

Appeal No. VA95/1/023

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

**Allied Irish Bank, Navan**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Bank at Map Ref: 5 & 6, Trimgate Street, Townland: Townparks, Urban District of Navan,  
Co. Meath

Quantum - Zoning method, comparisons

**B E F O R E**

**Veronica Gates**

**Barrister (Acting Chairman)**

**Mary Devins**

**Solicitor**

**Patrick Riney**

**FRICS.MIAVI**

**JUDGMENT OF THE VALUATION TRIBUNAL**

**ISSUED ON THE 29TH DAY OF JANUARY, 1996**

By Notice of Appeal dated the 7th day of April, 1995 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £570 on the above described hereditament.

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

- "(1) The valuation is excessive and inequitable.
- (2) The valuation is bad in law."

**The Property:**

The premises is a newly constructed 'state of the art' bank located on a corner location connecting Trimgate Street and Kennedy Road. The premises has frontage to both streets of 54 feet and 94 feet, respectively. Trimgate street is the traditional shopping street with Kennedy Road being the main pedestrian and vehicular link route between Trimgate Street and Navan Shopping Centre. The bank has two ATM machines, one serving each street.

The premises consists primarily of a combination of two, three and four storey blocks with pitch tile roof, the three storey sections fronting Kennedy Road and four storey sections fronting Trimgate Street.

The accommodation areas are as follows:-

- Ground Floor:** Main banking hall, Interview rooms, ATM rooms (2), Strong room, Lobbies, Toilets, Stairwell and Lift.
- First Floor:** Managers office, Interview room, General office area, Toilets and Lift.
- Second Floor:** Canteen, Document store and Lift.
- Third Floor:** Document store
- Car Parking:** Car parking for 16 customers.

**Valuation History:**

The premises was revised in 1992 as a 'completely new building' with a rateable valuation of £570 placed thereon. An appeal was lodged with the Commissioner of Valuation at First Appeal but no change was made. It is against this determination of the Commissioner of Valuation that an appeal lies to the Tribunal.

**Written Submissions:**

A written submission was received on the 3rd October, 1995 from Mr. Desmond Killen, FRICS, FSCS, IRRV, a Fellow of the Society of Chartered Surveyors in the Republic of Ireland and a Director of Donal O'Buachalla & Company Limited on behalf of the appellant.

In his written submission, Mr. Killen set out the description and valuation history of the subject premises. Mr. Killen appended to his written submission location maps for use at the hearing.

Mr. Killen said that following discussions with the Commissioner of Valuation at First Appeal stage the floor areas of the bank had been agreed as follows:-

Ground Floor	4,989 sq.ft.	-	Banking areas etc.
First Floor	2,509 sq.ft.	-	Offices
Second Floor	1,900 sq.ft.	-	Stores
Third Floor	420 sq.ft.	-	Stores
Car Spaces	4,300 sq.ft.		

Commenting on the subject premises, Mr. Killen said that the facilities provided were in keeping with owner/occupiers development and redevelopment of banking premises in other provincial centres.

Mr. Killen said that in calculating his estimate of net annual value/rateable valuation he had had regard to the statutes, i.e. Section 11 Valuation (Ireland) Act 1852 and Section 5 Valuation Act 1986. He said that in the absence of actual rental evidence he considered the comparison method of valuation appropriate.

Mr. Killen set out his calculation of the net annual value/rateable valuation of the subject premises as follows:-

Gr. Floor	Banking Hall etc.	4,989 sq.ft.	@ £10.50 p.s.f.	£52,385
1st Floor	Offices	2,509 sq.ft.	@ £ 5.00 p.s.f.	£12,545
2nd Floor	Stores	1,900 sq.ft.	@ £ 3.00 p.s.f.	£ 5,700
3rd Floor	Stores	420 sq.ft.	@ £ 2.00 p.s.f.	£ 840
	Car Park	4,300 sq.ft.	@ 50p	<u>£ 2,150</u>
			NAV	£73,619
			<b>RV</b>	<b>£370.</b>

Mr. Killen also gave details of comparable premises situated in Drogheda and Portlaoise which had been recently revised, appealed or determined by the Tribunal as follows:-

(1) **Drogheda:**

(a) **Allied Irish Bank, 98/99 West Street, Drogheda, Co. Louth**

1989 phase 3 appeal. Rateable valuation £300. Net annual value £47,000.

Devalues:

Ground Floor	3,293 sq.ft.	@	£10.30
Basement	392 sq.ft.	@	£ 2.00
1st Floor	1,091 sq.ft.	@	£ 6.00
2nd Floor	1,142 sq.ft.	@	£ 4.00
Car Spaces	7	@	£250

(b) **Ulster Bank, West Street, Drogheda, Co. Louth**

1989 phase 3 appeal. Rateable Valuation £180. Net annual value £28,000.

Devalues:

Ground Floor			
Banking Hall, etc.	1,416 sq.ft.	@	£14.15 p.s.f.
ATM Lobby	76 sq.ft.	@	£10.00 p.s.f.
1st Floor	882 sq.ft.	@	£ 6.00 p.s.f.
2nd Floor	310 sq.ft.	@	£ 4.00 p.s.f.
Basement	621 sq.ft.	@	£ 2.00 p.s.f.

(2) **Portlaoise:**

(a) **AIB, Lister Square, Portlaoise, Co. Laois.**

1994 phase 3 appeal. Rateable valuation £270. Net annual value £54,000.

Devalues:

Ground Floor			
Banking Hall, etc.	3,518 sq.ft.	@	£12.50 p.s.f.
Stores	145 sq.ft.	@	£ 6.00 p.s.f.
1st Floor	1,507 sq.ft.	@	£ 6.00 p.s.f.

(b) **Bank Of Ireland, Main Street, Portlaoise, Co. Laois.**

Tribunal determination - VA92/2/043. Rateable valuation £200.  
Net annual value £40,000.

Devalues:

Ground Floor	3,396 sq.ft.	@	£10.60 p.s.f.
1st Floor	630 sq.ft.	@	£ 6.00 p.s.f.

A written submission was received on the 28th September, 1995 from Mr. Pat McMorrow, B.Ag.Sc.(Econ), Dip. Planning and Devmt. Econs., and Valuer with the Valuation Office on behalf of the respondent.

In his written submission, Mr. McMorrow set out the description, location and valuation history as set out above.

Commenting on the subject premises, Mr. McMorrow said that the bank was in a prime location, with dual frontage, attractive modern architectural features and a full height atrium over ground floor main banking hall, all of which gave the bank a unique ambience and undoubted superiority over other provincial banking premises.

Mr. McMorrow set out his calculation of the net annual value/rateable valuation using three methods as follows:-

(A) **Method A. (Zoning):**

Ground Floor:

Trimgate Street (54ft gross frontage)

Zone A 1,080ft<sup>2</sup> @ £25.00/ft<sup>2</sup>]

Zone B 1,080ft<sup>2</sup> @ £12.50/ft<sup>2</sup>]

Kennedy Road (94ft gross frontage)

Zone A 1,480ft<sup>2</sup> @ £20.00/ft<sup>2</sup>]

Strong Room 328ft<sup>2</sup> @ £20.00/ft<sup>2</sup>]

Balance (Zone B) 1,021ft<sup>2</sup> @ £10.00/ft<sup>2</sup>]

Total 4,989ft<sup>2</sup>

First Floor 2,509ft<sup>2</sup> @ £ 7.50/ft<sup>2</sup>]

Second Floor 1,900ft<sup>2</sup> @ £ 4.00/ft<sup>2</sup>]

Third Floor 420ft<sup>2</sup> @ £ 2.00/ft<sup>2</sup>]

Car Parking 16 spaces @ £250/sp]

**Total NAV £118,125**

(B) **Method B. (Average):**

Ground Floor 4,989ft<sup>2</sup> @ £16.50/ft<sup>2</sup>]

First Floor 2,509ft<sup>2</sup> @ £ 7.50/ft<sup>2</sup>]

Second Floor 1,900ft<sup>2</sup> @ £ 4.00/ft<sup>2</sup>]

Third Floor 420ft<sup>2</sup> @ £ 2.00/ft<sup>2</sup>]

Car Parking 16 spaces @ £250/sp]

**Total NAV £113,576**

(C) **Method C. Contractors Test:**

1990 Site Acquisition cost £328,000  
 Add for Acquisition costs say 10%  
 adjusted to 1988 say 95% = £ 342,000

1991 Construction cost £1.2m  
 adjusted to 1988 say 90% = £1,080,000

Total Cost, adjusted to 1988 £1,422,000

NAV, using a Composite Capitalisation Rate of say 10% £142,000  
 is reasonable (Allowing for quality of location, buildings, etc.)

**NAV £142,000**

Taking A, B and C above, NAV £114,000 is considered reasonable.

NAV £114,000 @ 0.5% = RV £570

**RV £570"**

Mr. McMorrow also gave details of two comparable banking premises which have been appended to this judgement as Appendix A.

**Oral Hearing:**

The oral hearing took place in Dublin on Monday, 9th day of October, 1995. Mr. Des Killen and Mr. Roger Keogh appeared for the appellant and Mr. Pat McMorrow of the Valuation Office represented the respondent.

In advancing his case for a rateable valuation for the subject of £370, Mr. Killen referred to his submission in detail and in particular made the following points:

- 1) The site was purchased in 1990 for £328,000 and the construction costs were £1.24m.
- 2) Banks in other provincial towns were considered to be appropriate comparisons. However, the AIB, Tullamore, Co. Offaly should not be considered as it is currently under appeal.
- 3) The AIB, Lister Square, Portlaoise was emphasised. This property has a rateable valuation of £270 and the rate per square foot for the banking hall area broke down at £12.50 per square foot with the first floor breaking down at £6 per square foot.

- 4) The *Bank of Ireland, Main Street, Portlaoise - VA92/2/043* has a rateable valuation of £200. It was pointed out that this was a Valuation Tribunal determination and was most comparable to the subject.
- 5) The populations in the town and environs of Navan, Drogheda and Portlaoise were compared and it was pointed out that these other towns are comparable with Navan.

Mr. Pat McMorrow responded on behalf of the Commissioner of Valuation and referred in detail to his submissions.

In particular, he pointed out that the subject is a "newly constructed state of the art bank" in the centre of Navan. Many facilities including a lift, are incorporated into this purpose designed bank, a feature which would be very difficult if not impossible to accommodate in older or more traditional buildings. He also emphasised the design which was used by the Architects, pointing out that it trades "quantity" for "quality" and thereby reduced the net lettable areas which he considered were more valuable as a consequence of this design option.

Mr. McMorrow pointed out this is a prime retail location at a focal corner position connecting Trimgate Street and Kennedy Road. Frontages are to both of the streets with 54 feet and 94 feet respectively, giving this building a dominant position.

He also pointed out that this is a third generation building built to the highest standards with air conditioning and many other modern features. The building costs devalued at £120 per square foot which compares with £45-£55 per square foot for most commercial buildings.

Mr. Des Killen pointed out that the zoning method was not suitable in this instance. He stated that the subject is not a shop and emphasised again the importance of the AIB comparison in Portlaoise.

Mr. Pat McMorrow pointed out that the subject is a far superior premises to any of the comparisons submitted by Mr. Killen and wondered why no local comparisons had been used by him. He pointed out that Market Square is not a similar location to the subject. A series of photographs were submitted to the Tribunal and comments were made by both sides.

**Determination:**

The Tribunal having considered all relevant comparisons and details submitted during the oral hearing by both sides, is of the opinion that the subject property occupies a prime corner position at a focal point in Navan town. The property has an overall frontage of c. 148 feet to both Trimgate Street and Kennedy Road and is designed and built to a very high standard.

Having regard to the foregoing and all the comparisons and evidence offered, the Tribunal fixes the valuation of the subject at £505 and so determines.