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## **Report to the Finance Strategic Policy Committee**

**Re: Rates Liability arising from a switch in occupier/owner**

**Between commercial and State owned**

### ***Background***

At the meeting of the Finance Strategic policy committee held on 19<sup>th</sup> January, the matter of rates liability for state owned rates exempt properties was raised. It was agreed that a report would be considered by the SPC at a future meeting on the issue of potential reduction in rates liability arising from a switch in occupier/owner between commercial and state owned. In particular, the change in occupier/owner of the former Bank of Ireland headquarters in Baggot Street to the Dept of Health was referenced.

### ***Former Bank of Ireland Headquarters 50-59 Baggot Street***

There are three ratings for the former Bank of Ireland Headquarters at 50-59 Baggot Street Lower, Dublin 2. The ratings are:

- 4910797000 - Remley Ltd
- 4910797004 - Remley Ltd
- 4910797002 - Bank of Ireland

Rate Numbers 4910797000 & 4910797004 incorporate Blocks ABC and the underground Car Park. Major construction works and redevelopment of this portion of the property commenced on the 11th July 2014. The property had been acquired by Remley Ltd at the end of 2013 as vacant. Vacancy rates were applied for and granted for 2014. It is worth noting that there will be three blocks in the new development. It is expected that the HSE will occupy one block from which no rates will accrue as the HSE is considered state usage, rates exempt. It is expected that the other two blocks will be let for commercial use involving a rates liability.

As a result of the construction works/redevelopment, the entire premises were substantially demolished with only the outside walls remaining in 2015. The building as valued no longer exists and a revision request was submitted to the Valuation Office to have it removed from the valuation list.

Regarding 4910797002, this corner portion of the property is in use as a Bank of Ireland retail unit and rates have been discharged in full up to and including the 31st December 2016.

A summary of the charges and payments for the years 2012 – 2016 is set out below. When construction work is fully complete the rating will be forwarded to the Valuation Office for a new valuation (expected completion date Q2 2017).

	Remley 4910797000			Remley 4910797004			Bank of Ireland 4910797002	
Year	Charge	Payment	Comment	Charge	Payment	Comment	Charge	Payment
2012	€1,289,741.00	€1,289,741.00						
2013	€1,148,501.00	€574,250.00	50% vacancy applied	€43,894.00	€21,947.00	50% vacancy applied	€60,514.00	€60,514.00
2014	€532,247.00	€266,123.00	50% vacancy applied	€71,189.00	€35,594.00	50% vacancy applied	€59,624.00	€59,624.00
2015	€530,176.00	€0.00	Write off - Demolished	€70,912.00	€0.00	Write off Demolished	€59,392.00	€59,392.00
2016	€530,176.00	€0.00	Write off - Demolished	€70,912.00	€0.00	Write off Demolished	€59,392.00	€59,392.00

### ***State owned Rates Exempt Properties***

The revaluation of Dublin city was effective from January 2014. Prior to the revaluation of the city, property directly occupied by the state was valued and entered on the valuation list but was not rateable. This is no longer the case. The Valuation Office no longer value state occupied property, as such it is not possible to gauge the value of exempt rates in respect of government buildings. However prior to 2014 the value of state occupied properties was €30m.

### ***Trends in Owner/Occupier***

Detail is provided above relating to the circumstances relevant to the occupier/owner of 50-59 Baggot Street, involving a switch, in part, from commercial usage to state usage. It should be noted that there are properties switching from state usage rates exempt to commercial usage, thereby increasing rates liability. The building formerly occupied by the Marine Institute and the Green House, Andrew Street/Trinity Street are both instances of former state usage, rates exempt, to be let as commercial. These changes occur in both ways i.e. from state to commercial and from commercial to state.

**Kathy Quinn**

**Head of Finance**

**With Responsibility for Information & Communications Technology**