



Business
Rates

MARKET UPDATE

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Business Rates

2023 Revaluation – publication of draft figures imminent

It is understood that the publication of the draft 2023 Rateable Values is potentially being brought forward. Originally the draft figures were due to be released on 31st December. We have been advised that publication of the figures will now possibly be in late November.

The actual impact of the 2023 Revaluation on Rates Bills however will also depend on the following:

- **2023/24 Uniform Business Rate (UBR)** – At a revaluation the UBR is reset in order to bring in the same tax income in real terms to the Government. For example if the total Rateable Value of the county following the revaluation was reduced by 10% then the UBR would increase by 10% to bring in the same income. This UBR figure is then increased by CPI to bring in the same tax income in real terms.
- **Rates Phasing** – Following a new revaluation the rates liability on some properties can increase substantially. The Government are required by law however to introduce a rate phasing scheme in order to provide some protection to those businesses facing large overnight increases. The cost of this scheme however has previously been financed by also placing caps on the level of reductions ratepayers can receive. Following a consultation held in the summer the Government are considering whether to permit those ratepayers seeing a significant reduction in their rates bills to receive the reduction immediately rather than it being phased in over a number of years.

UBR and Phasing announcements

For previous Rating Revaluations by the time the draft Rateable Values have been released the Government have also confirmed the level of the UBR for the following year and the rate phasing regulations relating to large rate increases and reductions. It is therefore anticipated that the Government will be likely to announce the UBR and phasing details in late November.

Wales and Scotland – 30th November –

The draft 2023 Rateable Values for properties in Wales are likely to be released at the same time as those in England. In Scotland the draft 2023 Rateable Values are due to be published on 30th November.

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Major swings in rates liability likely

From what we understand the VOA have taken on board the fall in rental values in the retail sector. This should lead to rates liabilities on retail premises significantly falling from next April onwards. One survey undertaken has predicted an average fall of 25% in Rateable Values in the retail sector. I suspect there will be wide variations in falls and it wouldn't surprise me to see some retail down by over 50%. This will be long overdue but welcome news for retailers as well as landlords with empty properties who are having to pay rates on properties which they are unable to let.