



Business Rates Appeals

Industrial – Retail – Offices Premises

Initial assessment (Free)

Checking stage

Challenge stage

Appeal stage

Business Rates/Rating 2023 Revaluation

The Revaluation of properties for business rates took effect from the 1st April 2023 and have been based on the rental value of properties on the 1st April 2021 in England and Wales.

This will affect the amount you pay in business rates

Making sure you're paying the right business rates is more important than ever. Business rates is a massive cost to any business and the impact of paying too much can be far-reaching. Getting good advice from our experts leaves you free to get on and run your affairs.

How This Affects You

The Valuation Office Agency (VOA) has updated the Rateable Value (RV) of commercial real estate to reflect the market as at the Antecedent Valuation Date.

The 2023 Rating List values have been massively impacted by COVID-19 in both an upwards and downwards direction, dependent on the sector. Now is the time to review your assessment for the Revaluation, so that any factual and valuation issues can be appealed as soon as possible.

A number of factors have influenced how your properties have been valued. Bearing in mind the economic position on the 1st April 2021, through to 2022, there is a high chance that your assessment have not be valued correctly.



Commercial Property – Business RATES

What are business rates?

Business rates are a tax paid on the occupation of commercial property. They typically equate to approximately 50 per cent of annual rent. They represent one of the biggest overheads for businesses and substantially impact on profitability. Business rates are based on a specific value, called a rateable value. All commercial properties are valued on the same day for consistency and fairness, with the current valuation date being 1 April 2015.

What is the Rateable Value of a property?

The rateable value (RV) is the value assigned to non-domestic premises by the Valuation Office Agency (VOA). It is based on a property's annual market rent, size and usage. The VOA reviews these values at every revaluation.

The rateable value is equivalent to the annual rental value of a property let on a full repairing and insuring basis (FRI). The VOA then places these values into the Rating List where the valuation of your property and others can be found. The present Rating List commenced on 1 April 2017, the next one will begin on 1 April 2023, with the valuation date being the 1 April 2021.

The list is divided into individual billing authority areas (the local authority or local council). The billing authority then uses the rateable value to calculate rate liability and issues bills to businesses within their locality.

How are business rates calculated?

Business rates are calculated in a two-step process. Firstly, the VOA is tasked with estimating the annual rent the property is likely to let for at a statutorily fixed valuation date - this is called a rateable value (RV).

The RV is then used to create the liability by multiplying it by the Uniform Business Rate (UBR) factor which is set every year by government. This is typically around 50p in the pound. The UBR is adjusted every year for inflation by applying the Retail Price Index (RPI).

So, in order to calculate your estimated business rates for the year ahead, you need to multiply the government's up to date multiplier by your business' RV. Your bill will be reduced if your property is eligible for business rates relief.



Do I need to pay business rates?

Business rates are charged on most business properties such as shops, offices, pubs, warehouses and factories, but also holiday homes that you rent out and other rental properties. If the premises it is used for purposes which are not domestic it is likely to be rateable, although there are a few exemptions.

You may not have to pay business rates on:

- agricultural land and buildings, including fish farms
- buildings used for training or welfare of disabled people

- buildings registered for public religious worship or church halls

Do I have to pay business rates if my property is empty?

You do not have to pay business rates on empty buildings for three months. This is called empty rates relief. When this relief ends, you are required to pay empty rates charges using the higher multiplier. After this time, most businesses must pay full business rates.

Some properties can get extended empty property relief:

- industrial premises (for example warehouses) are exempt for six months
- listed buildings - until they're reoccupied
- buildings with a rateable value under £2,900 - until they're reoccupied
- properties owned by charities - only if the property's next use will be mostly for charitable purposes
- community amateur sports clubs' buildings - only if the next use will be mostly as a sports club



How can I reduce the business rates that I am paying?

The 2017 changes to the appeals system are significant and place the onus firmly on the ratepayer to demonstrate their assessment is excessive. The three stage amendments are: Check, Challenge and Appeal.

A) Initial Assessment by ACREWOODS: this will require us undertake a brief inspection of the property and to review the current assessment. We will then provide you with an opinion as to the RV as at the 1/4/2023.

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B) The Check stage: this will require us to carefully verify all factual information regarding the property. Once we have submitted a “check” the Valuation Office Agency (VOA) have up to 12 months to consider it and respond.

C) The Challenge stage: once the facts have been verified, a detailed assessment, valuation, and Challenge document will have to be provided to the VOA in order to challenge the rateable value. The VOA will then issue a decision notice based on this. At this stage the decision notice may agree with the proposed valuation and reduce the assessment accordingly. The matter will then be finalised. However, should the VOA not agree there is the right to appeal at a Valuation Tribunal.

D) The Appeal stage: an appeal to the valuation tribunal can only be lodged after a decision notice has been issued by the VOA. If the case proceeds to appeal, the appellants will have the opportunity to present their case to an independent panel and cross examine the case. A decision is then issued by the Valuation Tribunal 28 days after proceedings.

The business rates appeals procedure is quite technical and can be complicated to navigate. Our team of experts are able to help you.