

Ms. Éilis Fallon,
Committee Secretariat,
Committee of Public Accounts,
Leinster House,
Dublin 2.

23rd October 2019

Ref: PAC32-I-1589

Dear Ms. Fallon,

I refer to your letter of 10th October 2019 on behalf of the Committee of Public Accounts requesting information arising from correspondence from the Irish Petrol Retailers Association (IPRA) which was discussed at the Committee's meeting on the 3rd October 2019. The information requested by the Committee is set out hereunder.

1. Appeals

I wish to confirm that any arrears in processing of appeals arising from the revaluation concluded in 2017 relate to the Valuation Tribunal rather than the Valuation Office.

2. Adjustments to valuations determined during REVAL2017 and REVAL2019

During the revaluation project concluded in September 2019, a number of adjustments were made to the valuations determined in relation to service stations, based on the market and trading data provided to this Office. Agreements between the Commissioner of Valuation and the occupiers of individual properties appealed to the Valuation Tribunal arising from the 2017 revaluation of service stations will be a matter of engagement between both parties in the first instance. The outcome will be based on the market and trading data relevant to those appeals. Where it is not possible to reach an agreement, ultimately the outcome of the appeal will be determined by the Valuation Tribunal. Appeals made to the Tribunal following the revaluation completed in 2017 and not yet determined by the Tribunal are, in effect, *sub judice*. The Commissioner of Valuation is the respondent in all such cases and defends the valuations under appeal on behalf of the other ratepayers and the local authority in which the property is located by reference to the provisions of the Valuation Acts 2001 to 2015 and other legal provisions.

3. Rateability of Car Parks in Supermarkets and Shopping Centres

The position under the Valuation Acts is that all properties are rateable unless expressly exempted by the legislation. There is no exemption provided for car parks and, accordingly, they are rateable. Where a supermarket has its own car parking facilities used by the customers of that supermarket, the value of the car park is an inherent element in the

overall valuation of that property and, therefore, the rates payable reflect the value of the car parking to the facility.

In some instances, the operator of the supermarket or their agent may impose parking fees or restrictions on customers using the car park. This can give rise to a separate rates assessment on the car park. Under Irish law, liability for rates always rests with the “occupier” of the property and what constitutes occupation is a matter of law, determined by the facts of occupation. In the case of a supermarket car park, the occupier of the car park is usually the operator of the supermarket.

Likewise, rents payable by the tenants of individual retail units located within shopping centres often reflect “free” car parking for their customers. In such circumstances, this would then be reflected in the rateable valuations of the individual units, which are based on the rental value of the units (section 48 of the Valuation Act).

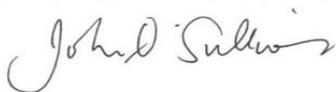
Where a shopping centre imposes car parking fees on its own car park, the car park then becomes a separate rateable entity and the occupier is liable for rates on the car park in the normal manner. The occupier would usually be a company associated with the owner or landlord of the shopping centre.

4. Correspondence from IPRA

Finally, I refer to e-mail correspondence of 24th July 2019 from IPRA to the Committee which contains a number of remarks relating to the Valuation Office and the Valuation Tribunal. The remarks appear to convey a misunderstanding of the statutory framework within which the Valuation Office and the Tribunal are required to operate. Specifically, they do not take account of the distinction in the Commissioner of Valuation being independent in carrying out functions under the Valuation Acts 2001 to 2015 and the entirely separate role as an Accounting Officer in the context of Public Financial Procedures.

The IPRA correspondent also appears to suggest that an external review will assess the valuation methodology applied to service stations. This is not the case, as such matters are for the Valuation Tribunal and the higher Courts. The valuation methodology adopted by the Valuation Office when valuing service stations is based on open market rental evidence and has been accepted by the Tribunal and the valuation surveying profession in general.

Yours sincerely,



John O'Sullivan
Commissioner of Valuation