

Appeal No. VA97/4/005

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

A.I.B. Bank, Phibsborough Road

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Bank at Lot No: 162.163.164.165, Phibsboro Road, Ward: Arran Quay A, County Borough of Dublin

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

B E F O R E

Con Guiney - Barrister at Law

Deputy Chairman

Ann Hargaden - FRICS.FSCS

Member

Rita Tynan - Solicitor

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 30TH DAY OF JUNE, 1999

By Notice of Appeal dated the 8th day of July 1997 the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £450 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 relevant valuation history is that the subject property was inspected and revised in October 1995. In November 1995 the revision was issued and the RV fixed at £450. The Commissioner of Valuation issued his decision on appeal on 1st day of July 1997 leaving the rateable valuation unchanged at £450.

A written submission on behalf of the appellant prepared by Ms. Sheelagh O’Buachalla, BA, an Associate of the Society of Chartered Surveyors and a Director of Donal O’Buachalla & Co. Ltd., was received by the Tribunal on 23rd day of December 1997.

Ms. O’Buachalla set out in her written submission her calculation of the rateable valuation as follows:-

“	Sq. Ft.	£	£
Ground Floor: Banking Hall	2,661 @	12.00	31,932
Entrance Lobby	40 @	8.00	320
1 st Floor: Offices	1,636 @	6.00	9,816
2 nd Floor: Offices	1,635 @	4.00	6,540
Basement: Stores	1,122 @	1.00	1,122
External Stores	713 @	1.00	<u>713</u>
		Total NAV	<u>50,443</u> @ 0.63% = £318
		Say RV £320”	

Ms. O’Buachalla’s written submission contained a schedule of eight comparisons. A copy of this schedule is annexed to this judgment as Appendix A.

A written submission on behalf of the respondent prepared by Mr. Brian O’Flynn was received by the Tribunal on 22nd day of December 1997. Mr. O’Flynn is a District Valuer in the Valuation Office with 22 years experience there.

Mr. O’Flynn set out in his written submission his calculation of the rateable valuation as follows:-

“Basement:	Stores	1,122 sq.ft. @ £ 2 psf = £ 2,244
Ground Floor:	Banking Hall, Strong Room & Book Room	2,661 sq.ft. @ £18 psf = £47,898
	Lobby/off bank hall	40 sq.ft. @ £12 psf = £ 480
	Ext. store (gross)	713 sq.ft. @ £ 2 psf = £ 1,426
1 st Floor:	Offices	1,636 sq.ft. @ £ 8 psf = £13,088
2 nd Floor:	Offices	1,635 sq.ft. @ £ 4 psf = <u>£ 6,540</u>
	NAV	= <u>£71,676</u>

@ 0.63% = £451.55. Say £450.

Alternatively

Ground Floor:	Banking Hall when zoned devalues:-	
	Zone A	1,550 sq.ft. @£23.00 psf
	Zone B	752 sq.ft. @ £11.50 psf
	Strong Room – Zone C	275 sq.ft. @ £11.50 psf
	Book Room – Zone C	84 sq.ft. @ £ 5.75 psf

Balance as above.”

Mr. O’Flynn’s written submission contained a schedule of ten comparisons. A copy of this schedule is annexed to this judgment as Appendix B.

The oral hearing took place at the Tribunal Offices in Dublin on the 16th day of January 1998. The appellant was represented by Ms. O’Buachalla and Mr. O’Flynn represented the respondent.

In her sworn testimony, Ms. O’Buachalla adopted her written submission as her evidence to the Tribunal. Ms. O’Buachalla put in evidence an album of photographs covering the subject premises and her comparisons.

Ms. O’Buachalla described the subject property as an old traditional style bank. Parking was restricted outside it due to double yellow lines. Again the property was slightly off centre for Phibsboro, whose business centre was located at the Phibsboro Shopping Centre.

Ms. O’Buachalla said some refurbishment of the premises had been carried out and this had not been completed by the revision date. This work included the provision of a new counter in the banking hall and a suspended ceiling. The upstairs portion of the premises had been painted. Ms. O’Buachalla said there had been no improvement of the subject premises. An ATM had been installed at the cost of £5,000.

Ms. O’Buachalla then dealt with her comparisons.

The First National Building Society was on the other side of the road to the subject. It has been refurbished and was a better property than the subject. It devalued at £11.82 psf for 1,947 sq.ft. ground floor. It was slightly smaller than the subject premises.

Her second comparison was the AIB, Howth Road, Raheny. It was a modern purpose built bank. A Tribunal decision had put a value of £12.18 psf on 2,035 sq.ft. of ground floor.

Ms. O’Buachalla referred to her third comparison, Ulster Bank Ltd., Phibsborough Road. There was a 1994 rent there of £30,000. This devalued at £18 psf for a ground floor area of 1,662 sq.ft. There had been a typing error in her schedule as to the value per square foot for this comparison.

Ms. O’Buachalla said her fourth and fifth comparisons, AIB Artane and TSB, Artane North were modern bank premises and devalued at £12 psf and £11.50 psf for ground floor banking hall, respectively.

Her sixth comparison was Bank of Ireland, Fairview. This branch was being refurbished and had a better interior than the subject. It devalued at £12.25 psf for 2,199 sq.ft. of ground floor banking.

Ms. O’Buachalla’s seventh comparison, Bank of Ireland, Cabra was located near the subject in a row of shops. It was more modern than the subject but was much smaller in area. There a ground floor banking area of 932 sq.ft. devalued at £12 psf.

Her eighth comparison was Bank of Ireland, Swords Road. This was a modern premises in a row of shops. This devalued at £11.25 psf for 2,286 sq.ft. of a ground floor banking hall.

Ms. O’Buachalla said the range of values per square foot for banking halls in the area ranged from £11.25 to £12.18.

She had valued the subject’s 2,661 sq.ft. of banking hall at £12 psf. She had relied on the First National Building Society comparison. She had also used the AIB, Howth Road comparison. That property had a similar location to the subject in a village type shopping centre.

Ms. O’Buachalla said she had valued the first floor offices in the subject at £6 psf in line with her comparison of AIB, St. Brigid’s, Artane. Her valuation of the second floor in the subject was related to her valuation of the first floor in it.

The basement in the subject had low headroom of 5½ feet and contained storage space and the boiler room. There were two external stores like garages in the yard of the subject. She had valued the basement and external stores at a rate of £1 psf.

Under cross examination by Mr. O’Flynn, Ms. O’Buachalla agreed that the subject premises was a substantial imposing premises on a corner location with frontage to two streets. Ms. O’Buachalla also agreed that the offices in the subject were of reasonable quality. The offices, however, being of older design would have higher maintenance costs and would be more costly to heat because of higher ceilings.

Mr. O’Flynn also put it to Ms. O’Buachalla that parking was located within two minutes walking time in the Phibsborough Shopping Centre.

Ms. O’Buachalla in further replies to Mr. O’Flynn agreed that banks spend more on improvements in comparison to shops. Generally, Ms. O’Buachalla agreed banks spend more on partitions, counters, and customer areas than shops. Also banks incur extra expenditure on security for ledgers, cash and for customers.

Mr. O’Flynn questioned Ms. O’Buachalla about her second comparison, AIB Howth Road, Raheny. There was a yearly rent there of £25,000 from 6th November 1989 but the RV at £250 equates to a net annual value of £39,682.

Mr. O’Flynn wanted to know the reason for this difference. In reply Ms. O’Buachalla said the Tribunal decision referred to other comparisons and improvements at the premises as being the basis for the NAV and RV.

Mr. O’Flynn said that £194,000 had been spent on improvements in that property. Ms. O’Buachalla did not agree with this.

Mr. O’Flynn put it to Ms. O’Buachalla that some of her comparisons like AIB, St. Brigid’s Road, Artane were not as imposing as the subject.

Mr. O’Flynn in his sworn testimony adopted his written submission as his evidence to the Tribunal. He made a correction to the first comparison in his written submission. The rent per annum was £30,000 and the area was 1,662 sq.ft. The shell rent then devalues at £18.05 psf.

Mr. O’Flynn put in evidence photographs of the subject premises and a copy plan of the layout of its ground floor and upper floors.

Mr. O’Flynn said the expenditure on improvements in his second comparison, First National Building Society, amounted to £240,000. This indicated the type of spending by Financial Institutions on improvements.

Mr. O’Flynn said his third comparison, Abrakebabra, was a long narrow premises and he had

put £28 psf on 297 sq.ft. of Zone A.

He said his fourth comparison, an unlet shop in the new development opposite the Phibsborough Shopping Centre had 287 sq.ft. of Zone A at £32 psf.

His fifth comparison, Eamon Cahill t/a Newsfare had been sold in 1991 for £170,000. This had been included to give evidence of a market sale.

Finally, Mr. O'Flynn said he had tried to include as many comparisons as possible from the immediate area to give a balanced approach to his valuation of the subject.

Under cross examination by Ms. O'Buachalla as to why he had put a value of £14 psf overall on his third comparison (based on a rent) while he had put £18psf on the ground floor banking hall of the subject Mr. O'Flynn said he had valued the subject in line with the tone of the list but had added a premium for the substantial imposing location of the subject. He said he also had regard to the valuation of other comparable banks.

Ms. O'Buachalla asked Mr. O'Flynn why he had put £11.83 on 1,945 sq.ft. of his second comparison. Mr. O'Flynn said this property was mid-terrace and long and narrow when compared to the subject.

In the course of further cross-examination, Mr. O'Flynn said the ground floor area of Ms. O'Buachalla's second comparison should have been 1,920 sq.ft. Mr. O'Flynn said that in connection with that comparison there was a substantial addition in percentage terms to the rent for the fit out.

In reply to questions from the Tribunal about his sixth comparison (Irish Civil Service Building Society) Mr. O'Flynn said this property was comparable to the subject in terms of location in that both had prominent corner locations. Again, both properties suffered from parking restrictions. Mr. O'Flynn said, however, that the subject was a more substantial property.

Mr. O’Flynn calculated that the overall rate per square foot for the Irish Civil Service Building Society was £18.50. This calculation had been made after making an allowance for the agreed reduction in the rateable valuation of £2.90.

The Tribunal has considered the written submissions of the appellant and the respondent and the evidence offered by the appellant and the respondent.

The Tribunal finds that the Irish Civil Service Building Society property is the most appropriate comparison in this case. It occupies a corner site at the same road junction as the subject but on the opposite side of the road.

Taking the overall value per square foot of £18.50 for the ground floor on the Irish Civil Service Building Society premises as a starting point the Tribunal finds that £15 psf is the appropriate value for the ground hall banking area in the subject. This latter rate per square foot is based on the fact that the subject premises ground floor is approximately four times larger than that of the Irish Civil Service Building Society.

Accordingly, the Tribunal determines the rateable valuation of the subject hereditament as follows:-

Ground Floor:	Banking Hall	2,661 sq.ft. @ £15 psf = £39,915
	Lobby	40 sq.ft. @ £10 psf = £ 400
First Floor:	Offices	1,636 sq.ft. @ £ 7 psf = £11,452
Second Floor:	Offices	1,635 sq.ft. @ £ 4 psf = £ 6,450
Basement:	Stores	1,122 sq.ft. @ £ 2 psf = £ 2,244
External Stores		713 sq.ft. @ £ 2 psf = £ 1,426
		NAV = £61,977
		@ 0.63% = RV £390.46. Say £390.

The Tribunal therefore determines the rateable valuation of the subject hereditament to be £390.

