



Comhairle Contae Fhine Gall  
Fingal County Council

Commercial Rates  
& Revaluation **2010**





**Comhairle Contae Fhine Gall** | Fingal County Council

**Established:** 1<sup>st</sup> January 1994

**Area:** 450 square kilometres (173 square miles)

**Population:** 239,813 (2006 census of population)

**Budget:** €25.76m Revenue

**Dear Ratepayer,**

Fingal County Council's Annual Budget for 2010 was adopted on the 7<sup>th</sup> January last. This budget provides for operational expenditure of **€252.76m** in 2010, a reduction of **6.5%** on last year's budgeted expenditure. The expected income from commercial rates in our 2010 budget is **€120.15m**, a reduction of **€8m** on the budgeted rates income for 2009. The full text of our Budget is available on [www.fingalcoco.ie](http://www.fingalcoco.ie) At the Budget Meeting on 7<sup>th</sup> January, Councillors agreed the **Annual Rate on Valuation (ARV) at 0.150 for 2010** and this is the multiplier that will be used in assessing your rates for this year.

Having carried out an independent revaluation process as provided for in legislation after the required consultation with both the Department of the Environment, Heritage and Local Government and with Fingal County Council, the Commissioner of Valuation published his Final Valuation List on the 31<sup>st</sup> December 2009. The Valuation Office will have written to you by now telling you the revised final valuation for your premises which is effective from the 1<sup>st</sup> January 2010. This new valuation is multiplied by Fingal County Council's ARV to calculate the rates you will pay in 2010. You have until **8<sup>th</sup> February 2010** to appeal your valuation to the Commissioner of Valuation, if you are unhappy with his determination.

The independent revaluation process carried out by the Valuation Office means that 65% of ratepayers in Fingal will have a reduction or no increase in their rates assessment for this year. Conversely, 35% of ratepayers will have an increase in their assessment.

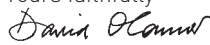
In formulating Fingal County Council's Budget for 2010 and in determining both the ARV and the level of rates income to recommend to our Councillors for adoption, I was acutely aware of the very real difficulties faced by the Business Sector in 2009 and 2010. One of my main budgetary objectives was to minimise the impact of revaluation on ratepayers, especially where rates assessments have increased, and to reduce other charges wherever possible.

Fingal County Council Water and Waste Water charges will be reduced by **6%** in 2010. In putting the draft budget for 2010 before our Councillors I also reduced the ARV (rate multiplier) by an additional **5%** on the limitation notified to us by the Minister for the Environment, Heritage and Local Government which had already allowed for a **5.6%** reduction for deflation.

If the Council had made no change to how we calculate rates for 2010 our income would have been about **€134m** this year. Instead, with the reductions outlined above, we have reduced our budgeted rates income to **€120m** in 2010. Any savings made by the Council in 2010 are being passed on to ratepayers and this can be seen in the reduced rates income.

Despite our best efforts to reduce rates, reduce water and waste charges and to pass on other savings made by the Council to ratepayers, I am conscious that close to 1,900 ratepayers in Fingal will face an increase in their rates assessment this year. I want to assure all ratepayers that despite the very difficult challenges we all face for the foreseeable future, my staff and I will continue to focus on providing services to all the citizens of Fingal in the most cost effective and efficient way possible.

Yours faithfully



David O'Connor  
County Manager

# Commerical Rates & the Local Authority

## What are Local Authority Rates?

Rates are a property based tax levied by Local Authorities on the occupiers of commercial/industrial properties in their administrative area.

## Who is liable to pay rates?

The occupier on the date on which the rate is made is primarily liable for the full year's rates and upon default of payment, a subsequent occupier will be held liable. If a property is vacant, the owner or person "entitled to occupy" is liable. The rate for 2010 will be made on the 1<sup>st</sup> February 2010.

## How are my commercial rates calculated?

Rates are calculated by multiplying the valuation of your property by the annual rate on valuation (ARV). The Commissioner of Valuation is responsible for valuations and the Local Authority for the ARV. Both of these terms are clarified as follows:

### Valuation

The valuation of property is determined by the Commissioner of Valuation. The basis of valuation is what's known as NAV (Net Annual Value) i.e. the open market rental value of the property at a specified valuation date. For the purposes of revaluation in Fingal the relevant valuation date is the 30<sup>th</sup> September 2005.

### Annual Rate on Valuation

The "Annual Rate on Valuation" (formerly known as "the rate in the pound"), is in effect a multiplier, and it is determined by the Council at its Annual Budget Meeting. The "rate" is then made by the County Manager following a public notification process. **The annual rate on valuation for 2010 is 0.150** (an additional rate of 0.004 is charged in the Balbriggan Town Council area).

Both the valuation and ARV are shown on your rates bill and a sample calculation would be as follows:

Valuation		Annual Rate on Valuation		Rates Assessed
€100,000	x	0.150	=	€15,000

## When do the rates become due?

Your rates assessment is payable in two moieties (i.e. two instalments), the first moiety when the rate is made and on receipt of your rates bill and the second moiety by the 1<sup>st</sup> July. As an alternative, you can opt to pay by monthly direct debit. Please see the back of your rates bill for methods of payment and contact details.

## **If I move into a premises and there are rates due on it, can I be held liable?**

A subsequent occupier will be held liable for arrears of rates for up to two years from the making of the rate. It is up to the new occupier to ensure that all rates, including the current year's rates, and all other liabilities (e.g. water/waste water charges) are paid before the closing of a sale or the assignment of a lease of any rateable property

## **What about vacant properties?**

If a property is vacant on the day the rate is made (1<sup>st</sup> February 2010) and is available for letting or undergoing refurbishment, you may get a rates refund provided the full year's rates have been paid. You will need to complete an application form and a statutory undertaking and also provide documentary evidence of your attempts to let or refurbish the property. Application forms and explanatory memoranda are available on our website [www.fingalcoco.ie](http://www.fingalcoco.ie) or by contacting the Rates Office at 01 8905301.

## **The ARV in 2009 was 68.64. This year it is 0.150. Why such a difference?**

The reason for this is due to the revaluation process. In 2009 the total rateable valuation of all property in the Fingal area was approximately €1.9m. Our required rates income for the year was €128.16m giving an ARV (multiplier) of 68.64. Under revaluation all valuations increased to reflect open market rental values. This means that in 2010 the total valuation of all properties in the Fingal area is €801m. By fixing our ARV at 0.150 our rates income for this year will be reduced to €120m.

## **I had heard that Fingal had reduced it's "rate" by over 10% but yet many ratepayers have had an increase in their rates assessment for this year. Why is this?**

The "rate" is normally the term associated with the ARV which is determined by the Council. We cannot compare the ARV for 2010 (0.150) with that for 2009 (68.64) as the ARV for 2010 is really a starting point following revaluation.

The revaluation process, undertaken by the Commissioner of Valuation in accordance with legislation, and after the required consultation with both the Department of the Environment, Heritage and Local Government and with Fingal County Council, has resulted in over two thirds of ratepayers facing decreased rates bills, no change or being newly rated this year with one third having an increase.

What we have done is dropped our rates income from what it could have been (€134m) to €120m, a decrease of 10.5% which has had the effect of bringing the ARV to the much lower level of 0.150.

**Under the legislation, I understand that the Minister for the Environment, Heritage and Local Government imposed a limit on Fingal's rates income for this year. Can you clarify?**

This is correct. Under the Valuation Act 2001 (S.56), the Minister made a Limitation Order on the 23<sup>rd</sup> December 2009. The effect of this was to allow for deflation using the CPI index year on year. It meant the maximum ARV we could fix was 0.158. Our budgetary objective was to try and limit the impact of revaluation on those ratepayers whose valuations increased. We decided therefore to reduce the multiplier further to 0.150. This meant we had to make further cost savings of €6.4m in order to present a balanced budget.

**Who do I contact if I have a query on my rates bill?**

You should contact the Rate Collector for your area whose contact details are on your rates bill. You can also contact the Rates Office at **01 8905301** or email [finance@fingalcoco.ie](mailto:finance@fingalcoco.ie)



# Revaluation & the Valuation Office

## Who are the Valuation Office?

The Valuation Office is the State property valuation agency. The core business of the Valuation Office is the provision of accurate, up to date valuations of commercial and industrial properties to ratepayers and rating authorities as laid down by statute (principally the Valuation Act 2001).

The Office also provides consultancy services to other Government Departments, Local Authorities, Health Boards and the Revenue Commissioners. For more information on the Valuation Office, please visit their website [www.valoff.ie](http://www.valoff.ie)

## What is Revaluation?

A revaluation is the production of an up-to-date Valuation List of all commercial and industrial property, within a rating authority area, by reference to property rental values at the specified valuation date, which, in the case of the Fingal area, was the 30<sup>th</sup> September 2005. Revaluation will result in a redistribution of commercial rates liability between ratepayers.

## How does this distribution of rates liability work?

An example is the best way to explain this. Look at the following:

	Property A	Property B	Property C	Total Rates
<b>Rateable Valuation</b>	€200	€200	€200	
<b>ARV (2009)</b>	68.64	68.64	68.64	
<b>Rates Liability Before Revaluation</b>	€13,728	€13,728	€13,728	€41,184
<b>Rental Value</b>	€60,000	€91,500	€100,000	
<b>ARV 2009 after Revaluation</b>	0.150	0.150	0.150	
<b>Rates Liability after Revaluation</b>	€9,000	€13,725	€15,000	€37,725

Before revaluation, each property had the same valuation and the same rates assessment. The total take for the Council is €41,184. After revaluation the rateable valuations now reflect the open market rental values (as at the valuation date of the 30<sup>th</sup> September 2005). You can see, following revaluation, that property A has a decreased rates assessment, property B is unchanged while property C gets an increased assessment. The Council's overall take is also less.

## **Who is responsible for Revaluation?**

The Fingal revaluation was initiated by the Commissioner of Valuation in accordance with the powers vested in him under the Valuation Act 2001, after the required statutory consultation with both the Department of the Environment, Heritage and Local Government and Fingal County Council. He made a Valuation Order on the 15<sup>th</sup> March 2007 which started the process in Fingal.

## **Why did the Commissioner of Valuation initiate the Revaluation process?**

The former Valuation Lists did not reflect the major shifts in property values that have occurred over the years. The Commissioner sought to bring more equity, fairness and transparency into the Local Authority rating system by having valuations in line with more up to date property rental values. This is to ensure Local Authority commercial rates are assessed on the basis of an up-to-date list of valuations of commercial and industrial properties.

## **Will the revaluation process increase my rates bill?**

As mentioned already, revaluation is a distribution of rates liability between ratepayers. While 65% of ratepayers will have a decrease or no change in their rates assessment this year, 35% will have an increased assessment following revaluation and if you are in this bracket it is important that you are aware of your right of appeal – you have up until the **8<sup>th</sup> February 2010** to exercise this right.

## **What if I already made “representations” when the proposed Valuation Certificates issued last year?**

The Commissioner of Valuation considered over 2,100 individual representations from ratepayers and also considered over 900 additional “associated” representations before issuing his final Valuation Certificates. If you already made representations that have been determined by the Commissioner, you still have the right of appeal. However you should bear in mind that the Commissioner would have taken into account the matters raised by you in your representations prior to issuing a final Valuation Certificate.

## **Will the revaluation increase the commercial rates income for Fingal?**

**No.** Fingal’s rates income will decrease significantly as a result of revaluation. Our budgeted rates income (i.e the amount we actually bill rather than collect) last year was €128.16m. If we added newly valued properties that came on stream last year to our 2009 income figure, the potential rates income for 2010 would have been closer to €134m. This year we have dropped our rates income to €120.15m by reducing the multiplier to 0.150.

## **The Valuation date of the 30<sup>th</sup> September 2005 is now surely irrelevant having regard to downturn in the market?**

Nobody could be blamed for reaching that conclusion. The follow on to this is that ratepayers will think their rates assessment is higher than it should be because their rental values have now dropped. **This is not the case.** The base valuation date is largely irrelevant as our multiplier (the ARV) is altered to ensure the same levels of rates are payable, regardless of the Valuation date.

In deciding the Valuation date of the 30<sup>th</sup> September 2005, the Commissioner of Valuation was obliged by law to pick a date prior to the making of the Valuation Order on the 15<sup>th</sup> March 2007 when rental values were at an all time high. He was also mindful that there was sufficient market evidence of rental values available, as well as a good deal of activity in the market place in 2005.

## **I have received my Final Valuation Certificate from the Valuation Office. What should I do now?**

You should examine all of the documentation sent to you by the Valuation Office, particularly the extract from the Valuer's Report, and ensure you are satisfied that it is correct. You will also now be aware of our multiplier (**0.150**) so you can calculate your rates assessment.

As part of the revaluation process, draft Valuation Certificates were issued to ratepayers in June and September of last year. At that time, ratepayers were invited to make representations to the Commissioner of Valuation. Over 2,100 ratepayers made representations. Any representations made were taken into consideration by the Commissioner prior to the issue of final Valuation Certificates.

If you are dissatisfied with the Commissioner's determination of your valuation, you can appeal his decision. You have up until the 8<sup>th</sup> February 2010 to make your appeal. The Commissioner of Valuation will consider your appeal and make a decision within 6 months of receiving the appeal.

## **What if I am still unhappy with my valuation after this appeal?**

There is a further right of appeal to the Valuation Tribunal. To be valid, an appeal to the Valuation Tribunal must follow the determination of the initial appeal by the Commissioner of Valuation. It must be in writing and must specify the grounds of appeal. The appeal must be made within 28 days and must be accompanied by the appropriate fee. For more information on the Valuation Tribunal visit [www.valuation-trib.ie](http://www.valuation-trib.ie)

## **Is the Valuation Tribunal's decision final?**

The decision of the Valuation Tribunal is final on the amount of the valuation. However, there is a further right of appeal to the High Court on a point of law and ultimately to the Supreme Court.

## Where can I get further information on my valuation or the revaluation process?

Should you have any further queries you can email **revalinfo@valoff.ie** or call **01 817 1033**. Locall **1890 531 431** or visit the Valuation Office website at **www.valoff.ie/revaluation.html**







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