

Appeal No. VA92/6/045

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

**Bandon Credit Union Limited**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Offices at Lot No. 28a, South Main Street, Townland: Gully, E.D. Bandon, Co. Cork  
Quantum - Special characteristics of credit union

**B E F O R E**  
**Henry Abbott**

**S.C. Chairman**

**Joe Carey**

**P.C. M.I.A.V.I.**

**Paddy Farry**

**Solicitor**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 16TH DAY OF JUNE, 1993**

By Notice of Appeal dated the 3rd November, 1992 the appellants appealed against the determination of the Commissioner of Valuation in placing a rateable valuation of £80 on the above described hereditament.

The grounds of appeal are that:

"The valuation is excessive more especially in view of the difficulty of letting property in Bandon and in comparison with letting of similar properties. The Credit Union is a non profit community organisation which affords the use of its premises to numerous charitable organisations apart from its core operation."

**The Property:**

The property is located on the north side of Main Street, Bandon adjacent to its junction with Market Street. The property comprises a large three storey office building with the Credit Union on the ground floor and offices overhead. The ground floor section of the building only is under appeal in this case. The building was completely refurbished in 1990 at a total cost of £275,000.

**Valuation History:**

Prior to the 1990 Revision, the property was last revised in 1976 and valued at £43 with a description of house, shop offices and yard. The ground floor is drapery while the remainder of the building was domestic.

In 1988 the entire building was purchased by Bandon Credit Union Limited for £99,000, the property was refurbished at a total cost of £176,000. The premises were listed by the County Council in 1991 to value Credit Union Office and a valuation of £85 was placed on the ground floor. This valuation was appealed to the Commissioner of Valuation in December 1991 and reduced to £80. It is against this figure that an appeal lies to the Tribunal.

**Written Submissions:**

A written submission was received on the 1st June, 1993 from Mr. John Broderick, Manager of Bandon Credit Union. Mr. Broderick, in the written submission, set out the characteristics of the Credit Union movement and stated that they were a non-profit making organisation owned by members and providing low cost credit facilities to communities in which they operate.

Mr. Broderick said that the subject property had been purchased by Bandon Credit Union as a neglected property and used as a poorly presented shopping arcade of limited appeal and he supplied photographs to support this contention. He said the directors of Bandon Credit Union adopted a policy of striving to enhance the aesthetic value of the town by compatibility with the highest environmental standards in the development of the property. Because of the many defects in the building the costs had proved to be excessive but was nevertheless undertaken to comply with their own standards and the expectations of the public. He said that the facade as it was in 1904 complete with traditional shop front and timber sash windows in the upper floors had been faithfully replaced. The award winning sign writer, Tomas Tuipier from Clonakilty had created the refined classical lettering on the imposing shop front. He said that he found it a contradiction that voluntary organisations like Bandon Credit Union should be severely penalised for reinstating an important part of Bandon's architectural heritage at great expense to themselves and at no cost to the agencies who should be encouraging such development. He

further said that their example had led the way to other equally concerned residents restoring urban architecture in Bandon.

In relation to the question of the commercial letting of the subject premises he said that there were many vacant premises in Bandon, for example, Shortens, 11, South Main Street, regarded for long as the leading drapery concern in West Cork closed down with the loss of nine jobs, two years ago. A prime premises in the heart of the town, however, it has remained practically derelict to date with part of it leased by a low grade £ shop.

An antique and fine art shop located at 18, South Main Street is now idle with no takers.

Begleys Newsagency, 32, South Main Street is on the market for four years with no offer and the old Garda Station, one of the largest buildings in the South Main Street remains vacant while across the street, Jake's Restaurant fronting South Main Street remains vacant.

He said that in the present building there was upper floor office space to let with all services provided for which there was no takers. He also said that Dessi Bandon Property Development in Weir Street had several shop units and offices to let. He said that one of Bandon's oldest milling concerns occupying two prime sites in the heart of town and closed for several years failed to sell on a number of occasions. He said that even Cork County Council had backed off buying that premises even at a knock down price. He said that both these premises mentioned adjoined the rear of the subject premises on either side and were permanent eyesores.

A written submission was also received on the 9th June, 1993 from Mr. Colman Forkin, a Chartered Valuation Surveyor with 12 years experience in the Valuation Office, on behalf of the respondent.

Mr. Forkin set out details of the property and the valuation history as set out above. He described the accommodation as offices, boardroom, waiting room, storage and carpark to the rear. All main services are connected to the property.

Commenting on the appellant's grounds of appeal Mr. Forkin stated that the grounds of appeal as set out by the appellant had no bearing on the estimate of N.A.V.. He defined the N.A.V. as set out in Section 2 of the 1852 Act and he had included in his comparisons 5 properties, 3 of which were banks, 1 building society and 1 former credit union.

Mr. Forkin set out his calculation of the rateable valuation on the subject premises as follows:-

B/S 1-3 Offices	$82.2\text{m}^2 = 885\text{sq.ft.}$	@ £9psf = £7,965
B/S 4-7 Board Room, Waiting Room, + Storage Room	$152\text{ m}^2 = 1636\text{sq.ft.}$	@ £5psf = £8,181
Car Park to rear	$180\text{ m}^2 = 1938\text{sq.ft.}$	
		£16,146
Say £16,000		
Estimated N.A.V. £16,000 x .5%		<u>£80.00</u>

Mr. Forkin supplied the Tribunal with 5 comparisons which are summarised below:-

- 1) Bank of Ireland, Lot 24/8.9ab South Main Street - R.V. £185  
VA/90/3/23 - the property comprised ground floor banking hall and offices, first floor part offices and remainder of first floor and second floor domestic.
- 2) Allied Irish Bank, Lot 24/18 pt 19.20 South Main Street - R.V. £175 fixed at 1978 First Appeal comprising ground floor banking hall and offices, toilets on first floor and canteen and store on second floor with stores on the first floor.
- 3) Trustee Savings Bank, Lot 24/36a South Main Street, R.V. £44  
Comprising offices on ground floor with office and canteen on first floor.
- 4) First National Building Society, Lot 24/24 South Main Street, R.V. £31. Ground floor offices.
- 5) Bandon Credit Union Limited, Lot 24/5 Market Street. R.V. £22.  
1983 First Appeal - 3 storey office building in a secondary location sold by the Credit Union in October 1991 for £56,000.

**Oral Hearing:**

The oral hearing took place herein in the City Hall, Cork on the 15th June, 1993. Mr. Sean Twomey, Valuer with 22 years experience of Twomey/Crowley, Estate Agents, appeared for the appellant along with the Chairman of Bandon Credit Union, Mr. Sean McCarthy and two supervisors, Mr. Thomas Creagh and Mr. Sean Collins. Mr. Colman Forkin appeared for the respondent.

At the outset the Tribunal adverted to the submission and precis of evidence furnished to the Tribunal by the appellant in so far as it emphasised the special characteristic of the Credit Union and the massive community effort involved in developing it.

The Tribunal drew the attention of the parties to the judgment of the Tribunal in **VA/92/5/17 - Ballyphehane Credit Union Limited**. In that case the Tribunal stated in its findings:-

"The Tribunal finds the Credit Union as it has developed in this area is a credit to the community spirit and great voluntary and professional effort of the Directors, Managers and membership of the appellant. The appellant provides an excellent service in the social and economic development in the area and the Tribunal is without doubt convinced of the value of the promotion of the Credit Union movement which represents a shining star in the development of the co-operative and community enterprise endeavours of this country.

The Tribunal finds that many of the eloquent arguments of the appellants team representing it in the Tribunal should be addressed to another forum in relation to the attainment of some legal preference or exemption to encourage Credit Unions through the rating code such as has been available to some charities."

The Tribunal finds that these comments apply with equal validity to the efforts of Bandon Credit Union, owners of the subject premises and finds too, that the premises, as reconstructed, represent a beautiful and imposing feature on the Main Street in Bandon, and, consider that the investment in reconstruction and adaptation made by the Credit Union go well beyond the commercial requirements of the situation. However, such development is laudible and represents a strong statement of a people who have worked hard in relation to their own community development.

In relation to the valuation of £16,146, Mr. Twomey made a strong plea from the heart, that as a valuer with 22 years experience in Bandon knowing practically every property intimately on the

Main Street and elsewhere, he could not see himself getting more than £150 per week for the subject premises instead of the £320 implied by Mr. Forkins's estimate.

Notwithstanding Mr. Twomey's plea the Tribunal is moved by the recently revised valuations cited in the comparisons offered on the Main Street by Mr. Forkin. Comparisons No. 3 and 4, the Trustees Savings Bank and the First National Building Society were comparisons which Mr. Twomey advanced as being analogous to the subject and the Tribunal has concentrated on these comparisons to endeavour to achieve a uniformity in the valuations of the premises along the Main Street. The First National Building Society premises in relation to its frontage and general appearance has a presentation almost as imposing as the subject premises and in respect of frontal business facilities is probably the most comparable premises to the subject. The Trustee Savings Bank similarly is comparable. The Trustees Savings Bank and the First National Building Society on analysis yield an N.A.V. for the front of the premises of approximately £9 - £10 per square foot. In this respect it is difficult to argue with Mr. Forkin's estimate on the subject at that level. However, the Tribunal would take issue with Mr. Forkin's assessment of the letting value of the rear of the subject premises in so far as the Tribunal must take cognizance of the special need of the Credit Union to afford democratic accountability, not only in relation to the local management of the Credit Union by frequent meetings of the board but also to facilitate frequent lending and other management meetings to take place with a large public involvement in relation to many small transactions. This by any standard is not hectic commercial activity and would not necessarily pay for itself on commercial terms.

The Tribunal rejects the argument of Mr. Forkin that the special characteristics of the Credit Union cannot be taken into account to the extent that they require extra space over and above a reasonably comparable commercial enterprise such as a building society. Also, the Credit Union operate in less commercial terms and with smaller loan transactions and very often smaller deposit amounts than building societies. There is no evidence that there is a queue of buildings societies waiting to take further vacant property in Bandon and there is general evidence of weakness of rents in the town. In these circumstances the Tribunal is moved to consider that there should be a generally lower assessment of the back of the premises and accordingly finds that the overall valuation, having regard to the rental evidence and submissions made should be £70.

