merely interested in works of a cosmetic nature and those which would lead to a greater efficiency in use of the available accommodation. Indeed the fact of the matter is that the loss of the courtyard has posed operational problems for the bank as it necessitates extra security for incoming cash deliveries and the lodging of cash deposits.

Ms. O Buachalla having taken the oath adopted her précis which had previously been received by the Tribunal as being her evidence in chief. In evidence Ms. O Buachalla said that the premises were now in excess of the bank's needs due to the insistence of the planning authority that the building be extended outwards to meet the building line of the adjoining properties. As a consequence of this requirement the resultant layout was unsatisfactory in a number of respects including inadequate natural lighting to parts of the building and an inefficient use of the available space. The car park she said was narrow with poor sight lines which made access and egress difficult. The fact that there was no access from the car park into the bank premises was a major drawback.

Ms. O Buachalla contended that Westport as the third town in Co. Mayo was at a distinct disadvantage when compared to Castlebar and Ballina and relied heavily on tourist related business. She submitted that there should be a differential in the values of banks in Ballina and Westport with those in Ballina having the highest value. She maintained that in the circumstances it was difficult to understand why Mr. Forkin chose to value the subject property at a square metre level in excess of that applied to two of the bank premises in Ballina which he introduced as being comparable. Ms. O Buachalla said that the only bank premises valued in Westport since the introduction of the 1986 Valuation Act (since repealed) was the Permanent TSB premises on Bridge Street which was first valued at the 1993/3 revision. This property she said was much smaller than the subject but on the other hand occupied a much superior commercial location.

Ms. O Buachalla in her evidence contended for a rateable valuation of €358 calculated as set out below:

Ground Floor	400.32 sq.m.	@	€136.67 psm	=	€4,711.73
First Floor	274.53 sq.m.	@	€ 61.50 psm	=	€16,883.60
Outside Store	2.88 sq.m.	@	€ 27.33 psm	=	<u>€ 78.71</u>
Total Net Annual Value				=	€71,674.04
Rateable Valuation		@	0.5%	=	Say €358

In support of her opinion of Net Annual Value Ms. O Buachalla introduced 9 comparisons details of which are set out in Appendix 1 attached to this judgment. Ms. O Buachalla said that due to the lack of evidence in Westport other than the Permanent TSB premises she had looked at the valuation of a large retail outlet on Bridge Street (Comparison No. 2) and the assessments of other bank premises in Ballina, Castlebar and elsewhere. However in arriving at her opinion of Net Annual Value she was relying principally on the valuation of the Permanent TSB premises as it was a bank and had been valued in accordance with the provisions of the Act of 1986. In her list of Comparisons Ms. O Buachalla also included the valuation of the subject premises as agreed at the 1995/3 revision as this in her opinion was indicative of the established level of valuation or tone for bank premises in Westport.

Under cross-examination Ms. O Buachalla agreed with Mr. Forkin that the first appeal stage had been dealt with by a colleague in her office. Ms. O Buachalla did not agree the position put to her that the original premises were in poor condition. On the contrary she said the original building had been integrated into the new design which had resulted in the accommodation at ground floor level being greatly in excess of the bank's requirements. When questioned about the relative attributes of Castlebar and Ballina, Ms. O Buachalla reiterated her opinion that Westport was inferior to both in relation to size and commercial activity and that this should be reflected in valuation levels.

When questioned about the Permanent TSB premises, Ms. O Buachalla agreed with Mr. Forkin that it was much smaller than the subject. When asked about the relevance of her comparison No 2 i.e. Shaws on Bridge Street, Westport, Ms. O Buachalla said that she introduced it merely to show the level of value attributed to a shop of a somewhat similar size to the subject property and which occupied a better location.

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

Mr. Forkin having taken the oath adopted his précis which had previously been received by the Tribunal as being his evidence in chief. Mr. Forkin in his evidence said that the subject property provided excellent accommodation and was built and finished to a high standard. He said that there was no established tone for the valuation of banks of the size and quality of the subject in Westport and hence he had looked at values elsewhere in Co Mayo and in particular Ballina where levels of value generally were similar to that in Westport. Having regard to the comparisons put forward Mr. Forkin contended for a rateable valuation of €540 calculated as set out below:

Ground Floor	400.31 m <sup>2</sup>	@	€191.34psm	=	€76,595.00
First Floor Offices	274.52m <sup>2</sup>	@	€ 95.67psm	=	€26,263.33
Store	2.88m <sup>2</sup>	@	€ 47.83psm	=	€ 137.75
18 Car parking Spaces		@	€190.00	=	<u>€ 3,420.00</u>
Net Annual Value					€106,416
Say					€108,000
Rateable Valuation		@	0.5%	=	€540

In support of his opinion of net annual value Mr. Forkin introduced three comparisons all of them banks in Ballina, details of which are set out in Appendix 2 attached to this judgment.

Under cross-examination Mr. Forkin said he did not consider the Permanent TSB premises to be a relevant comparison due to its size. In his opinion the only relevant comparisons were those in Ballina all of which were of a size and nature similar to the subject. He agreed with Ms. O Buachalla that his comparison No 3 i.e. the AIB Bank premises at 39 Pearse Street was the closest in size to the subject but in his opinion the standard of accommodation was inferior.

Ms. O Buachalla drew attention to Mr. Forkin's original first appeal report wherein he had valued the premises somewhat differently to that put forward to the Tribunal. Mr. Forkin agreed that this was so but contended that such differences as there were, were not significant and did not affect his opinion of net annual value.

When asked about the reason for the differential in square metre values used for 37 and 39 Pearse Street i.e. €191.5psm and €164.01psm (respectively) Mr. Forkin said that 75% of the differential represented the superior quality of No. 37 and 25% was in respect of quantum. He confirmed that there were no car parking spaces at No. 37.

## **Findings**

1. Under rating law the premises are to be valued in their actual state. Whilst the Tribunal accepts that the premises are now in excess of the bank's requirements this is not necessarily a factor to be taken into account in arriving at the Net Annual Value of the property.
2. In arriving at its determination of Net Annual Value, the Tribunal is obliged to take comparables into account. In this regard the only relevant comparison in Westport is the premises occupied by Permanent TSB introduced by Ms. O Buachalla which is valued at €164.04 per square metre for a ground floor area of just over 88m<sup>2</sup>. Mr. Forkin expressed the view that this evidence should be treated with some caution due to the difference in size and quality of accommodation compared to that of the subject property.

3. The Tribunal does not accept Mr. Forkin's reservation in this regard as the premises are of a similar mode or category of use to the subject and were valued as a bank at the 1993/3 first appeal stage. The Tribunal also attaches weight to the valuation of the subject property in its previous state as agreed at the 1995/3 revision. It is noted that the ground floor accommodation was also valued at €164.4 per square metre – the same as that used for the Permanent TSB premises some two years earlier.
4. The Tribunal accepts in principle that where there is a paucity of relevant evidence in a particular town it is not unreasonable to look at the levels of value for properties of a similar category of use in other towns of a similar size and particularly when they are located in the same administrative area. The respondent in this appeal has introduced three comparisons in Ballina where valuation rates for the ground floor accommodation range from €191.35 psm to €164.01 psm for the AIB bank which has a ground floor area of approximately 301.5m<sup>2</sup> i.e. some 25% smaller than the subject.
5. Where tone of the list is established it is the opinion of the Tribunal that such a tone is of considerable assistance in arriving at the net annual value of a relevant property. However the weight to be given to the established tone will depend upon the numbers and location of the properties which are to be taken into account as will the quality and condition of those properties. Another important factor to be taken into account will be whether the valuation of the properties resulted from the revision first appeal or from a decision of this Tribunal. The Tribunal was given details of the Valuations of two bank premises in Westport i.e. the Permanent TSB premises and the subject property before its reconstruction. In both cases the ground floor was valued at €164 psm, notwithstanding the fact that one is almost three times the size of the other, with the smaller one occupying a better commercial location according to Ms. O Buachalla.
6. Taking into account all of the evidence presented to it, the Tribunal has come to the conclusion that the appropriate rate per square metre to apply to the ground floor accommodation in this instance is €155 psm having regard to its size, location and quality of finish. The Tribunal has followed the expert's methodology in applying approximately 50% of this figure to the first floor accommodation and has separately valued the car park at the rear.

Accordingly therefore the Tribunal determines the Net Annual Value of the subject property to be as set out below:

Ground Floor	400sq. m	@	€155psm	=	€62,000
First Floor	274sq.m	@	€ 75psm	=	€20,550
Stores		Say			€ 100
Car Spaces	18	@	€130	=	€ 2,250
Net Annual Value				=	€84,990
But Say				=	€85,000
<b>Rateable Valuation</b>				=	<b>€125</b>

The Tribunal therefore determines the Rateable Valuation to be €125.