

BUSINESS RATES NEWS – DECEMBER 2009 UPDATE

1. 2010 Rates Revaluation

This comes into effect on 1 April next year and the Draft Rating List has already been published. Many of our Clients have sent us details of the new Valuations received from the Valuation Officer and we have been able to check factual matters and, in some instances, have secured reductions even before the New Rating List comes into force.

2. Uniform Business Rate

A provisional Uniform Business Rate for next year has been announced as 40.7p in the £ for small properties and 41.4p in the £ for large.

3. Transition

The Government has indicated that the 2010 Revaluation total Rateable Value will increase by about 19%. However, there are wide regional variations in Rateable Value changes and it seems that London is likely to be the main loser, meaning an increased rates liability, particularly in the office sector.

Following consultations, the Government has now finalised the Transitional Arrangements for 2010-2015. The scheme will cap increases to Rates Bills over a five year period and this will be funded by capping reductions in other Rates Bills. The **first year upward cap is 12.5%** (5% for small properties) and the **downward cap 4.6%** (20% for small properties). This is adjusted by the September 2009 RPI figure which was **-1.4%**. Please note that any Business Rate Supplement (see below), will be over and above the rates liability as adjusted by the Transitional Arrangements.

4. Business Rate Supplements (BRS)

Powers have been given to Local Authorities in England and Wales to levy additional charges to fund local economic development. The maximum levy is 2p in £ Rateable Value and properties with Rateable Values less than £50,000 will be exempt. So far the only Authority to propose a supplement from 1 April 2010 is the Greater London Authority and this will be in respect of **all properties in Greater London with 2010 assessments of Rateable Value £50,000 and above which will be charged an additional 2p in the £** to assist the funding of **Crossrail**. We have seen instances in Central London where, despite Transition, the increase in rates payable will, as a result of the BRS, be in excess of 20%.

5. Empty Rates

In his **Pre-Budget Report**, the Chancellor announced an extension to the **relief from empty property rates** for small properties up to an **increased threshold of Rateable Value £18,000** (from Rateable Value £15,000). At this figure and above full rates are payable after an initial void period. If you require assistance in trying to mitigate this charge then please contact us.

6. And Finally

Whilst Evans & Payne are specialists in Business Rates matters, we also have extensive experience in other commercial property fields, including **Rent Reviews, Lease Renewals, Acquisitions, Disposals and Management**. Please feel free to contact us if you require advice in respect of any of these matters.

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