

Property Rates – All Is Revealed

Following publication of the draft rateable values at the beginning of October the last few weeks have seen a flurry of activity as the remaining factors influencing the amount of rates each occupier will pay from April 2010 are revealed. As usual it is a mix of bad and not so bad news.

First is the revised multiplier (rate in the pound) of 41.4 pence (40.7 pence for small properties), which is marginally less than originally mooted. This was followed by the phasing arrangements for the next 5 years. In the first year these will limit the level of increases to about 12.5% in the first year and decreases to just under 5% (or 5% and 20% respectively for small properties).

At the beginning of December in the Pre-budget Report, there was welcome confirmation that small properties will continue to receive relief from empty property rates beyond the current date of March 2010 to March 2011. Businesses or certainly their Rating Advisors can now calculate their liability for rates from April 2010.

The changes in rateable values for properties have been inconsistent, some facing a doubling or more of values whilst a few are facing a reduction. The phasing arrangements will at least initially limit the amount of any increase (or decrease), but businesses will still face substantial increases each year until they have reached the full liability. This emphasises the importance of challenging and correcting assessments where possible.

There may also be other ways of mitigating the rate liability for businesses and I would urge all occupiers to take advice from their Rating Advisors as soon as possible as most Rating Surveyors will be very busy with appeals from April 2010.

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