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Valuation Office

National Revaluation Programme: REVAL 2023

October 2022

Terry Fahey – Director of National Revaluation Programme





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Areas Covered

- Valuation Office & Rating System in Ireland
- Reval 23 & National Revaluation Programme
- Governing Legislation
- Revaluation Process & Ratepayer Supports
- Appeal Mechanisms
- Key Dates
- Q & A





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Valuation Office - Who we are & What we do



The Valuation Office has been responsible for Ireland's State valuation service **since 1830**



We are an independent office under the aegis of the **Minister for Housing, Local Government and Heritage**



We employ approximately **136 people**



We spend approximately **€12 million** in delivering our services each year



Our work leads to the collection of approximately **€1.5 billion** in Local Authority revenue each year



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Rates and Rateable Valuation

Three figures relevant to Commercial Rates:

- Overall **Rates contribution** to Annual Budget: Decided by Elected Members of Local Authority
- **Rateable Valuation of Individual Properties (“Net Annual Value”)**: Determined by Valuation Office
- **Annual Rate on Valuation (ARV)**: Set by Elected Members

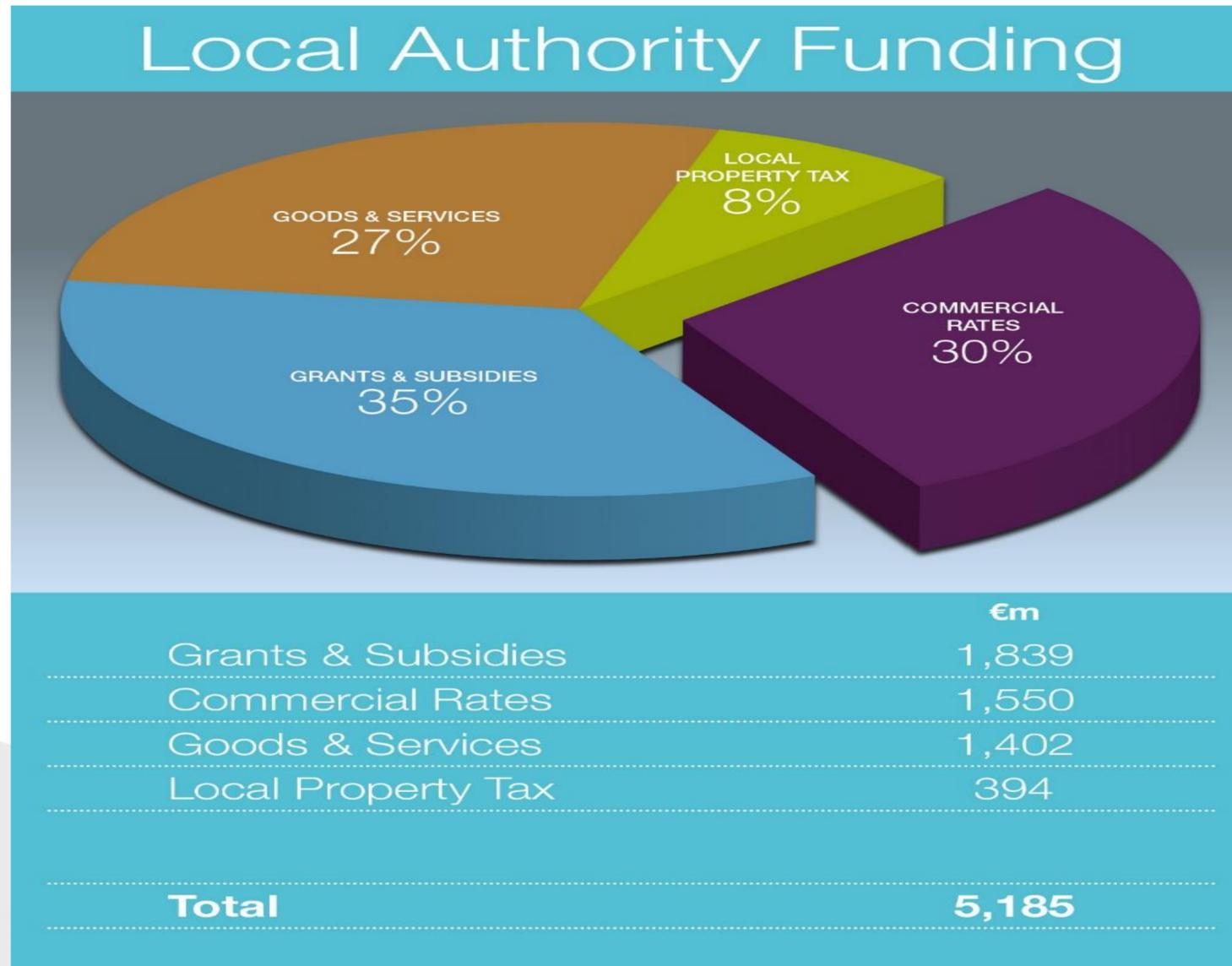
Valuation x ARV = Amount of Rates liable for collection by Local Authority



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Rates in Context



Source: Department of Housing, Local Government and Heritage – Rates levied in 2019



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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 **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



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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



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Reval 2023

The revaluation of approximately 29,000 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. 5,000 properties in Dún Laoghaire-Rathdown for the second time is being progressed.

- Valuation Date – 1st February 2022
- Proposed Valuation Certs Issue Date – 23rd September 2022
- Final Certs & Publication of new Valuation List – 22nd September 2023
- New Valuations become effective for Rates – 1st January 2024

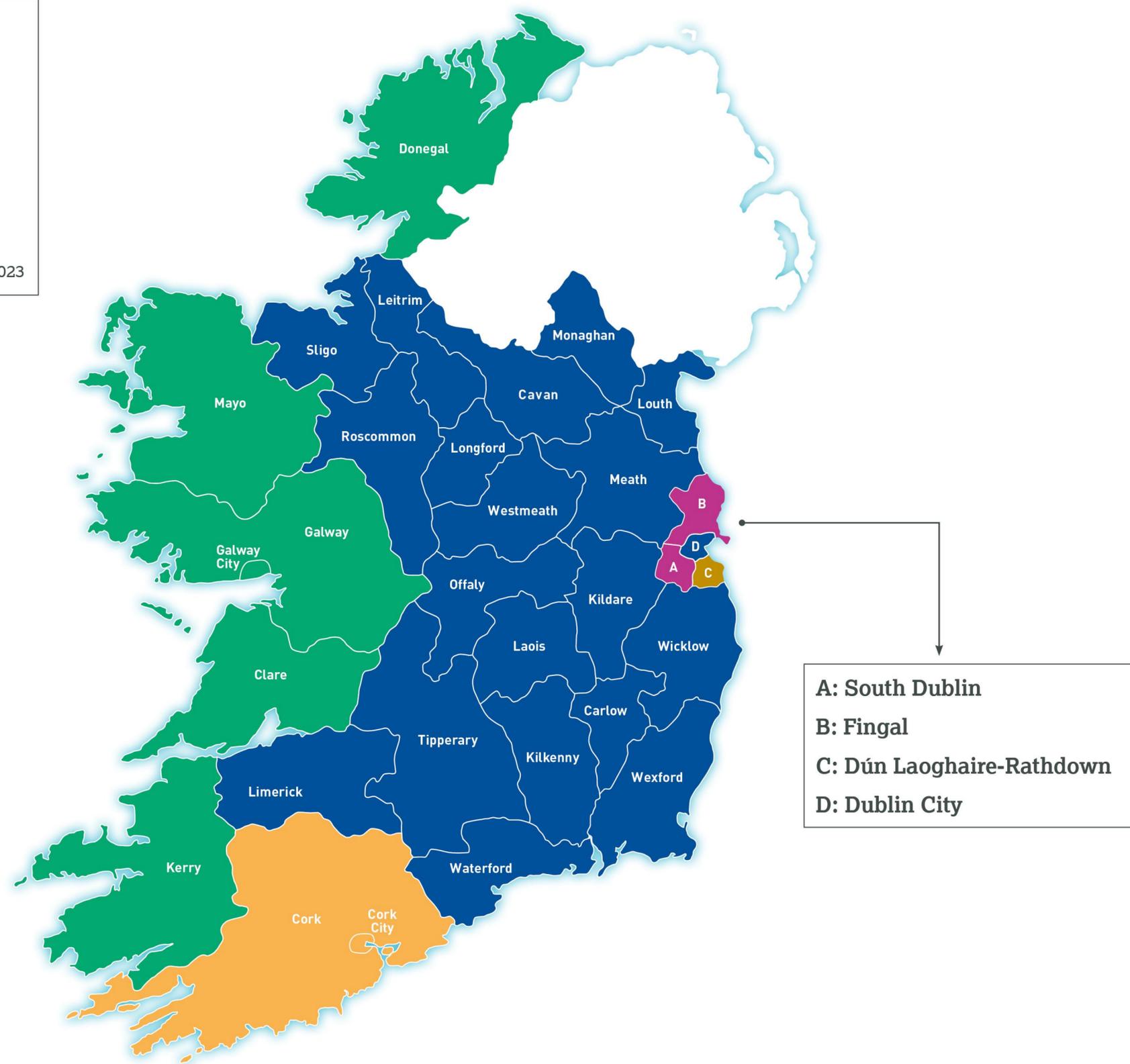


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Advancing the
**National
Revaluation
Programme** is a
key priority for the
period 2022-2024.

National Revaluation Programme
(September 2022)

- Completed
- Completion 2023
- Completion TBC
- Second Revaluation Completed
- Second Revaluation Completion 2023





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Revaluation: Legal Context

- Part 5 of Valuation Acts 2001 to 2020:

<https://www.valoff.ie/en/about-us/legislation/>

- **“Net Annual Value”** specifically defined in legislation

Rental Value, not Capital Value

“Correctness” and “Equity & Uniformity”

- Decisions of independent Valuation Tribunal & Higher Courts



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Revenue Neutral for Council

- Revaluation is about **Redistribution** of rates liability
- Rates liability of individual ratepayers may change
- “Revenue neutral” for Local Authority:



Ministerial Rates Cap: Sec. 56 Valuation Act 2001, as amended by Local Government Rates and Other Matters Act 2019

Subject to Sec 56, total amount of rates income remains the same

Benefit from Inflation, New Developments, Improvements to existing buildings

Benefit from Global Valuations in same year as new list is published

Contingency for “Leakage” from new valuation list arising from appeals



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Before & After examples

	Property A	Property B	Property C
Old Rateable Valuation	€74.18	€74.18	€74.18
Galway City ARV 2022	67.4009	67.4009	67.4009
Rates Liability before Revaluation (Rounded)	€5,000	€5,000	€5,000
Net Annual Value (NAV) after Revaluation	€20,000	€22,000	€18,000
Indicative ARV after Revaluation***	0.25	0.25	0.25
Rates Liability after Revaluation	€5,000	€5,500	€4,500
Change in Liability due to Revaluation	No Change	+€500	-€500



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Indicative ARV advised by Local Authorities

- Indicative ARV calculated by reference to 2022 LA income
- Aggregate value on Local Authority Valuation List
- Range of Indicative Values

Galway City	- 0.217
Galway County	- 0.21
Donegal	- 0.232
Kerry	- 0.227
Clare	- 0.25
Mayo	- 0.239
Dun Laoghaire Rathdown	- 0.193



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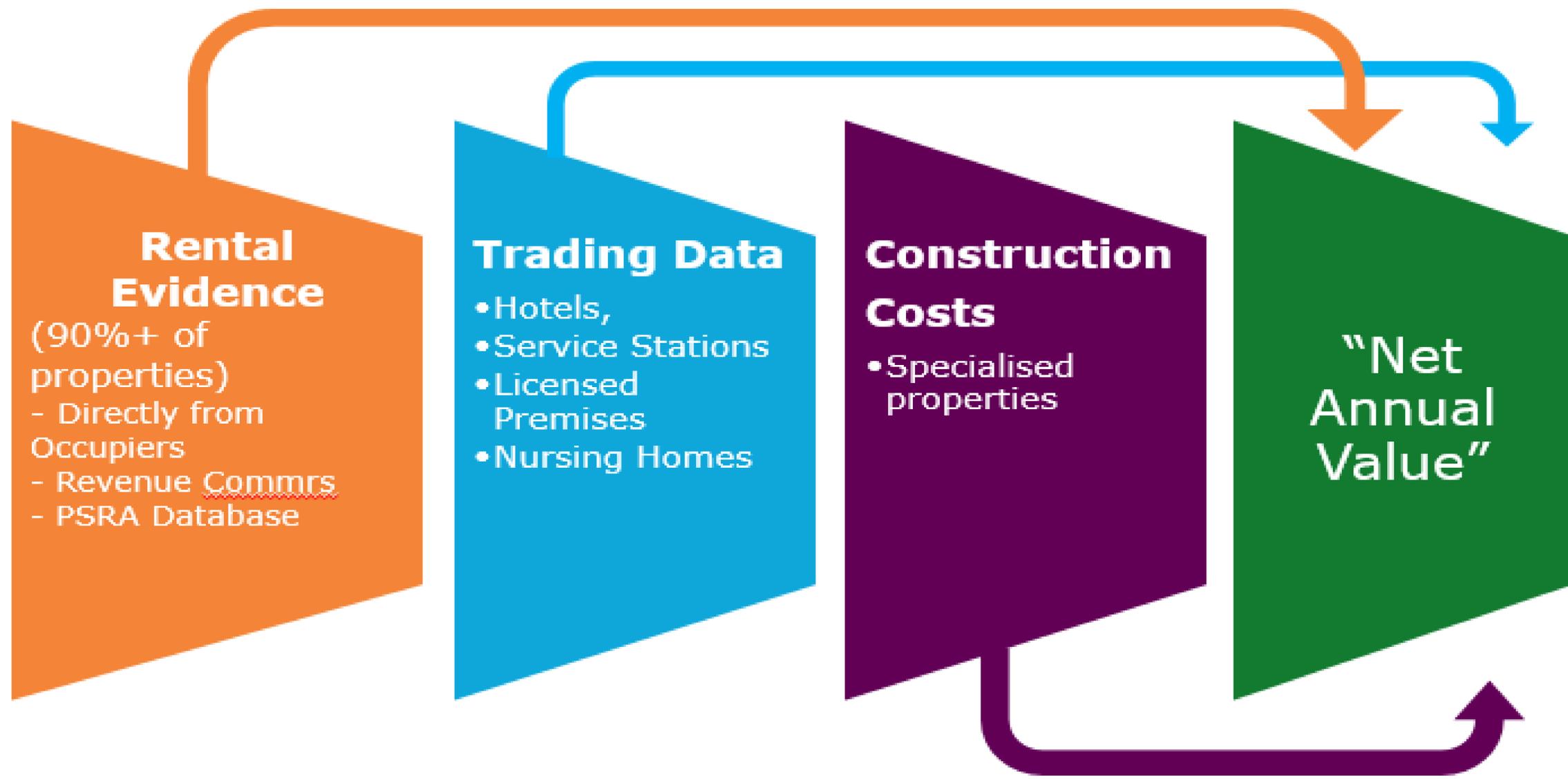
Key Steps in a Revaluation

- **VO issues Proposed Valuation Certificates**
- **Rating Authority makes Indicative ARV available to Ratepayers**
- **“Representations” made to Valuation Office (40 days)**
- VO considers Representations
- VO issues final Valuation Certificates
- Commissioner publishes new Valuation List for Rating Authority
- Appeals can be made to Valuation Tribunal (within 28 days)
- Elected Members of Rating Authority set ARV
- New Valuation List becomes effective





How We Value Property for Rating Purposes



Sample Valuation Certificate



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ABC Ltd.
123 Main Street,
County Town,
County



Notice to Occupier - Private & Confidential

Proposed Valuation Certificate

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

Issue of Proposed Valuation Certificate pursuant to Section 26 of the Valuation Act 2001 as amended.

Revaluation of County Council Area					
Property Number:	1234567	PIN:	ABCD	Issue Date:	23 rd September 2022
Proposed Valuation:	€ 10,560	Rating Authority:		COUNTY COUNCIL	
Final date for submission of representations:				1 st November 2022	
Category:	RETAIL (SHOPS)	Property Use:	SHOP		
Property Address:	ABC Ltd. 123 Main Street, County Town, County				

Declan Lavelle
Valuation Manager

The Proposed Valuation above is not your rates liability.

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

$$\text{Rates Bill} = \text{Valuation} \times \text{ARV}$$

Please refer to your Local Authority website for further information about the indicative Annual Rate on Valuation (ARV) or use the calculator at www.valoff.ie to estimate your indicative rates liability based on the proposed valuation.

If you consider any of the details in the certificate are incorrect, you should request that it be reviewed by making representations. There is no charge for this review. Requests must be submitted by 1st November 2022.

Continued Overleaf

Sample Valuation Certificate



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The calculation of your proposed valuation:

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

Please review this carefully.

Floor Level	Floor Use	Floor Area (m ²)	€ per m ²	Total Valuation €
0	RETAIL ZONE A	28.06	160.00	4,489.60
0	RETAIL ZONE B	28.06	80.00	2,244.80
0	RETAIL ZONE C	45.14	40.00	1,805.60
0	RETAIL ZONE REMAINDER	39.22	20.00	784.40
0	STORE	62	20	1,240.00
Proposed Valuation (Rounded)				€ 10,560

Please note that at this stage of the revaluation process you may request a review, free of charge. If you consider any of the details in the certificate are incorrect, you should request that it be reviewed by making representations. Requests may be made online at www.valoff.ie or on the valid form by post. The request must be submitted by 1st November 2022 to be considered.

Data protection information is available at <https://www.valoff.ie/en/about-us/corporate-policies/data-protection/>.

If you have questions about your valuation, please visit the FAQ section of our website at www.valoff.ie, e-mail reval2023@valoff.ie or [telephone \(01\) 584 6753](tel:+35315846753) from 9.00 am-1.00 pm and 2.00 pm-5.00 pm Monday to Friday (excluding public holidays).

Declan Lavelle
Valuation Manager





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Is my Proposed Valuation Correct?

Compare the Valuation (NAV) to

- Rent you are paying
- Rent you know others are paying for similar properties
- Rents on PSRA Website
- Actual Income Streams v Income Streams as assessed by VO
- Rent you would receive/accept if vacant and to let.

Have you provided your rental information?



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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
- Three possible outcomes:
 - No change
 - Valuation decreased
 - Valuation increased
- Appeal to Higher Courts on Point of Law



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Reval 2019 - Outcomes

The last Revaluation Project in 2019 resulted in reduced rates for the majority of ratepayers

Reval 2019 Results

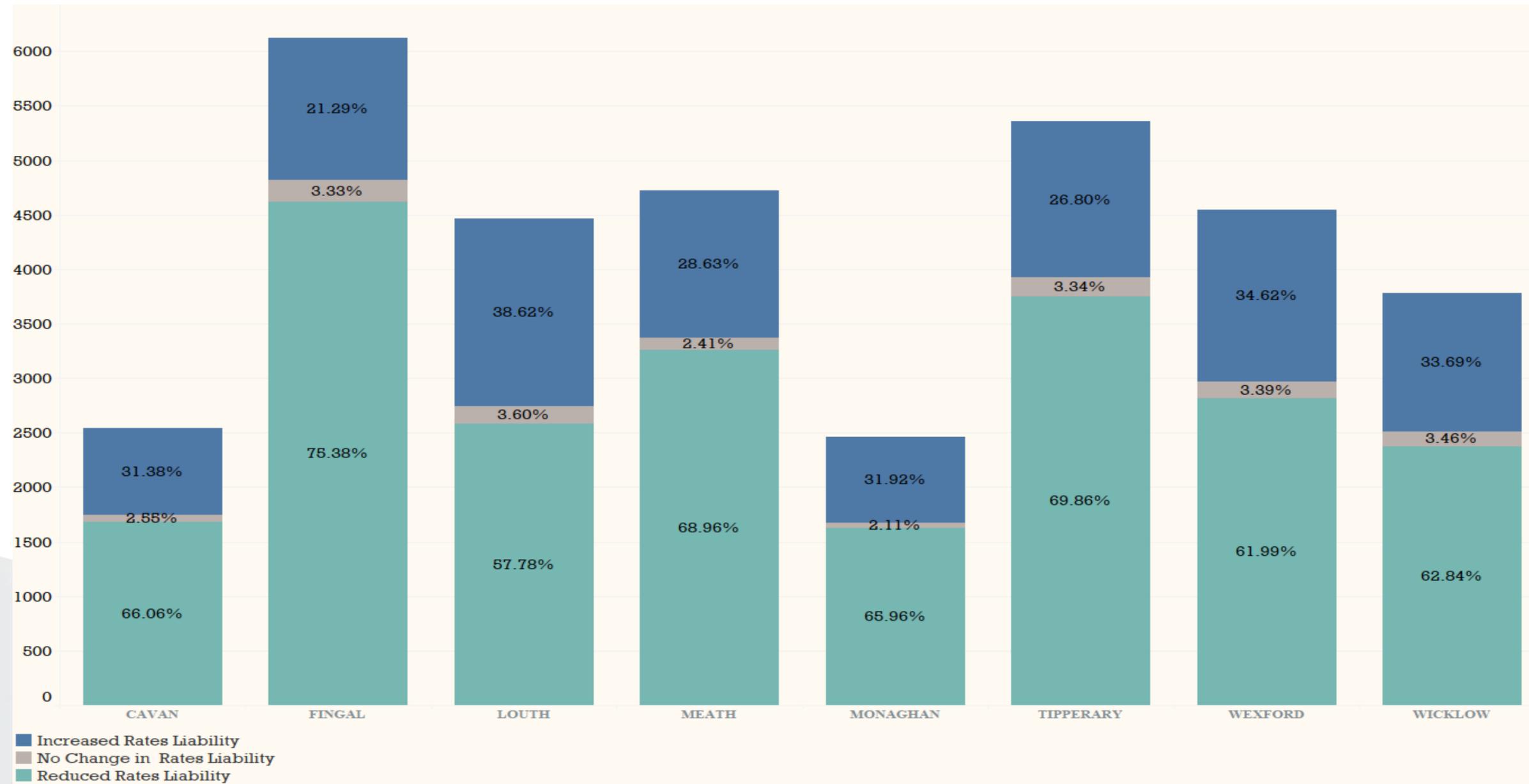
 **66.74%**
Decreased
Rates Liability

 **30.14%**
Increased
Rates Liability

 **3.12%**
No Change
in Rates Liability



Revaluation Outcomes – Reval 2019





Revaluation Outcomes – Reval 2019

	CAVAN	FINGAL	LOUTH	MEATH	MONAGHAN	TIPPERARY	WEXFORD	WICKLOW	Total
Reduced Rates Liability	66.06%	75.38%	57.78%	68.96%	65.96%	69.86%	61.99%	62.84%	66.74%
Increased Rates Liability	31.38%	21.29%	38.62%	28.63%	31.92%	26.80%	34.62%	33.69%	30.14%
No Change in Rates Liability	2.55%	3.33%	3.60%	2.41%	2.11%	3.34%	3.39%	3.46%	3.12%



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VO Supports for Ratepayers

- VO provides hardcopy material to Ratepayers
 - Making of the Valuation Order
 - Issue of Proposed Valuation Certificates
 - Issue of Final Valuation Certificates
- Media advertisements
- “Walk-in” Clinics for ratepayers
- Extensive engagement with Trade Bodies & representative groups



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Ratepayer Supports



WEB PORTAL



ONLINE
FORM



HARDCOPY
FORM



INSTRUCTIONAL
VIDEOS



WALK-IN
CLINICS



HELPLINES &
EMAIL



STAKEHOLDER
BRIEFINGS
/PRESENTATIONS



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Reval 2023 Support Team

E-mail: reval2023@valoff.ie

Website: Up to date FAQ section and enquiry form

Ratepayer Dedicated Phone Line: 01 5846753

Best Channels: E-mail and Web Enquiry Form via the website



@VO_Ireland



Valuation Office Ireland



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Key Dates / Timelines

- Proposed Valuation Certificates issuing will issue on Sept 23rd 2022 & Q1/2 2023
- Period for making Representations: 40 days
- Walk in Clinics in each Municipality: 3rd to 7th October 2022
- Publication of new Valuation List: 22nd September 2023
- Appeals to Valuation Tribunal – within 28 Days
- New List effective for Rates purposes: 1st January 2024



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Summary

- “Revenue Neutral” for Local Authority
- Dissatisfied with proposed valuation? - Ratepayer makes representations to VO online
- VO’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



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