

Appeal No. VA95/6/013

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

Bank of Ireland, Tullamore

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Bank and Offices (including 12a,12b O'Connor Square) at Map Ref: 8.9.10 Bridge Street,
Town of Tullamore, Urban District of Tullamore, Co. Offaly

Quantum - Banks to be valued as retail or in comparison with other financial institutions

B E F O R E

Mary Devins

Solicitor (Acting Chairman)

Barry Smyth

FRICS.FSCS

Marie Connellan

Solicitor

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 24TH DAY OF FEBRUARY, 1997

By Notice of Appeal dated the 6th day of November 1995 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £375 on the above described hereditament.

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

"the assessment is excessive and inequitable having regard to the provisions of the Valuation Acts and on other grounds also."

Second floor

Staff facilities 936 sq.ft. @ £3 psf = £ 2,808

Attic

Stores 407 sq.ft. @ £2 psf = £ 814

Total = £47,337

NAV = £47,000. Estimate of RV £47,000 @ 0.5% = RV £235.

Mr. Davenport supplied the Tribunal with details of seven comparisons which are summarised below.

1. **Irish Nationwide Building Society**
 11a O'Connor Square, Tullamore
 RV £65. 1989 Revision
 Ground floor
 Offices @ £8.50 psf.

2. **General Accident Insurances Limited**
 11c O'Connor Square, Tullamore
 RV £30. 1989 Revision
 Ground floor
 Office @ £13.50 psf.

3. **Office of Public Works**
 11b O'Connor Square, Tullamore
 RV £35. 1989 Revision
 First floor
 793 sq.ft. @ £6.55 psf.

4. **Irish Nationwide Building Society**
 11d O'Connor Square, Tullamore
 RV £19. 1989 Annual Revision
 First floor
 452 sq.ft. @ £6.50 psf.

5. **Woodchester Credit Lyonnais Bank Limited**
 RV £110. 1994/3 Appeal
 Analysis: Ground floor
 Offices 2,585 sq.ft. @ £7 psf.

6. **Terry Michael Menswear**
 2,3,4a/1 Colmcille Street
 RV £70. 1990/4 Appeal
 Ground floor

1,162 sq.ft. @ £9.50 psf.

7. Xtra Vision

2,3,4a/2 Colmcille Street
RV £50. 1990/4 Appeal
720 sq.ft. @ £11.

A written submission was received on the 4th day of October 1996 from Mr. Malachy Oakes, a District Valuer with over 20 years experience in the Valuation Office.

In his written submission, Mr. Oakes described the property and gave its valuation history as set out above. He assessed rateable valuation on the subject premises as follows:-

Ground Floor

Bank hall, offices, book room, etc. 4,706 sq.ft. @ £13.50 = £63,531

First Floor

Offices 979 sq.ft. @ £ 6.00 = £ 5,874

Stores 302 sq.ft. @ £ 4.00 = £ 1,208

Second Floor

Offices 936 sq.ft. @ £ 4.00 = £ 3,744

Attic 407 sq.ft. @ £ 2.00 = £ 814

Total = £ 75,171 Say £75,000

RV @ 0.5% = £375.

Mr. Oakes gave details of six comparisons which are summarised below.

1. Bank of Ireland

46, Pearse Street, Mullingar
RV £360. 1994/4 First Appeal
Ground Floor
Bank hall 5,100 sq.ft. @ £12.50 psf.

2. Bank of Ireland

24, Oliver Plunkett Street, Mullingar
RV £325. 1994/4 First Appeal
Ground Floor
Banking hall 4,140 sq.ft. @ £12.50 psf.

3. **Bank of Ireland**
7/70 Main Street, Longford
RV £245. 1993/4 First Appeal
Ground Floor
3,530 sq.ft. @ £12.80 psf.
4. **Ulster Bank**
104 West Street, Drogheda
RV £180. 1989/4 First Appeal
Ground Floor
Bank hall, offices 1,399 sq.ft. @ £15 psf.
5. **Trustees Savings Bank**
45ab/1 Oliver Plunkett Street, Mullingar
RV £175. 1994/4 First Appeal
Ground Floor
Bank etc. 2,234 sq.ft. @ £14 psf.
6. **Cork & Limerick Savings Bank**
52/53 Main Street, Longford
RV £180. 1990/4 First Appeal
Ground Floor
Bank, offices 2,015 sq.ft. @ £15.50 psf.

Oral Hearing:

At the oral hearing which took place on the 9th October, 1996 Mr. Eoin Hickey, BL appeared on behalf of the appellant. Mr. Eamonn Marray, BL represented the respondent. Also present were Mr. Tom Davenport of Messrs. Lisney, Mr. Clarke of the appellant company and Mr. Malachy Oakes of the Valuation Office.

Mr. Davenport gave evidence that while the exterior of the premises was undeniably attractive the interior was disappointing because of the rather obvious adaptation and reconstruction works carried out. He said that his estimate of net annual value of the subject was in the region of £47,000.

In the course of direct examination by Mr. Hickey, Mr. Davenport confirmed that while the Valuation Office seemed to have traditionally valued banks as a separate entity it also had produced retail evidence in support of its valuation on banks in both Swords and Sutton. Referring to the decision of the Valuation Tribunal in *VA90/2/072 - AIB Tullamore v. Commissioner of Valuation* Mr. Davenport said that the net annual value of £78,000 cited

therein in relation to the subject had been based on incorrect evidence at the time and on a conversion of the old square metre basis of valuation.

Replying to Mr. Marray in cross examination Mr. Davenport said that the subject property had a frontage of 85 feet onto Bridge Street and only 60 feet onto The Square. He agreed that there were two entrances but did not concede that the entrance onto Bridge Street could be described as the main one.

Mr. Davenport reiterated his belief that banking should not be valued as a distinct type of specialist function.

In reply to further questioning by Mr. Marray Mr. Davenport seemed to agree that a ground floor would normally devalue at twice the rate of a first floor but explained his assessment of valuation on the first floor of the subject at £5 psf, saying that it was based on the premise that a hypothetical tenant would be likely to take the entire building. He also said that the rates on the ground floor vis-a-vis first floor could vary considerably depending on location.

Mr. Malachy Oakes gave evidence that the subject was a very fine building in a prime location. He explained that he had looked to a wider area for comparisons as several banks throughout the country had been agreed since 1989. He disputed the validity of premises in O'Connor Square as comparisons, as The Square was, in his opinion, secondary to Bridge Street.

Mr. Oakes seemed to feel that the figure of £9 psf which was the figure analysed at revision in relation to the Woodchester comparison on O'Connor Square was on the low side, in spite of the evidence of passing rent. In cross examination Mr. Oakes said that while it might be normal practice to first look to rental values in the vicinity he had been unable to find any suitable comparative evidence in Tullamore. He went on to confirm however that he had first looked to "the banking scene".

Submissions:

Mr. Hickey submitted that it had been the tradition in the Valuation Office for banks to be valued too highly and that this practice was wrong in law. He referred to the increasing competition in the provision of financial services and submitted that there were sufficient comparisons of similar function in the town of Tullamore.

Mr. Marray submitted that the object of *Section 5 of the 1986 Valuation Act* was to maintain the tone of the list and that there was no suitable comparative evidence in the vicinity and hence that it was entirely reasonable for Mr. Oakes to look to banks in outside areas.

Findings and Determination:

A practice does seem to have arisen whereby banks have been valued as some distinct valuation grouping. While there may have been some merit in this when valuations were based on the old square metre basis this practice does not have validity since the *1986 Valuation Act*, this in spite of the fact that banks have historically occupied very fine buildings. In today's world, however, more and more banks are locating in what must be described as normal commercial premises, in competition with many other institutions which offer banking services and as such it seems inequitable to value banks in any way other than that in which rateable occupiers of similar commercial property are considered.

The Tribunal has had regard primarily to the comparative evidence adduced in relation to premises in the vicinity. The subject property is undeniably a very fine building and it is noteworthy that the larger portion of it fronts onto Bridge Street which is certainly not a secondary location. In the circumstances the Tribunal determines that the correct rateable valuation of the subject property is £290 analysed as follows:-

Ground floor

Bank hall, offices, book room, etc. 4,706 sq.ft. @ £10 = £47,060

First Floor

Offices 979 sq.ft. @ £ 5 = £ 4,895

Stores 302 sq.ft. @ £ 4 = £ 1,208

Second Floor

Offices 936 sq.ft. @ £ 4 = £ 3,744

Attic 407 sq.ft. @ £ 2 = £ 814

Total = £ 57,721

@ 0.5% = £288.60 Say £290.

