



# Commercial Rates



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**AVISON  
YOUNG**

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Formerly

**GVA** Donal O Buachalla

Avison Young, formerly GVA Donal O Buachalla is the leading rating consultancy in Ireland, with over sixty years' experience in this very specialised area. We have a proven track record in providing rating advices in respect of all types of property including retail, offices, industrial, services stations, stadia, ports, oil terminals, petrochemical, BioPharma, Agri-sector and specialist infrastructural projects.

## Challenging the Status Quo

Originally founded as a rating practice, Avison Young has been to the forefront of rating in Ireland since 1954. We have continually challenged the status quo in rating law and practice. We have taken numerous successful cases to the Valuation Tribunal, High Court and Supreme Court to challenge previously accepted norms, thereby saving our clients millions of Euro in rates.

Rates have become a very substantial and increasingly complex tax on the owners and occupiers of commercial property. Therefore it is essential for ratepayers to secure specialist expertise to ensure that their rates liability is kept to a minimum.

## Rating Services

Our team of specialist rating surveyors provide a complete range of services across all sectors of the market and throughout the property life-cycle, including:

### Business Rates

- > Revaluations & Revisions
- > Appeals
- > Refunds, Empty Rates & Exemptions
- > Rates Audits

Our rating clients include the following



## Revaluation

Under a Revaluation, all commercial properties within the Local Authority will be valued for rates based upon the estimated or hypothetical rental value as at a specified Valuation Date. Rates will then be determined as a fixed percentage of this rental figure.

The revaluation has now been completed in four districts of Dublin along with 17 Local Authority areas as outlined in the Map below. The 2019 Revaluation included Cavan, Louth, Meath, Monaghan, Tipperary, Wexford and Wicklow. Avison Young advised ratepayers on approximately 3,600 cases in Revaluations to date and have achieved accumulated savings in excess of €12,000,000.

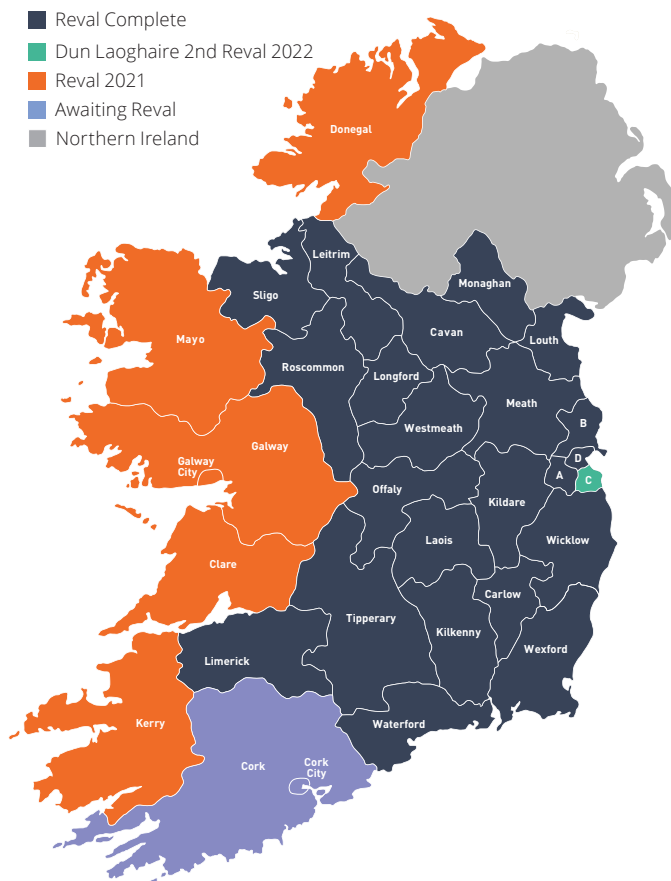
### Revaluation 2021

In November 2019, the Commissioner of Valuation signed orders for the next phase of the National Revaluation Programme known as Reval 2021. This phase will include the first revaluation of all commercial properties in the rating authority areas of Donegal, Mayo, Galway City & County, Clare and Kerry. It will also include the second revaluation of properties in Dun Laoghaire Rathdown.

Covid19 has resulted in delays to Reval 2021, with valuation certificates expected to issue in March 2022, effective for rates liability purposes from January 2023.

The 2021 and DLR revaluations will affect approximately 42,000 commercial and industrial ratepayers in these Rating Authorities.

It is anticipated that Cork City and County will be subject to a revaluation once the Commissioner signs a Valuation Order in 2021. We expect a Valuation Order to be signed in late 2021, early 2022.



## Revision

Under the Valuation Act 2001, once your Rateable Valuation is established it can only be altered through an “application for Revision”, to the Commissioner of Valuation, subject to payment of a statutory fee.

However, in order to qualify for a revision of valuation, a Material Change of Circumstances (MCC) must have occurred. A MCC is defined under the Act as...

- (a) the coming into being of a newly erected or newly constructed relevant property or of a relevant property, or
- (b) a change in the value of a relevant property caused by (i) the making of structural alterations or by (ii) the total or partial destruction of any building or other erection by fire or any other physical cause, or
- (c) the happening of any event whereby any property or part of any property begins, or ceases, to be treated as a relevant property, or
- (d) the happening of any event whereby any relevant property begins, or ceases, to be treated as property falling within Schedule 4, or
- (e) property previously valued as a single relevant property becoming liable to be valued as 2 or more relevant properties, or
- (f) property previously valued as 2 or more relevant properties becoming liable to be valued as a single relevant property;
- (g) the fact that relevant property has been moved or transferred from the jurisdiction of one rating authority to another rating authority, or
- (h) relevant property or part of any relevant property becoming licensed or ceasing to be licensed under the Licensing Acts 1833 to 2011;

Therefore, a fall in turnover, an economic decline or an external factor affecting a business such as a bypass or increased competition are not considered MCCs for the purpose of reassessment. This applied not only to property subject to recent Revaluations, but also to all property under the existing rating system.

It is noteworthy however, that under Section 29A of the Valuation (Amendment) Act, 2015, a Revision Manager can, in exceptional circumstances, amend a valuation where no MCC has occurred. This is a complex area and we would be happy to explain in further detail should you wish to contact us.

It is important to note that should the property qualify for revision and a reduction be achieved, this will only become effective in the next rating year.

## Recent Rating Cases

The cases below are an example of properties we are actively discussing with the Valuation Office or have recently concluded negotiations. The values outlined relate to the Net Annual Value (NAV).

### Energy Sector



Turlough Hill, Valuation €15,458,000



Huntstown Power Station €22,208,000

### Industrial



Irish Cement, €5,350,000



Combilift, €1,558,000



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### Hotel



Clayton Hotel, Dublin Airport, €4,248,000



Monart Spa Hotel, €879,000

### Office



ESB International, Dublin Airport, €2,140,000



GPO, O'Connell St, €1,455,000

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### Retail



Blanchardstown Shopping Centre



B&Q, Naas Retail Park €347,000



Tipperary Town Plaza €161,000



Avoca Handweaver, Meath, €240,000



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### Portfolios



AIB



An Post



Dunnes Stores



Paddy Power Betfair



## Recent Rating Cases

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### Miscellaneous



Lisheen Mine, €1,436,000



Dun Laoghaire Marina €870,000

### Office



Shannon Airport, €1,798,000



Hermitage Clinic Hospital, €3,100,000

## Working examples of the Revaluation:

Take three properties each with a rates liability of €4,000 before revaluation but with differing estimates of Net Annual Value following a Revaluation of say, €13,000, €16,000 and €18,000 respectively. Assuming, for example, that your local authority sets an ARV of 0.25 after the revaluation, the table below shows the potential change in the rates liability of each property following revaluation.

	Property A	Property B	Property C
Rates Liability before Revaluation	€4,000	€4,000	€4,000
Estimated Net Annual Value following Revaluation	€13,000	€16,000	€18,000
Potential Annual Rate on Valuation (ARV) set by LA	0.25	0.25	0.25
Rates Liability (ARV X Valuation)	€3,250	€4,000	€4,500
Change in Rates Liability	- €750	No Change	+ €500

### Revaluation 2021 Timeline of events

#### Preparations for the 2021 rating revaluation are well under way.

Here is an illustration of the stages from commencement to publication of the new rating list on 15th September 2022, previously 2021 but delayed due to Covid19.

#### 2021 onwards:

Revaluation information Forms seeking rental, costs and income data circulated to the 30,000 ratepayers in the Reval 2021 areas

#### March 2022 Proposed certificates

are published. These need to be checked for clear factual errors and provide the basis for decisions on appeal. Representations can be made to the Valuation Office in order to influence their approach.

#### March 2022 + 40 Days

Deadline for proposed valuations to be challenged by way of online representations. **When will ARV's be known?**

#### 15th September 2022

New rating list is published. Ratepayers have 28 days to appeal this new valuation to the Valuation Tribunal.

#### 29th October 2022

New rating list becomes effective.

#### 16th September 2019

Reference date upon which Reval 2021 valuations shall be based



## Business Rates Team



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