

RATING UPDATE - SPRING 2009



Rating

Hartnell Taylor Cook LLP:-

Business Rates are the way in which occupiers of non-domestic property contribute to the cost of local authority services.

Business premises are given a rateable value and at Hartnell Taylor Cook LLP, we work closely with the Valuation Office Agency, Local Authorities and surveyors in order to ensure we are able to offer the best and most up to date advice on all rating matters.

We are currently advising on a diverse portfolio of over 750 properties with an estimated value of over £25m.

Our client list includes:

- ATS Euromaster
- Boston University
- University of Bristol
- Care UK Plc
- Carillion Plc
- Credit Suisse
- Dwell
- Laing Plc
- Prezzo Plc
- Thompsons
- Tribal Group
- Virgin Group

We also work closely with a large number of fashion retailers including:

- Americana International
- Bench
- Comptoir des Cotonniers
- Furla
- H & M
- Pepe Jeans
- Primark
- Zadig et Voltaire

Contact:

Martin Davenport - London
020 7788 3809
Stefan Davies - Bristol
0117 946 4540

Rating Revaluation 2010

2010 will be the fourth five yearly rating revaluation.

In April 2010, ratepayers will be receiving new assessments which take into account the rental values as at 1st April 2008. Despite the current market situation, due to increases in values since the last valuation date, 1st April 2003, rateable values may rise.

The draft rateable values should be available in October 2009 and a breakdown of the valuation will be posted on the Valuation Office website. This will give ratepayers' advisers the opportunity to advise whether or not to appeal before the new rate bills are sent out in April 2010.

There are also a number of ways to reduce ratepayers' liabilities via splits, mergers and disturbance appeals.

We can provide the following:-

Action	Dates
1. Review of your 2005 Assessment - It is not too late to appeal	Now until end 31 March 2010
2. Complete the rent return forms on your behalf to ensure fines are not enforced	Now
3. Give budgets for rates payable in 2010	October 2009
4. Appeal against the new assessments	From April 2010
5. Organise a rebate upon conclusion of a successful appeal	
6. Submit appeals for disturbance, splits, mergers & section 44a relief (part occupied), material change of circumstances	

Empty Properties:-

Pre Budget Report, 24th November 2008

From April 2009 vacant properties with a Rateable Value of less than £15,000 will be exempt from paying empty property rates. This is at present only a one year legislation and may not be available in the 2010 list.

Rating (Empty Properties) Act 2007

As a result of secondary legislation the Government amended the rates liability on all commercial building with effect from 1st April 2008.

1. What are the changes?

Shops/Offices/Commercial Properties

Nil rates will apply for an initial three month period from the date the property first becomes empty. Thereafter, the empty rates liability will be 100%.

Industrial Properties

Nil rates will apply for an initial six month period from the date the property first becomes empty. Thereafter, full rates will be payable.

2. What can we do to minimise your liability?

The following course of action can be considered:-

Appeal the Rateable Value!

Even if this is already being dealt with, the changes in law may well be an opportunity for a subsequent appeal. It is also advisable to get an expert to check your rates bill as these can often be incorrectly calculated by the charging authorities.

Section 44a Rate Relief

This will still be available although the maximum period for the relief is likely to be only 3 months. In some circumstances the application can be resubmitted.

Temporary Re-Occupation

The regulations allow another 3 months (6 months for industrial properties) 100% rate relief to be granted if the property is vacated after being reoccupied for a minimum of 6 weeks.

In addition one can:-

- **Take the property 'Out of Rating'**

The rateable value of older buildings could be reduced to a nominal level if it is deemed that they have reached the end of their useful economical life.

- **Demolition**

If a property is currently vacant and due for demolition in the near future, the advice may be to bring the process forward and therefore the questions of empty rates would no longer be a worry!

- **Sub-let/Assign/Sell the property**

Subletting/letting is the easiest way to avoid empty rates! Occupiers and owners will potentially be made more flexible in relation to what rent/price they expect to achieve taking into account the potential exposure to 100% empty rates liability.

3. New buildings/Completion Notices

The existing rules are likely to remain however developers will be less keen to finish off their buildings until the last minute in order to delay a new rating assessment being placed on the property after the qualifying period. Owners and occupiers should check whether completion notices are reasonable and correct as these can be appealed and, if successful, lead to considerable savings in rate liability.

4. Listed buildings

Listed buildings do not attract empty rates. The properties behind listed facades need to be dealt with on their own merits but should benefit as well. It is vital to check, or have an expert check your rates bills, as the charging authorities do not always realise a property is Listed.

5. Charities

Empty buildings owned by charities will be exempt from empty rates providing that they are next occupied by a charity. Charities will be attractive occupiers of properties that are difficult to let because of their charitable status in respect of business rates (20% liability).