

Banks

Definition For the purposes of valuation, a *Bank* is a retail outlet that provides financial services, over the counter.

Basis for valuation The valuation of a bank premises is based on its annual rental value at the valuation date. This is determined by analysing the actual annual rent of that property (if applicable) and that of comparable properties.

ATMs ATMs in banks are included in the overall valuation. (See Practice Note for remote ATMs.)

Non-commercial elements Non-commercial elements of the premises, such as residential quarters, are excluded from the valuation, even though the actual passing rent paid for the premises may include these elements.

Confidentiality Some of the information in the valuation report is confidential. Subject to the requirements of the Freedom of Information Act, such information will be provided only on receipt of written instructions from the occupier.

Information needed for valuation The following information is needed in order to arrive at the valuation of a bank:

- Measurements
- Other factors affecting the annual rental value of the property
- Lease or purchase details

During the valuation survey and inspection, information is collected on each of these items, as detailed below.

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Measurements

Banks are generally measured to Net Internal Area (NIA), as described in the Valuation Office *Rating Code of Measuring Practice*. This includes any offices, canteens, stores, changing rooms, toilets and mezzanines in the premises.

The ground floor of banks located in retail units within Shopping Centres is measured to Gross Internal Area (GIA), as described in the Valuation Office *Rating Code of Measuring Practice*.

The following details are recorded during the survey:

- Area and use of all floors including mezzanines
Note: if the premises has a recessed frontage, the property is measured to the line of the demise.
 - The number and location of ATMs within the Bank
 - The frontage, architectural style and layout of the building, and whether it is listed or preserved
 - Number of steps (if any) to the main banking hall
 - Details of any shared entrances
 - Type and location of access to upper floors and basement areas
 - Area and use of ancillary accommodation
 - Position of structural walls within the bank
 - Size and position of permanent features such as staircases, columns, lifts, etc.
 - Car parking arrangements.
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Measurement of zoned areas

On-street banks are not generally zoned except where they are capable of being used as a standard shop premises.

Banks located in retail units within shopping centres are zoned.

To determine the rental value of zoned premises, the floor area is divided into a number of zones, as described in the Valuation Office *Retail Zoning Guidance Notes*. The actual area of each zone is measured and recorded during the survey.

Survey records should be such as to avoid the need for re-inspection if zoning patterns change in the future.

Other factors affecting value

Other features that may affect the bank's rental value are noted, such as access/loading facilities, varying floor levels, layout, low ceiling height, and air-conditioning systems.

Any statutory provisions, such as the Urban Renewal Acts, that may have an impact on market rents are noted.

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Details of lease

For **leasehold** properties, details of the lease are recorded as follows:

- Commencement date
- Length of lease
- Rent review interval
- Date of last rent review
- Current annual rent (net of VAT)
- Stepped rent
- Who is liable for rates, internal/external repairs and building insurance
- Break clauses in lease
- Rent free periods
- Date of purchase and price paid for leasehold interest (key money)
- Premiums paid in lieu of rent
- Whether let in shell form or fitted
- Any clause in the lease that restricts the use of the premises

Details (including dates) of expenditure incurred on the construction, alteration or redevelopment of the property are also recorded, and the contribution to fit out made by the landlord and by the tenant.

Details of purchase

For **freehold** properties, details are recorded as follows:

- Purchase Price (net of VAT)
 - Date of purchase
 - Details (including dates) of expenditure incurred on the construction, alteration, redevelopment and fit out of the property
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