National Revaluation Programme:
REVAL 2023

September 2023
Chief Operations Officer (Valuation)
Declan Lavelle – Chief Valuer (Valuation)
Terry Fahey – Head of Revaluation (Valuation)
Areas Covered

- Tailte Éireann & Rating System in Ireland
- Governing Legislation
- National Revaluation Programme & REVAL 2023
- Revaluation Process & Ratepayer Supports
- Appeal Mechanisms
- Key Dates
- Q & A
Rates and Rateable Valuation

Three figures relevant to Commercial Rates:

1. Overall **Rates contribution** to Annual Budget: Decided by Elected Members of Local Authority

2. Rateable Valuation of Individual Properties ("Net Annual Value"): Determined by Tailte Éireann

3. Annual Rate on Valuation (ARV): Set by Elected Members

Valuation x ARV = Amount of Rates liable for collection by Local Authority
What is Revaluation?

- Revaluation is a **Reassessment** from first principles of the rateable value of all properties in a local authority area at the same time by reference to the same valuation date.

- Leads to a **Redistribution** of commercial rates burden between ratepayers.

- **Revenue Neutral** for Local Authorities.

- **Recurring** exercise (every 5 to 10 years) to maintain the fairness of rating system.

- Results in production of **New Valuation List** that contains modern valuations for all rateable properties in Local Authority area.
Revaluation - Why?

• **Restore relativity between different properties, categories & locations:**
  - Take account of movements in rental values across different sectors/locations which occur over time
  - Reflect Local Economic Factors

• **Transparency:**
  - Bring Rateable Values back into line with **modern property rental values**
  - Current market rental values
  - Result Fairness and Equity Part 5 of Valuation
Revaluation: Legal Basis

• **Part 5** of Valuation Acts 2001 to 2020: [https://www.tailte.ie](https://www.tailte.ie)
  
  - All property classes/uses deemed rateable unless specifically exempt (Schedule 4)

• **“Net Annual Value”** specifically defined in legislation
  
  - Rental Value, not Capital Value
    - *Approximates to the letting value of the property on a full repairing and insuring basis (FRI)*
  
  - “Correctness” and “Equity & Uniformity”

• Decisions of independent Valuation Tribunal & Higher Courts
National Revaluation Programme

Phase 1 Completed
South Dublin, Fingal, Dun Laoghaire-Rathdown, Dublin City, Limerick City & County and Waterford City & County

REVAL 2017
Carlow, Kildare Kilkenny, Laois, Leitrim, Longford, Offaly, Roscommon, Sligo, Westmeath and 2\textsuperscript{nd} Reval of South Dublin

REVAL 2019
Cavan, Monaghan, Louth, Meath, Tipperary, Wexford, Wicklow and 2\textsuperscript{nd} Reval of Fingal

REVAL 2023
Donegal, Mayo, Galway City, Galway County, Clare, Kerry and 2\textsuperscript{nd} Reval of Dún Laoghaire-Rathdown
The revaluation of approximately 27,874 Industrial and Commercial properties in Clare, Donegal, Galway, Kerry and Mayo County Councils and Galway City Council rating authority areas and the revaluation of approx. 5,055 properties in Dún Laoghaire-Rathdown for the second time.

Key Dates

• Valuation Date – 1 February 2022
• Proposed Valuation Certs issued on phased basis between Sept 2022 and May 2023
• Final Certs & Publication of new Valuation List – 22 September 2023
• New Valuations become effective for Rates – 1 January 2024
Advancing National Revaluation Programme is a key priority.
Key Steps

• TÉ makes **Valuation Order** fixing:
  - Valuation Date/Publication Date/Effective Date
  - REVAL 2023 material issued to Ratepayers

• TÉ collects & analyses data
  - Rent/Lease/Tenure details/Trading data
  - Physical property details/survey
  - Data transferred from Rating Authority to TÉ

• TÉ issues **Proposed Valuation Certificates**

• **Rating Authority** makes Indicative **ARV** available
Key Steps (continued)

• “Representations” made to Valuation Manager (40 days)

• TÉ considers Representations

• TÉ issues final Valuation Certificates

• TÉ publishes new Valuation List for Rating Authority

• Appeals can be made to Valuation Tribunal (within 28 days)

• Rating Authority sets ARV for 2024

• New Valuation List becomes effective
What Evidence do we use?

- **Evidence from Occupiers**
  - Current Rental Market Evidence.
  - Trading Data/Accounts.
  - Development/Construction costs

- **Revenue Commissioners**
  - “Particulars Delivered” transactions

- **Lease details from the PSRA**
  - Public lease register
<table>
<thead>
<tr>
<th>Year End</th>
<th>Specify accounting year end (from accounts)</th>
<th>Year End (Date)</th>
<th>Year End (Date)</th>
<th>Year End (Date)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Turnover</strong></td>
<td>From all activities</td>
<td>€</td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td><strong>Breakdown of Turnover [excluding admission charges]</strong></td>
<td><strong>On Sales</strong></td>
<td>€</td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td></td>
<td><strong>Off Sales</strong></td>
<td>€</td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td></td>
<td><strong>Food</strong></td>
<td>€</td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td></td>
<td><strong>Other (please specify)</strong></td>
<td>€</td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>From accounts</td>
<td>€</td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td><strong>Franchise Income (see note below)</strong></td>
<td><strong>Details</strong></td>
<td>€</td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td><strong>Admission Charges</strong></td>
<td><strong>Details</strong></td>
<td>€</td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td><strong>Wages &amp; Salaries</strong></td>
<td>€</td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td></td>
<td><strong>Insurance</strong></td>
<td>€</td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td></td>
<td><strong>Entertainment Expenses</strong></td>
<td>€</td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td></td>
<td><strong>Licence Fees</strong></td>
<td>€</td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td></td>
<td><strong>Security Costs</strong></td>
<td>€</td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td></td>
<td><strong>Legal Fees</strong></td>
<td>€</td>
<td>€</td>
<td>€</td>
</tr>
<tr>
<td></td>
<td><strong>Rent Paid</strong></td>
<td>€</td>
<td>€</td>
<td>€</td>
</tr>
</tbody>
</table>
How We Value Property for Rating Purposes

Rental Evidence (90% + of Properties)
- Directly from occupiers
- Revenue Commissioners
- PSRA Database

Trading Data
- Hotels
- Service Stations
- Licensed Premises
- Nursing Homes
- Quarries
- Wind Farms

Construction Costs
- Specialised Properties

"Net Annual Value"
Revenue Neutral for Council

• Revaluation is about **Redistribution** of rates liability

• Rates liability of individual ratepayers may change

• **“Revenue neutral”** for Local Authority:
  • Rates Limitation Order: Sec. 56 Valuation Act 2001, as amended
  • Rates income capped at 2023 level with adjustments for-
    • New developments,
    • Improvements to existing building
    • Contingency for possible reduction in valuation arising from appeals
National Revaluation Programme – post REVAL 2023
## Before & After examples

<table>
<thead>
<tr>
<th></th>
<th>Property A</th>
<th>Property B</th>
<th>Property C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Old Rateable Valuation</td>
<td>€66.00</td>
<td>€66.00</td>
<td>€66.00</td>
</tr>
<tr>
<td>Local Authority ARV 2023</td>
<td>75.76</td>
<td>75.76</td>
<td>75.76</td>
</tr>
<tr>
<td>Rates Liability before Revaluation (Rounded)</td>
<td>€5,000</td>
<td>€5,000</td>
<td>€5,000</td>
</tr>
<tr>
<td>Net Annual Value (NAV) after Revaluation</td>
<td>€20,000</td>
<td>€22,000</td>
<td>€18,000</td>
</tr>
<tr>
<td><strong>Indicative ARV after Revaluation</strong>*</td>
<td>0.25</td>
<td>0.25</td>
<td>0.25</td>
</tr>
<tr>
<td>Rates Liability after Revaluation</td>
<td>€5,000</td>
<td>€5,500</td>
<td>€4,500</td>
</tr>
<tr>
<td>Change in Liability due to Revaluation</td>
<td>No Change</td>
<td>+€500</td>
<td>-€500</td>
</tr>
</tbody>
</table>
The last Revaluation Project in 2019 resulted in reduced rates for the majority of ratepayers.
Global Valuations – Valuation of Networks

Public Utility Networks that traverse the State - S53 of Valuation Act –
• 12 relevant properties
• Revalued every 5 years – Global valuation cycle
• Aggregate valuation approx. €1.0bn
• Annual Rates collected - €200-250m

Examples:
• ESB Network (€412m)
• Gas Networks Ireland (€115m)
• Irish Water Network (€186m)
• Eir (€80m)
• Vodafone (€37m)
## Revaluation Outcomes – Reval 2019

<table>
<thead>
<tr>
<th></th>
<th>CAVAN</th>
<th>FINGAL</th>
<th>LOUTH</th>
<th>MEATH</th>
<th>MONAGHAN</th>
<th>TIPPERARY</th>
<th>WEXFORD</th>
<th>WICKLOW</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduced Rates</td>
<td>66.06%</td>
<td>75.38%</td>
<td>57.78%</td>
<td>68.96%</td>
<td>65.96%</td>
<td>69.86%</td>
<td>61.99%</td>
<td>62.84%</td>
<td>66.74%</td>
</tr>
<tr>
<td>Liability</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increased Rates</td>
<td>31.38%</td>
<td>21.29%</td>
<td>38.62%</td>
<td>28.63%</td>
<td>31.92%</td>
<td>26.80%</td>
<td>34.62%</td>
<td>33.69%</td>
<td>30.14%</td>
</tr>
<tr>
<td>Liability</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No Change in</td>
<td>2.55%</td>
<td>3.33%</td>
<td>3.60%</td>
<td>2.41%</td>
<td>2.11%</td>
<td>3.34%</td>
<td>3.39%</td>
<td>3.46%</td>
<td>3.12%</td>
</tr>
<tr>
<td>Rates Liability</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Rates Increased – Why?

- Possible Increase in **Relative** Value
- Property may have been altered since last valued
- Outstanding request for information
Is My Valuation Correct?

• Compare the Valuation (NAV) to
  - Rent you are paying
  - Rent you know others are paying
  - PSRA Website
  - Actual Income Streams v TÉ Income Streams
  - Rent you would receive/accept if vacant and to let.

• Go online
  - Compare your Valuation to other valuations on the Valuation List.
Stakeholder Engagement - September and October 2023

- Presentations to Local Authority Elected Members & Staff - 4 to 12 September
- Valuation Certificates, accompanied by an explanatory letter and information leaflet will issue to 32,929 Ratepayers on 15 September
- Valuation List will be published on TÉ website on 22 September
- Ratepayer Walk in Clinics – 2 to 6 October

- TÉ LinkedIn and ‘X’ posts prior to issue of Valuation Certificates
- Radio and newspaper ads will run prior to the publication of the Valuation List and the start of the walk-in clinics
TÉ Supports for Ratepayers

- **Hardcopy material** to Ratepayers
  - Explanatory Letter
  - Information leaflet
  - Final Valuation Certificates

- Media advertisements

- Briefing of Elected Representatives & copies of Specimen Documents

- “Walk-in” Clinics for ratepayers

- Engagement with Trade Bodies & representative groups
Valuation Certificate

The calculation of your valuation:

The table below summarises the elements (different floor levels, floor uses and floor areas) that were taken into account in calculating your valuation. Please review this carefully.

<table>
<thead>
<tr>
<th>Floor Level</th>
<th>Floor Use</th>
<th>Floor Area (m²)</th>
<th>£ per m²</th>
<th>Total Valuation £</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>RETAIL ZONE A</td>
<td>28.66</td>
<td>100.00</td>
<td>4,469.60</td>
</tr>
<tr>
<td>0</td>
<td>RETAIL ZONE B</td>
<td>29.06</td>
<td>80.00</td>
<td>2,324.80</td>
</tr>
<tr>
<td>0</td>
<td>RETAIL ZONE C</td>
<td>45.14</td>
<td>40.00</td>
<td>1,805.60</td>
</tr>
<tr>
<td>0</td>
<td>RETAIL ZONE D</td>
<td>39.22</td>
<td>20.00</td>
<td>784.40</td>
</tr>
<tr>
<td>0</td>
<td>STORE</td>
<td>62</td>
<td>20</td>
<td>1,240.00</td>
</tr>
</tbody>
</table>

**Valuation (Total) £**: 10,560

The Valuation of £10,560 is not your rates liability

This is an important document. Please read it in conjunction with the enclosed Exploratory Letter and the summary on the reverse of this page.

Declan Lavelle
Valuation Manager

How to calculate your Rates Liability

Your rates liability will be calculated by multiplying the Valuation of the property, set by Tailte Éireann, by the Annual Rate on Valuation (ARP) which will be set by your Local Authority.

Rates Liability = Valuation x ARP

Please refer to your Local Authority website for further information about the indicative Annual Rate on Valuation (ARP) or use the calculator at www.tailte.ie to estimate your indicative rates liability based on the valuation above.
Ratepayer Supports

- Web Portal
- Online Form
- Hardcopy Form
- Instructional Videos
- Walk-In Clinics
- Helplines & Email
- Stakeholder Briefings / Presentations
REVAL 2023 Support Team

E-mail (Ratepayer): reval2023@tailte.ie

E-mail (LA): laqueries@tailte.ie

Website: Up to date FAQ section

Phone Line: 01 5846753

Best Channels: E-mail
Appeal Mechanisms

• “Representations” to Valuation Office by Ratepayer
  40 days from issue of Proposed Valuation certificate
  Informal process with no fee
  Happens before valuation is finalised

• Valuation Tribunal
  28 days
  Statutory Fee
  Formal and quasi-judicial process

• Appeal to Higher Courts on Point of Law
Key Dates / Timelines

- Valuation Certificates will issue on Sept 15th 2023
- Publication of new Valuation List: 22nd September 2023
- Walk in Clinics in each Municipality: 2nd to 6th October 2023
- Appeals to Valuation Tribunal – within 28 Days (19th October)
- New List effective for rates purposes: 1st January 2024
Summary

• “Revenue Neutral” for Local Authority

• Evidence based exercise

• TÉ’s Objective - Publish a Valuation List that is Fair & Equitable for every Ratepayer and to Local Authority

• Well established statutory process

• Appeal to independent Valuation Tribunal