

Appeal No. VA05/1/024

AN BINSE LUACHÁLA
VALUATION TRIBUNAL
AN tACHT LUACHÁLA, 2001
VALUATION ACT, 2001

Portlaoise Credit Union Ltd.

APPELLANT

and

Commissioner of Valuation

RESPONDENT

RE: Office(s), Carpark at Lot No. 45c, Main Street, Maryborough, Portlaoise Urban,
Mountmellick, County Laois.

B E F O R E

Fred Devlin - FSCS.FRICS

Deputy Chairperson

Brian Larkin - Barrister

Member

Michael McWey - Valuer

Member

JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 31ST DAY OF AUGUST, 2005

By Notice of Appeal dated the 28th day of February, 2005, the appellant appealed against the determination of the Commissioner of Valuation in fixing a rateable valuation of €327.00 on the above described relevant property.

The Grounds of Appeal as set out in the Notice of Appeal are:

"On the basis that the NAV is excessive, inequitable and bad in law."

1. This appeal came before the Tribunal by way of an oral hearing held in the offices of the Tribunal, Ormond House, Ormond Quay Upper, Dublin 7 on the 19th of April 2005. At the hearing the appellant was represented by Mr. Eamonn Halpin, B.Sc. (Surveying), A.S.C.S., A.R.I.C.S., M.I.A.V.I.. The respondent was represented by Mr. Terence Fahey, B.Sc. (Hons) Prop. Ec., a Valuer in the Valuation Office.

The Property Concerned

2. The property concerned is a new purpose built premises occupied by the Portlaoise Credit Union. The property is located in the town centre and has frontage on to the inner by-pass road also known as James Fintan Lalor Avenue. Lyster Square is close by as indeed is Main Street. The Portlaoise Shopping Centre is on the opposite of the inner relief road.
3. The subject property which is built to a high standard of specification and finish is a detached two-storey structure with a single storey return block. The building which has the benefit of air-conditioning has a frontage of 15.5 metres and an enclosed car park at the rear with parking for some 19 cars.
4. The agreed accommodation is as follows:

Ground Floor: Banking Hall, Manager's Office, Interview Rooms, Strong Room, Plant Room & Toilet for Disabled Persons

First Floor: Boardroom, Training Room, 2 Offices, Canteen & Staff Toilets

The agreed area of the property measured on a Net Internal Area basis is as set out below:

Ground Floor: 322.52 sq. metres

First Floor: 162.37 sq. metres

Evidence was given that the cost of construction was in the order of €1.65million and the site cost was €1.39million giving a total outlay of €3.04million.

Rating History

5. On the 2nd of June, 2004 the revision officer issued a certificate to the effect that he proposed to determine the rateable valuation of the property concerned at €350 in accordance with the provisions of the Valuation Act, 2001. Following a representation by the appellant a

Valuation Certificate was issued on the 20th of July, 2004 affirming the rateable valuation of €350. On foot of an appeal made to the Commissioner of Valuation in accordance with Section 30 of the Act the rateable valuation was reduced to €327 and it is against this decision by the Commissioner that the appeal to this Tribunal now lies.

The Appellant's Evidence

6. Mr. Eamonn Halpin after having taken the oath adopted (with some minor amendments) his written précis and valuation which had previously been received by the Tribunal as being his evidence-in-chief.
7. In evidence Mr. Halpin contended for a rateable valuation of €205 calculated as set out below:

Ground Floor

Banking Hall	143.15 sq. metres @ €123 per sq. metre	€17,607
General Office, Interview Rooms, Plant & Strong Room	179.36 sq. metres @ €68.38 per sq. metre	€12,265

First Floor

Offices	162.38 sq. metres @ €68.35 per sq. metre	€11,099
		€40,971
RV @ 0.5%	€204.85 Say	€205

In support of his opinion of Net Annual Value Mr. Halpin introduced five comparisons details of which are set out in Appendix 1 attached to this judgment.

8. In evidence Mr. Halpin said that in arriving at his opinion of Net Annual Value he had had regard to the assessments of a number of properties situated in the immediate vicinity of the property concerned. He also had regard, he said, to a former bank building on Main Street which is now occupied as a solicitor's office (comparison No. 5). All of his comparisons with the exception of No. 5, he said, were recently built and occupied a location similar to that of the subject property with frontage onto the inner relief road.
9. Mr. Halpin expressed the view that Portlaoise Credit Union was not a financial institution in the accepted sense of the word and consequently he did not consider the valuation of bank premises in the town relied upon by Mr. Fahey to be particularly relevant. In any event, he

said, the bank premises occupied much better locations than the subject being situated in the commercial centre of the town. When pressed on the issue Mr. Halpin agreed that from a user point of view the Credit Union was more akin to that of a bank than to any other type of user.

10. Under examination Mr. Halpin agreed that the subject property was on a par with bank premises in terms of quality of fit-out and internal layout. When asked why he did not consider the valuation of the bank premises to be relevant Mr. Halpin re-iterated his opinion that the bank premises referred to all occupied much superior locations to the subject property. In the circumstances he considered it appropriate to have regard to the valuation of other premises in the immediate vicinity, all of which were capable of a use similar to that of the subject property.
11. When asked why he had valued the ground floor on a zoning basis Mr. Halpin said it was appropriate to so do when having regard to the internal depth of the ground floor area. Mr. Halpin pointed out that the AIB and Bank of Ireland premises all had the benefit of return frontages and hence it was proper that they should be valued at an overall rate per sq. metre.
12. Mr. Halpin agreed that on an overall basis the valuation that he had attributed to the ground floor area devalued at just over €2 per sq. metre. He also said he had attributed no particular value to the car parking at the rear but had reflected the presence of the car parking facilities in his valuation.

The Respondent's Evidence

13. Mr. Fahey having taken an oath adopted his written précis and valuation which had previously been received by the Tribunal as being his evidence-in-chief.
14. In his evidence Mr. Fahey contended for a rateable valuation of €27 calculated as set out below:

Net Internal Area

Ground Floor 322.52 sq. metres @ €150.34 per sq. metre = €48,487.67

First Floor 162.37 sq. metres @ €20.00 per sq. metre = €3,314.34

Car Parking 19 Spaces = €3,600

Net Annual Value = €5,402.01

RV @ 0.5% = €27.01

Say €27

In support of his opinion of Net Annual Value Mr. Fahey produced 5 comparisons details of which are set out in Appendix 2 attached to this judgment.

15. In evidence Mr. Fahey said that the subject property was similar in use, design and layout to a bank and in the circumstances it was appropriate to have regard to the valuation of other bank premises in the vicinity. Mr. Fahey said that while the AIB premises occupied a better location on Lyster Square the building was of somewhat dated design without the benefit of a lift or air-conditioning. The Bank of Ireland similarly had the benefit of a frontage to both Main Street and Lyster Square but it too was an older building without a lift. The ACC building, Mr. Fahey said, was similar in many respects to the subject property and had frontage onto Lyster Square. Mr. Fahey said he had examined the valuation of all these properties and taking all factors into account, including the inferior location of the subject property, he had come to the conclusion that a sq. metre rate of €150.34 was appropriate for the ground floor accommodation of the property concerned.
16. Under examination Mr. Fahey confirmed his opinion that the subject property occupied an inferior location to that of the AIB, Bank of Ireland and ACC premises. That said, however, the subject property in terms of quality of accommodation was just as good and was used for a purpose similar to that of a bank. Mr. Fahey agreed that generally speaking banks as a matter of policy favoured buildings with a high profile on Main Street locations and that the location of the property concerned did not fit into that category.
17. When asked about pedestrian flows Mr. Fahey agreed that most people came onto the west side of the inner relief road either from Main Street or via the footbridge from the Portlaoise Shopping Centre. He further agreed that the exit from the footbridge was onto Lyster Square and that pedestrians coming off the footbridge across the inner relief road would have to double-back on their tracks in order to access the subject property.
18. When asked to comment on the valuation of the Xtra-Vision unit (Mr. Halpin's comparison No. 1) which was valued at €123 per sq. metre as against €150.34 per sq. metre on the ground floor of the subject property as proposed by him, Mr. Fahey said that the difference was due to the superior specification and fit out of the credit union building. In his opinion there should be no allowance for locational difference between these two properties, even though the Xtra-Vision property was closer to Lyster Square.

Determination

The Tribunal has carefully considered all the evidence and argument adduced by the parties and makes the following findings.

1. The subject property to all intents and purposes is a bank and is constructed and finished to a high standard. In the circumstances the Tribunal is of the view that the most relevant comparisons are those of bank premises in Portlaoise town centre as introduced by Mr. Fahey. The assessment of retail outlets and offices in the vicinity is helpful but to a lesser degree.
2. It is common case that the Lyster Square location is superior to that occupied by the subject property. Whilst Mr. Fahey had regard to this in arriving at his valuation the Tribunal is of the opinion that he did not fully reflect the locational disadvantage of the property concerned. Lyster Square together with Main Street are the major commercial locations of Portlaoise and a hypothetical tenant in the market would be conscious of this in forming an opinion of rental value for the subject property.
3. The subject property has the benefit of enclosed and secure off-street parking facilities which is something none of the other comparisons have. The Tribunal accepts Mr. Fahey's valuation approach in relation to the car park and also the value he has attributed to this facility.
4. Having regard to the foregoing the Tribunal determines the rateable valuation of the property concerned to be €284 calculated as set out below:

Ground Floor	322.52 sq. metres @ €130 per sq. metre	= €41,927
First Floor	162.37 sq. metres @ €70 per sq. metre	= €11,366
19 Car Spaces		= €3,600
Net Annual Value	(Say)	= €56,800
Rateable Valuation @ 0.5%		= €284