

<b>Lead topic: Valuation</b>	<b>Sub-topic: Globals/Telcos</b>	<b>Contact: Nelius Lynch Ext: 4077</b>
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## **FAST FACTS**

- In line with the **5-yearly** cycle prescribed by section 53(6) of the Valuation Act 2001, the Commissioner of Valuation completed the 2015 valuations of five Telcos - *Eircom*, *Three Group*, *Meteor*, *Vodafone* and *BT Ireland* on 4<sup>th</sup> November 2015.
- Two other global valuations *Gas Networks Ireland* and *Iarnród Éireann* were also completed.
- The revised valuations are effective for rates purposes in 2016.
- The value of the seven utilities were reduced by an aggregate of approximately 27%.
- The valuations are determined by the Valuation Office. The Commissioner of Valuation is independent in the exercise of his functions. Neither the Minister nor the Department have any function in the determination of value.
- In total there are 11 entities/utilities that are valued on a five year global basis. The other four are ESB, Eirgrid, RTE and UPC. There are a total of c.146,000 commercial properties valued in total. The 11 “globals” are substantial ratepayers and between them account for c.10% of national rates income.

## **Q&A’S**

### **What impact will these global valuations have on Local Authority rates?**

- It is not possible to say for sure. The striking of the rates multiplier is a matter for each Local Authority and they are in the middle of their budget process this month.
- If the multipliers remain the same then Local Authorities will experience a drop in their rates income from these utilities. [An estimate of the net drop is €16.8m].
- The total rates income for Local Authorities is over €1.3bn so the drop could be approximately 1% of rates income.

### **What function has the Minister for Public Expenditure and Reform in relation to Global Valuations?**

- When a global valuation is determined by the Valuation Office the Minister for Public Expenditure and reform having consulted with the Minister for the Environment, Community and Local Government makes an Order setting out how the global value will be apportioned among the rating authorities.
- The basis of apportionment is usually the percentage of the population resident in a Local Authority area.
- The Order also specifies an “adjustment factor” which is used to convert values for rating areas that have yet to be revalued. This factor is used on all apportioned

amounts except those for Dublin, Waterford and Limerick. These areas have been revalued.

**Can the valuation determined by the Valuation Office be challenged?**

- At least three months before the final valuation certificate is issued the Valuation Office sends a preliminary valuation certificate to the undertaking concerned and to the Minister for the Environment Community and Local Government.
- Either have 28 days to make a submission to the Commissioner of Valuation.
- Once the final certificate issues, the undertaking concerned, the Minister for the Environment, Community and Local Government or a rating authority can appeal within 3 months to the Valuation Tribunal.
- Decisions of the Valuation Tribunal can be appealed to the high Court on a point of law.