

Appeal No. VA92/4/012

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

Governor & Company of the Bank of Ireland

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Bank Offices and Yard at Lot No. 28 J.K.L. Street, Townland of Edenderry (part of), E.D.
Edenderry Urban, District of Edenderry I, Co. Offaly
Quantum

B E F O R E

Padraig Connellan

Solicitor (Acting Chairman)

Paul Butler

S.C.

Veronica Gates

Barrister

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 14TH DAY OF DECEMBER, 1992

By notice of appeal dated the 26th day of June, 1992, the appellants appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £130 on the above described hereditament.

The grounds of appeal as set out in the 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 Property:

The premises comprises a 3-storey building with 2 storey return and single storey rear extension together with a small yard and external store to the rear. There are no on-site car parking facilities. The main building is constructed of rubble masonry with rubble masonry wall, brick faced to front elevation, solid ground floor, timber upper floors, timber framed sliding sash windows and a pitched slated roof. Internally the ground floor has a suspended ceiling with a headroom of c. 9ft. to the front section and headroom of c. 8ft. to the extended rear area. The accommodation is as follows:-

The agreed floor areas are:-

	Sq.Ft.
<u>Ground Floor</u>	
Banking Hall/Ancillary Areas	1,700
<u>First Floor</u>	
Staff Room/Kitchen/Stores	977
<u>Second Floor</u>	
Disused Rooms	840
TOTAL	3,517

Valuation History:

The property was included in the November 1990 Quarterly Revision of Valuation Lists and the rateable valuation was increased from R.V. £50 to R.V. £130. No change was made by the Commissioner at First Appeal. A Notice of Appeal was lodged to the Valuation Tribunal against the determination of the Commissioner of Valuation on 26th November 1990.

Written Submissions:

A written submission was received on the 4th November, 1992 from Mr. Thomas Davenport of Lisney on behalf of the appellants. In the written submission Mr. Davenport described the valuation history of the subject premises. He also set out the tenure and description of the property. He said that no significant expenditure had been committed to the premises since the ground floor was extended in 1982 and that the fittings were now somewhat dated. The ground floors and first floors were in good condition but the second was in an extremely bad condition and he produced photographs in his written submission to support this evidence. The upper floors were formerly used as a Manager's residence but following a structural survey carried out on the premises by the bank's engineers in 1975 the structural cracking on the second floor was revealed which necessitated the insertion of structural tie bars running from the front to the rear walls. At that stage remedial work was carried out to the premises by way of replastering, but the problem has not been resolved as there is evidence of further cracking recently together with damp penetration throughout the second floor. The floor has not been used since 1975 and must be regarded as a liability to the bank and would have a negative value.

Mr. Davenport set out in the written submission details of rental evidence from retail premises in Edenderry. He also set out details of retail premises which had been the subject of recent revision by the Commissioner of Valuation on JKL Street, Edenderry. A schedule of these properties is attached as Appendix 1.

Mr. Davenport also set out comparisons of valuations on bank premises on the basis of recent agreements with the Commissioner of Valuation or decisions of the Valuation Tribunal. He submitted that recent agreements with the Valuation Office or decisions of the Tribunal confirmed that historically assessment on premises of the main banks have been excessive. The comparisons he offered were as follows:-

- 1) Bank of Ireland premises at Emmet Square, Birr - a substantial 2-storey modern purpose built bank located on the Main Street in Birr. It has a substantial frontage of c. 48ft. on the Main Square and a return street frontage of 67ft.. R.V. £135.
- 2) Bank of Ireland premises at Main Street, Kildare - this is a 3-storey traditional bank building located on the Main Street in Kildare town. The rateable valuation had been agreed on 1984 1st Appeal at R.V. £165 under the old square metre system. On 1990/4 Quarterly Revision the R.V. was unchanged at £165, but subsequently reduced by agreement with the Commissioner to R.V. £125.
- 3) Bank of Ireland premises at 3, Main Street, Wicklow -R.V. £250 - Established on 1980 Appeal - Reduced to R.V. £180 in 1990/4 Appeal.
- 4) Bank of Ireland premises at Knox Street, Ballyhaunis -R.V. £175 - Established on 1983 Appeal - Reduced to R.V. £115 in 1990/4 Appeal.
- 5) Bank of Ireland premises at Main Street, Charleville -R.V. £115 - Established on 1976 Appeal - Reduced to R.V. £95 in 1990/4 Appeal.
- 6) Bank of Ireland premises at 125, O'Connell Street, Limerick - R.V. £1,665 - Established on 1977 and 1982 Appeals - Reduced to R.V. £1,165 in 1991/4 Appeal.
- 7) Bank of Ireland premises at 70, Patrick Street, Cork -R.V. £650 - Established on 1978 1st Appeal - Reduced to R.V. £525 in 1991/3 Appeal.

A schedule of recently revised bank valuations calculated on a Net Annual Value basis, was set out in the written submission and is attached as Appendix 2.

In the written submission Mr. Davenport stated that the hinterland of Edenderry is in decline. He said there was no tourism or other industry particularly associated with the town and that it is not on any of the major national routes. He stated that a number of factories in Edenderry had closed down in recent years. His researches had indicated that there would be a limited demand for retail units in excess of 800 sq.ft. in the area and that consequently in valuing the property regard must be had to its overall size together with its restricted layout as highlighted in his written submission.

A written submission was received on the 21st October, 1992 from Mr. Christopher Hicks, a District Valuer with the Valuation Office on behalf of the respondent. In the written submission Mr. Hicks set out details of the property. He set out his method of calculating the rateable valuation as follows:-

Ground Floor	1,700ft ² @ £12 = £20,400
1st Floor	977ft ² @ £ 6 = £ 5,862
2nd Floor	840ft ² @ £ 1 = <u>£ 840</u>
N.A.V.	= £27,102
@ .5%	= £135.51
	R.V. as revised <u>£130</u>

Mr. Hicks set out a schedule of comparisons from numbers 23 to 34, JKL Street, Edenderry and these are attached as Appendix 3.

Oral Hearing

The oral hearing took place in Dublin on the 9th November, 1992, Mr. Hugh O'Neill B.L. instructed by the Law Department of the Bank of Ireland represented the appellant and Mr. Aindrias O'Caomh B.L. instructed by the Chief State Solicitor appeared on behalf of the respondent.

Mr. O'Neill in opening said that Edenderry is a small town with a population of about 3,700. The town is not situated on a national primary road. He said that the subject premises are in a three storey building, the top floor of which is in a very poor condition and unoccupied since 1975. There are tie bars going through the building. He said that there were fresh cracks in the building. The appeal is against a valuation which was increased from £50 to £130. Mr. O'Neill suggested a valuation of £65.

Mr. Thomas Davenport of the firm of Lisney, Auctioneers & Valuers referred in great detail to his submission which is summarised above. He said that the building had a good frontage but is limited as to its alternative uses principally because of the pillars therein. It was an old fashioned building. There had been no significant expenditure on the building since 1982.

Referring to page 20 of his submission Mr. Davenport said that No.4, the premises of J. Farrell, was 800 square feet; No.24A, the premises of A & M. Bergin, had a floor area of 851 square feet and No. 25, the premises of Michael Bergin, had a floor area of 800 square feet.

Mr. Davenport said that Birr has a population 15% higher than that of Edenderry and Kildare has a population of 4,300 (1986 census figures).

Under cross-examination Mr. Davenport accepted that the rear section of the premises is about 10 years old and has not been valued before. He did not accept that banks are generally large

and imposing buildings. He accepted that the adjoining bookmakers was some 30 feet deep and agreed that bookmakers premises should be valued in the same manner as normal retail units.

Mr. Pat Clarke, a Chartered Surveyor with the Bank of Ireland, said that the upper floors of the premises were designed about the turn of the century to be of residential specification. He said that the top floor could not be used for storage as the floor thereof was designed for residential loading. It would have to be up graded to meet the requirements of the building regulations. Under cross-examination Mr. Clarke did not accept that stationary could be stored on the top floor.

Mr. Christopher Hicks, on behalf of the respondent, referred to his submission. He said that the other bank in the town is of great importance as a comparison. While he accepted that its valuation was prior to 1986 he argued that Allied Irish Banks Plc, like the Bank of Ireland, operate a policy of continually reviewing valuations and having premises relisted when they thought it appropriate. He did not believe that Allied Irish Banks would seek to have their premises in Edenderry relisted.

Mr. Hicks said that, while Birr may be a better known town than Edenderry, figures from the Central Statistics Office indicate that retail sales in Edenderry are £11 million pounds whereas they amounted to £9 million pounds in Birr.

Under cross-examination Mr. Hicks accepted that the betting office was a good example of rents in the town. He said that the valuation of the Allied Irish Banks premises was 9 years old. He would not consider that to be very old. He accepted that he had not come across a letting in Edenderry of over 800 square feet.

Determination

The Tribunal has had regard to the comparisons offered, including those of retail premises in Edenderry. It is not accepted by the Tribunal that an average of £6.51 per square foot for the overall ground floor area of the subject premises is at all realistic. Equally, while it is accepted that the top floor is of very little value, it is not accepted that it should have no valuation whatsoever. On one view of the figures, the subject premises could be described as under valued. The Tribunal, however, determines that a reasonable and correct approach has been adopted by the respondent and affirms the valuation at £130.