

Appeal No. VA90/2/073

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

A.I.B. Bank, Balbriggan

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Bank, offices, yard & small garden at Lot 1.2 Georges Square, Balbriggan, Co. Dublin

B E F O R E

Henry Abbott

Barrister Chairman

Paul Butler

Barrister

Padraig Connellan

Solicitor

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 10TH DAY OF APRIL, 1991

By notice of appeal dated 30th July, 1990, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £220.00 on the above described hereditament. The grounds of appeal are that the assessment is excessive, inequitable and bad in law.

THE PROPERTY:

The subject premises comprises a typical detached period purpose- built bank floor in Georges Square, Balbriggan, Co. Dublin. The areas of the subject premises as agreed between the parties are as follows;-

SCHEDULE OF ACCOMMODATION:

	<u>M²</u>	<u>Sq.ft.</u>
<u>Ground Floor:</u>		
Public Office/Staff Area	179	1,926
Manager's Office/Stationery		
Store/ATM	27	291
Strong Room	5	54
Off-Counter Cash Office	5.5	59
Total Ground Floor Area: Agreed	2,165	2,330

First Floor:

General Office:	32.3	348
Stationery Store:	29	312
Toilets/Cloakroom/Lobby		
Stairs/Corridor		

Second Floor:

Store Room	11.4	123
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Basement:

Canteen:	13.5	145
Kitchen:	4.5	48
Book Room:	30	323
Basement Stores (Old)	39.4	424
(New)	39.5	425
Corridors/Cloakrooms/Toilets/ Lobby		

External:

Motor House:	21	226
Coach House (Disused)	46	495

VALUATION HISTORY:

In 1975 the property was valued as Bank Manager's house, office, yard and small garden and the rateable valuation was set at £125.00 at first appeal stage. In 1982 the description remained unchanged and the rateable valuation was increased to £160.00 (including £25.00 domestic). In

1989 the subject premises was listed for revision by the Local Authority to "value alterations and extension". The premises was extended at ground floor level, the upper floors were converted from domestic to commercial use and refurbishment was carried out. The rateable valuation was increased to £220.00, with no domestic element. This remained unchanged at first appeal stage and it is against this rateable valuation that the appeal now lies with the Tribunal.

WRITTEN SUBMISSIONS:

A written submission was received from Mr Desmond Killen, F.R.I.C.S. I.R.R.V., a Director of Donal O'Buachalla & Co. Ltd., on behalf of the appellant on the 22nd of January, 1991. In this submission Mr Killen said that the traditional industrial base of Balbriggan has been in decline over the past years but none the less the town does have the benefit of a prosperous agricultural hinterland. He said that the town lacks a clear focal point and suffers greatly from gross traffic congestion and that this has hampered the traditional centre of retailing in Bridge Street. He said that the Balbriggan Shopping Centre which is a modest two storey development frontironting Quay Street where Quinnsworth trades successfully as the anchor tenant has enjoyed only modest success with two of the remaining sixteen units vacant. Mr Killen said that the ground floor of the subject premises is finished to a good standard but the floor space is interspersed with a series of structural piers, which mark the boundary between the original bank hall and the more recent extension. He said that at ground floor level the gross internal frontage is approximately 59 ft. with a depth of some 18 ft, narrowing thereafter to some 44 ft. He said that the maximum gross internal depth is approximately 48 ft. He said that the property is in a good state of general condition with the public area being in excellent decorative order. He said that the first floor general office provides good accommodation and additional toilet and cloakroom facilities have been provided. Mr Killen said that the balance of the first floor space is serviceable though unimproved. He said that the attic floor is very poor and that the basement accommodation is unimproved and of moderate standard only. Mr Killen said that the recent extension and alterations to the buildings were completed at a cost of approximately £109,000.

He said that the construction costs were high relative to the modest gain in floor area due to the sloping nature of the site requiring the provision of structural stilts under the Bank Hall extension. The additional storage accommodation provided beneath is essentially a by-product of very limited value with a head room of only 6 ft. He said that while the subject premises is in a prominent location it has low visibility and is not amenable to easy kerbside parking.

Mr Killen referred to the judgment of Mr Justice Barron in the Irish Management Institute - V - the Commissioner of Valuation and to Roadstone Limited - V - Commissioner of Valuation [1961 I.R.] 239. He said that the subject property which was revised in 1982 is the only bank that has been recently revised.

Mr Killen set out his calculation of the N.A.V. of the property as follows;-

ESTIMATED VALUE

GROUND FLOOR

Zone A (20')	1130 psf. @ £12.00 psf.	=	£13,560	
Zone B (20')	890 psf. @ £ 6.00 psf.	=	£ 5,340	
Zone C	310 psf. @ £ 3.00 psf.	=	£ 930	
Total	(2330 psf. @ £ 8.50 psf.)	=	£19,830	=====

FIRST FLOOR

Offices	348 psf. @ £ 5.00 psf.	=	£ 1,740	
Store	312 psf. @ £ 2.50 psf.	=	£ 780	£ 2,520
				=====

SECOND FLOOR

Store	123 psf. @ £ 1.00 psf.	=	£ 123	
				£ 123
				=====

BASEMENT

Book Store	323 psf. @ £ 4.00 psf.	= £	1,292	
Canteen/ Kitchen	193 psf. @ £ 3.00 psf.	= £	579	
Stores New	424 psf. @ £ 1.00 psf.	= £	424	
Stores Old	425 psf. @ £ 0.50 psf.	= £	<u>212</u>	£ 2,507

EXTERNAL

Motor House / Coach House	say	£	500	
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Total			£25,480	=====

He said that by application of a fraction of 0.5% between the rateable valuation and the N.A.V. that he would calculate the amount of rateable valuation to be £125.00.

A written submission was received from Mr Patrick McMorrow B.Agr.Sc a Valuer in the Valuation Office on behalf of the respondent on the 22nd January, 1991. Mr McMorrow said that he arrived at the N.A.V. for the subject property by reference to other high street lettings. He attached details of the rent in respect of Xtravision, Rush; Maxwells, Balbriggan; Brannigans, Balbriggan; in respect of ground floor rental comparisons and of McNamara's, Rush; Weldons, Rush; in respect of first floor rents. He said that in determining the relevant ratio between rateable valuation and N.A.V, other banks were analysed in accordance with Section 5(2) of the 1986 Valuation Act. He attached as comparisons details of Bank of Ireland, Balbriggan; Allied Irish Bank, Rush; National Irish Bank, Skerries; Bank of Ireland, Skerries; Allied Irish Bank, Skerries. He said that the subject premises is better located and is also of a superior calibre of construction and finish than any of the main retail comparisons quoted. Mr McMorrow then outlined his calculation of the N.A.V. of the subject premises as follows;-

Ground Floor (Upper).

Bank Hall/Office	£
Zone A 1,130 sq ft @ £15 psf	
Zone B 890 sq ft @ £7.50 psf	
Zone C 310 sq ft @ £3.75 psf	
	c. 24,780

Alternatively:
Total 2,330 sq ft @ £10.60 psf

First Floor:

Office/File Room	
660 sq ft @ £7 psf	4,620

Lower Ground Floor:

Back Room/Canteen	
517 sq ft @ £4 psf	2,068
Stores (2)	
849 sq ft @ £2.50 psf	2,122

Second Floor:

Room 123 sq ft @ £2.50 psf	307
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Outside:

Sheds (2) 721 sq ft @ £1.50 psf	1,081
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	34,978

Say £35,000 NAV

He said that by applying a ratio of 0.63% to the N.A.V. of £35,000 he arrived at a rateable valuation of £220.50, say £220.00.

ORAL HEARING:

The oral hearing took place on Monday the 28th of January, 1991 in Dublin. The appellant was represented by Mr Killen and the respondent by Mr McMorrow.

Mr Killen gave evidence along the lines already outlined in his written submission, and he summarised his approach to the case by drawing attention to the physical layout of the subject premises which he stated were not as good as purpose built banking premises constructed in accordance with modern design. He stated that the premises had been extensively refurbished at a cost of £109,000 recently and that the bank was built on sloping ground giving rise to high refurbishment costs. He also said that while the bank was in a prominent location on Georges Square in Balbriggan it could not be seen by traffic coming around the bend towards it. It had difficult kerb-side parking, as opposed to the plentiful kerbside parking capacity in the vicinity of the purpose built Bank of Ireland premises elsewhere in Balbriggan. Mr Killen argued that the Zone A rent for the Balbriggan, Bank of Ireland premises ought to be approximately £16.00 per sq ft and that using this rental the R.V.- N.A.V. ratio used by Mr McMorrow in his written summary would be significantly less than shown by him. Mr Killen argued for the use of 0.5% R.V.- N.A.V. ratio in the case when applying same to the aggregate rents for the subject premises. He argued strongly that the only comparable premises to the subject premises were the A.I.B. in Malahide, and the subject premises itself. Mr Killen's analysis of the A.I.B. Malahide valuation on a rental basis indicated that 0.5% ratio was used in the revision of 1989. However, Mr McMorrow countered that the 0.5% was not in fact used on that occasion. Instead, a crude addition of a sum for extra carparking was added to the existing valuation of the A.I.B. in Malahide to arrive at the revised valuation. The Tribunal finds that notwithstanding the fact that the Bank of Ireland premises was purpose built it does not enjoy as favourable and busy location as the subject premises in the town. The Tribunal also finds that the relatively lower rents which one might expect for the Bank of Ireland premises and the commercially sluggish units in the shopping centre in the Balbriggan urban area would not support a deduction of a ratio of 0.5%

Mr Killen argued that the rental comparisons used by Mr McMorrow to justify a Zone A rent of £15.00 per sq. ft. were much smaller Main street commercial outlets which were not comparable to the Bank of larger area. Mr McMorrow took issue with this argument in his written submission. He maintained this position in his evidence by saying that the subject premises had compensatory factors countervailing the expected diminution of price per sq ft by reason of more extensive area. The two factors advanced by Mr McMorrow were superior standards of construction, and purpose design. The Tribunal finds it more likely that Mr McMorrow's valuations of rent are the most realistic in relation to the subject premises. The Tribunal finds that the owners of the subject premises are obviously confident in its economic viability and buoyancy. It is of relevance to consider that the Candon comparison rent related to a lease which later resulted in the sale of the leasehold premises for £40,000 following lease. While the total sum of £40,000 may not have been attributable to the value of the premises, nevertheless the occurrence of a premium would indicate that perhaps the Candon comparison advanced by Mr Killen may not have truly reflected the rental value of the premises used in comparison. Having regard to the foregoing considerations the Tribunal finds that the rateable valuation of the subject premises ought to remain at £220.00