

Appeal No. VA99/3/019

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

**Governor & Company of the Bank of Ireland (South Mall Cork)**

**APPELLANT**

**and**

**Commissioner of Valuation**

**RESPONDENT**

RE: Bank at Map Reference 83/84 South Mall, Townland Sundry, Townlands, Ward Centre A,  
UD: Centre East, County Borough of Cork.

**B E F O R E**

**Fred Devlin - FRICS.FSCS**

**Deputy Chairman**

**Barry Smyth - FRICS.FSCS**

**Member**

**Tim Cotter - Valuer**

**Member**

**JUDGMENT OF THE VALUATION TRIBUNAL**  
**ISSUED ON THE 29TH DAY OF NOVEMBER, 2000**

1. By Notice of Appeal dated the 27th day of July 1999, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of £360 on the above described hereditament.

The Grounds of Appeal as set out in the said Notice of Appeal are that; "the assessment is excessive and inequitable and bad in law having regard to the provisions of the Valuation Acts and on other grounds also".

2. The Appeal proceeded by way of an oral hearing held in the offices of the Valuation Tribunal at Ormond House, Ormond Quay Upper, Dublin 7, on the 21<sup>st</sup> February 2000 where Mr. Owen Hickey B.L. appeared on behalf of the appellant and Mr. Tom Davenport ARICS ASCS gave expert valuation evidence. Mr. Tom Stapleton a valuer with over 30 years experience in the Valuation Office appeared on behalf of the respondent.
3. The subject property comprises a three storey plus attic purpose built bank premises located in mid-terrace on the northside of South Mall in that section between Crane Lane and Smith Street. At the rear there is a single storey extension together with a small enclosed yard with direct access onto Crane Lane.
4. South Mall is generally regarded as being the prime business and office location in Cork and occupiers include several financial services and professional companies.

The building was constructed around 1930 and is typical of the period when banks constructed buildings to reflect an image of financial strength and stability. Internally the ground floor is laid out so that the banking hall is approached from the pavement by a hallway and vestibule entrance. At the front of the building is found the manager's office and a second entrance used only by staff. The banking hall is two storey in height and office accommodation is found at mezzanine, first and second floor levels. The staff canteen is located at second floor level and there is a strong room at ground floor level whilst the attic space is unused and in poor condition.

5. The property was included in the November 1997 quarterly revision list and the rateable valuation was increased from £250 to £420 which figure was reduced to £360 at first appeal stage.
6. A written précis and submission was received from Mr. Davenport on the 17<sup>th</sup> January 2000 and at the hearing this was adopted by him as being his evidence in chief given

under oath. In his précis Mr. Davenport proposed a rateable valuation of £245 calculated as set out below;

	Sq. m.	Price per m <sup>2</sup>	Total
Ground Floor	208.9	£124	£25,852
Entrance Lobby/Offices/ Banking Hall/Strong Room	22.2	£64.50	£1,434
<b>First Floor</b>			
Offices	49.8	£64.50	£3,216
<b>Rear Mezzanine</b>			
Offices	59.4	£53.80	£3,195
File Store	28.7	£43.00	£1,236
<b>Second Floor Returns</b>			
Offices	49.8	£53.80	£2,680
Canteen	18.2	£32.13	£588
<b>Attic</b>			
Stores	73.8	£10.75	<u>£794</u>
<b>Total</b>			<b>£38,995</b>

Net Annual Value Say - £39,000

Rateable Valuation @ .63% = £245

In support of his opinion of net annual value and rateable valuation, Mr. Davenport submitted details of 9 comparisons which may be summarised as follows;

#### 1. 71 South Mall

Occupier: National Irish Bank  
 Lease: 35 years from 1<sup>st</sup> June 1989 FR 1-5 year rent reviews  
 Initial Rent: £67,500 pa  
 Analysis

#### Ground Floor

Banking hall – 203 m<sup>2</sup> @ £128.40 per m<sup>2</sup>  
 Rear Office - 152.5 m<sup>2</sup> @ £86.00 per m<sup>2</sup>

**First Floor**

Offices - 220.5 m<sup>2</sup> @ £64.50 per m<sup>2</sup>

**Second Floor**

Offices - 124.7 m<sup>2</sup> @ £64.50 per m<sup>2</sup>

**Third Floor**

Offices - 110.4m<sup>2</sup> @ £54 per m<sup>2</sup>

(Common Comparison)

**2. 67/69 South Mall**

Occupiers: Lisney

Lease: 30 yrs from 1<sup>st</sup> August 1989 – 5 year rent review

Initial Rent: £14,500 pa

Analysis:

Ground Floor – 108 m<sup>2</sup> @ £134 per m<sup>2</sup>

**3. (a) 55/56 South Mall**

Occupier: Eagle Star (Formerly Shield Life)

Lease: 35 yrs from 1<sup>st</sup> July 1976 – 5 yr. Rent reviews

Rent: 1<sup>st</sup> July 1986 - £32,000 pa

Analysis:

Ground Floor 113.3 sq.m. : £129 per m<sup>2</sup>

First Floor 113.3 sq.m. : £75.35 per m<sup>2</sup>

Second Floor 113.3 sq.m. : £75.35 per m<sup>2</sup>

**3 (b) 55/56 South Mall – 3<sup>rd</sup> and 4<sup>th</sup> floor**

Occupier: Sedwick Dineen

Lease: 35 yrs lease from 1<sup>st</sup> July 1988 – 5 year rent reviews

Rent: 1<sup>st</sup> June 1988 - £17,500 pa

Analysis

227.4m<sup>2</sup> @ £76.85 per m<sup>2</sup>

**4. 32/34 South Mall**

Occupier: Bank of Ireland

Rateable Valuation : £1,200 – 1992/4 First Appeal – N.A.V. £190,000

Analysis:

Banking Hall (ground floor) – 766m<sup>2</sup> @ £107.68 per m<sup>2</sup>

Office – first, second, third and fourth floors – 1,336 m<sup>2</sup> @ £70 per m<sup>2</sup>

**5. (a) 26/27 South Mall**

Occupier: Friends Provident  
 Rateable Valuation: £175 – 1991/4 First Appeal – N.A.V. £27,750  
 Analysis:  
 Ground Floor Offices – 204.4 m<sup>2</sup> @ £134.50 per m<sup>2</sup>

**5. (b)**

Occupier: Not Stated  
 Lease: 35 yrs from 29<sup>th</sup> Sept. 1978 – 5 yr rent reviews  
 Rent: Sept 1988 - £18,750 pa  
 Analysis:  
 First Floor Offices – 239.8 m<sup>2</sup> @ £78.19 per m<sup>2</sup>

**6. 20 South Mall**

Occupier: Anglo Irish Bank  
 Lease: 35 yrs from 1<sup>st</sup> January 1988 – five year reviews  
 Initial Rent: £15,000 pa

Analysis:  
 Ground floor banking hall and Offices -100.3 sq. m. @ £134.50 per sq. m  
 First floor – Offices - 17.3 sq. m. @ £75.35 per sq. m

**7. 13 South Mall**

Occupier: Bank of Ireland Finance  
 Lease: 35 yrs from 15<sup>th</sup> April 1980 – 5 year rent reviews  
 Rent: £30,000 pa – 1<sup>st</sup> April 1990

Analysis:  
 Ground Floor Offices – 122.6 m<sup>2</sup> @ £140 per m<sup>2</sup>  
 First Floor Offices - 65m<sup>2</sup> @ £75.40 per m<sup>2</sup>  
 Canteen - 10.4 m<sup>2</sup> @ £53.80 per m<sup>2</sup>  
 Second Floor - 108 m<sup>2</sup> @ £64.50 per m<sup>2</sup>  
 Attic Rooms - 19.3 m<sup>2</sup> @ £21.5 per m<sup>2</sup>  
 (Common Comparison)

**8. (a) 12 South Mall**

Occupier: Eagle Star Insurance (formerly City Bank)  
 Rent: £31,020 pa from 1<sup>st</sup> April 1989  
 Rent Reviews every 7 yrs from 1992

Analysis:  
 Ground Floor Offices 230 sq. m. @ £134.5 per sq. m.

**8. (b)**

Occupier: Mathews Mulcahy Sutherland  
 Lease: 21 yrs from November 1971  
 Rent: £23,990 pa – rent review – May 1985  
 Analysis  
 First Floor Offices – 327.8 m<sup>2</sup> @ £73 per m<sup>2</sup>

**9. 1 South Mall**

Occupier: Suttons  
 Rent Review 29<sup>th</sup> September 1988 at £27,500 pa

Analysis  
 Ground Floor Offices – 244.8 m<sup>2</sup> @ £111.30 per m<sup>2</sup>

In his précis Mr. Davenport contended;

- (i) That the property has all the characteristics of an office building with no retail display area.
- (ii) Since the property is located in a mainly office location it is appropriate that the valuation be assessed by reference to office rental levels.
- (iii) That the offices at mezzanine level afford poor quality accommodation.
- (iv) An allowance should be made for quantum having regard to the total area of the building of 510 m<sup>2</sup>.

10. In supplementary evidence Mr. Davenport contended;

- (i) That rents on South Mall are not uniform and that the prime area is that section between No.'s 55 & 72.
- (ii) That the most relevant comparison is No. 71 South Mall, which is an open market letting of a purpose built bank premises occupying a better location than the subject and with a larger street frontage.

- (iii) In valuing the subject property he had applied an overall rate to the ground floor area and the values attributable to the mezzanine and attic space reflect the poor quality of this accommodation. The double height of the banking hall in his opinion does not add value to the use of the property.
- (iv) Whilst it is always better to compare banks with banks he nonetheless had included a number of office comparisons in order to provide what he described as being a flavour of rental values in South Mall at or about November 1988.
- (v) In his valuation he had attributed no specific value to the staff entrance but had reflected it in the overall price placed on the ground floor space.

11. Under cross-examination Mr. Davenport sustained his opinion that the most appropriate comparison was No. 71 South Mall and did not accept the proposition put to him that bank premises should be valued higher than a conventional office building occupying a similar location. Nonetheless, he did agree that older bank premises have a higher and better quality of specification and finish than modern bank premises which were not dissimilar to modern office accommodation in terms of construction and finish.

12. Mr. Stapleton suggested to Mr. Davenport that some allowance ought to be made to reflect the fact that the regional Bank of Ireland cash centre adjoins the subject premises. Mr. Davenport disagreed and pointed out that the cash centre was a separate hereditament and by virtue of its security use, it was not interlinked with the subject property at any level.

13. Mr. Stapleton adopted his précis of evidence which had been received in the Tribunal on the 13<sup>th</sup> January 2000 as being his evidence in chief given under oath. In his précis he proposed a rateable valuation of £360, calculated as set out below;

	<b>Area m<sup>2</sup></b>	<b>Price per m<sup>2</sup></b>	<b>Total</b>
Front Offices and Lobby	47.8	£161.46	£7,710.64
Banking Hall	154.1	£193.75	£29,856.87
Rear Office	6.9	£129.16	£891.20
Strong Room	22.2	£107.64	£2,389.6
Secondary Entrance	16.3	£107.64	£1,754.53

**First Floor**

Offices – including mezzanine	109.2	£75.34	£8227.12
Stationery	28.7	£53.82	£1,544.63
Canteen	18.2	£53.82	£979.52

**Second Floor**

Offices	49.8	£53.82	£2,680.23
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**Third Floor**

Attic Stores	73.7	£21.52	<u>£1,586.02</u>
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**Net Annual Value - £57,000**  
**Rateable Valuation @ .63% - £360**

9. In support of his valuation Mr. Stapleton supplied details of the rateable assessment of five bank premises which may be summarised as set out below;

**1. 13 South Mall**

Occupier: Bank of Ireland Finance  
Rateable Valuation: £185 Agreed

**Analysis**

Ground floor – public office and interview room – 63.7 m<sup>2</sup> @ £193.75 per m<sup>2</sup>  
- rear offices and store room – 58.9 m<sup>2</sup> @ £96.87 per m<sup>2</sup>

**First Floor**

Board room, office and canteen 64.9 m<sup>2</sup> @ £86.11 per m<sup>2</sup>  
Offices (Rear) 10.4 m<sup>2</sup> @ £75.34 per m<sup>2</sup>

**Second Floor**

Offices and stationary room 107.9 m<sup>2</sup> @ £59.2 per m<sup>2</sup>

*Net Annual Value - £30,000*

**2. 71 South Mall**

Occupier: National Irish Bank  
Rateable Valuation: £365 – NAV £58,000

**Analysis:**

Ground Floor  
Banking Hall, Strong Room and Office 281.6m<sup>2</sup> @ £161.46 per m<sup>2</sup>  
Stores, Passage, etc. 74.9m<sup>2</sup> @ £80.73 per m<sup>2</sup>



First Floor	97.4m <sup>2</sup> @ £64.58 per m <sup>2</sup>
Second Floor	26.7m <sup>2</sup> @ £43.05 per m <sup>2</sup>

*Net Annual Value - £58,000*

## **2 (B)**

Occupier:	Vacant
Rateable Valuation:	£60 – NAV £9,500

### **Analysis**

First Floor Offices	117m <sup>2</sup> @ £80.73 per m <sup>2</sup>
Net Annual Value	£9,500

## **2(C)**

Occupant:	Vacant
Rateable Valuation:	£67 – NAV £10,700

### **Analysis**

Second Floor Offices	105.4m <sup>2</sup> @ £64.58 per m <sup>2</sup>
Third Floor Offices	116.6m <sup>2</sup> @ £34.40 per m <sup>2</sup>

Net Annual Value                    £10,700

Rent Payable under Lease (1/6/89) = £67,500 pa

*Total Net Annual Value*                    =£78,000  
(Common Comparison)

## **3. 19a Winthrop Street**

Occupants:	Allied Irish Bank
Rateable Valuation:	£345 – NAV £55,000

### **Analysis:**

Ground Floor	
Banking Hall	248.9m <sup>2</sup> @ £193.75 per m <sup>2</sup>
Strong room & cash office	26.9m <sup>2</sup> @ £107.64 per m <sup>2</sup>
Lobby	6.7m <sup>2</sup> @ £107.64 per m <sup>2</sup>
Mezzanine	
Kitchen & Stationery	49m <sup>2</sup> @ £64.58 per m <sup>2</sup>

*Net Annual Value*                    £55,000

#### 4. Bank of Ireland, 11, 12, 13a Bridge Street

Rateable Valuation - £300

Net annual value - £45,078

Ground floor Banking Hall	100.9m <sup>2</sup> @ £161.46	=	£16,291	(£15psf)
Office	78.6m <sup>2</sup> @ £107.64	=	£ 8,460	(£10psf)
1 <sup>st</sup> flr. offices	62.9m <sup>2</sup> @ £ 64.58	=	£ 4,062	(£ 6psf)
2 <sup>nd</sup> flr. offices	95.6m <sup>2</sup> @ £ 64.58	=	£ 6,174	(£ 6psf)
3 <sup>rd</sup> flr. canteen, offices	96.0m <sup>2</sup> @ £ 43.05	=	£ 4,128	(£ 4psf)
Basement – strong room	22.9m <sup>2</sup> @ £107.64	=	£ 2,465	(£ 5psf)
Balance	64.6m <sup>2</sup> @ £ 53.82	=	£ 3,476	(£ 5psf)

<i>Total Net Annual Value of Building</i>	=	<i>£45,078</i>
<i>RV:</i>	=	<i>£284</i>
<i>Plus ATM</i>	=	<i>£16</i>

#### 5. A.I.B. Bank, 10 Bridge Street

Rateable Valuation - £365

Analysis:

Ground Floor	
Banking Hall	114.7m <sup>2</sup> @ £193.75 per m <sup>2</sup>
Banking Hall (Camden Place)	54.8m <sup>2</sup> @ £161.46 per m <sup>2</sup>
Offices	24.5m <sup>2</sup> @ £107.64 per m <sup>2</sup>
First Floor	152.1m <sup>2</sup> @ £64.58 per m <sup>2</sup>
Second Floor	84.2m <sup>2</sup> @ £64.58 per m <sup>2</sup>
Third Floor	95.7m <sup>2</sup> @ £21.52 per m <sup>2</sup>
Basement – Strong Room	11.9m <sup>2</sup> @ £107.64 per m <sup>2</sup>
Balance	95.7m <sup>2</sup> @ £21.52 per m <sup>2</sup>
Car spaces 5 @ £200 per space	=£1000
Net Annual Value	=£55,366
Rateable Valuation	=£349
Add Rateable Valuation of ATM	=£16
<i>Total RV</i>	<i>=£365</i>

11. In his précis and supplementary oral evidence Mr. Stapleton contended:

- (i) That the property was constructed and fitted out to a high standard and was a very elegant building both inside and out.

- (ii) That in arriving at his opinion of net annual value he had regard to the fact that the established level for ground floor office accommodation in South Mall was £14psf and £7psf for first floor offices which did not have the benefit of a lift.
- (iii) That some upward adjustment must be made to reflect the proximity of the regional cash centre.

**12.** Under cross-examination Mr. Stapleton agreed that South Mall was the prime office location in Cork but did not accept the proposition that rents along the Mall varied with location. He agreed that Winthrop Street and Bridge Street were retail locations but nonetheless he was of the opinion that it was helpful to include as comparisons, banks located along these streets if only to indicate the rents that banks were prepared to pay in these locations which from a banking use point of view, were inferior to South Mall. He agreed with Mr. Davenport that 71 South Mall was the most suitable of all the comparisons and expressed the view that it was an inferior property to the subject. In relation to this comparison he urged the Tribunal to look at the net annual values as agreed rather than the analysis of the passing rent as put forward by Mr. Davenport.

**13. Findings:**

- (i) It is common case that South Mall is the principal business location in Cork and that most banks and financial institutions are to be found there.
- (ii) The property, which is about 70 years old was designed and constructed to the then prevailing standards. As a consequence the layout is somewhat inflexible but nonetheless the Tribunal does not agree with Mr. Davenport's opinion that the double height in the main banking hall does not add value in terms of rental value.
- (iii) The parties are agreed that the most relevant comparison is No. 71 South Mall which is an open market letting of a purpose built bank premises similar in general layout and appearance to the subject but having a much larger ground floor area. Whilst it is a common comparison Mr. Davenport analysed the rent

payable under the lease from 1<sup>st</sup> June 1989 whilst Mr. Stapleton analysed the net annual values on the basis of three separate rateable hereditaments totaling £78,000 as against the rent of £67,500 for the entire. The Tribunal prefers Mr. Davenport's approach since the subject hereditament is also a multi-storey building with Banking Hall at ground floor level with offices overhead.

- (iv) An examination of Mr. Davenport's other comparisons indicates that the rental level for typical ground floor offices on South Mall at or about November 1988 was in the range of £12 to £13psf
- (v) No. 13 South Mall is also a common comparison with a rent of £30,000 per annum as at April 1989 and a net annual value also of £30,000. Mr. Stapleton analysed the net annual value of the ground floor on what appears to be a zoning basis whilst Mr. Davenport devalued the rent at an overall rate of £13psf. Mr. Stapleton's average figure on the ground floor equates to £13.67psf
- (vi) Having regard to the fact that there is an abundance of comparable evidence on South Mall itself, the Tribunal attaches little weight to the comparisons located on Winthrop Street and Bridge Street as they are by common consent located in primarily retail locations.
- (vii) The Tribunal attributes most weight to the evidence in relation to No's 71 and 13 South Mall, both of which are bank premises. The additional evidence on the Mall is also helpful.
- (viii) In relation to the subject the Tribunal prefers Mr. Davenport's method of valuing the ground floor at an overall rate and that no separate value should be attributed to the staff entrance area. Nonetheless the presence of this separate staff entrance must be reflected in the overall rate applied and in addition an allowance must be made to reflect the somewhat unique characteristics of the banking hall. The

Tribunal does not consider any allowance should be made for the proximity of the regional cash centre.

### **Determination**

Having regard to the above and all the evidence and submissions adduced at the hearing the Tribunal determines that the appropriate rateable valuation for this property should be £296 calculated as set out below;

#### **Ground Floor**

Entrance Hallway	208.9m <sup>2</sup> @ £150	=	£31,335
Banking Hall & Offices			
Strong Room	22.2m <sup>2</sup> @ £80	=	£1,776

#### **First Floor**

Offices	49.8m <sup>2</sup> @ £75	=	£3,735
Mezzanine	59.4m <sup>2</sup> @ £65	=	£3,861
Stairs	28.7m <sup>2</sup> @ £53.8	=	£1,544

#### **Second Floor**

Offices	49.8m <sup>2</sup> @ £53.8	=	£2,679
Canteen	18.2m <sup>2</sup> @ £53.8	=	£979
Attic Stores	73.8m <sup>2</sup> @ £15.00	=	£1,107
	Say	=	£47,016

**RV @ .63% = £296**