

2009/10



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# Rating

The Colliers CRE Rating team operates throughout the UK from offices in Central London and major regional centres. The members of the team have all been involved in the last four rating revaluations and have a wide experience of all aspects of rating, including reference to Valuation Tribunals.

## Our Services

### **Rating Valuation and Appeals**

The team has an established track record of achieving significant rate savings on all types of commercial and industrial property for both owners and occupiers. Savings are achieved by challenging rateable values and ensuring other aspects of rating valuation are properly applied to the advantage of our clients.

### **Accurates Rating Compliance & Audit**

The Accurates team provides a comprehensive health check, in relation to occupied and unoccupied business rate charges and rebates (current and historic). The team can ensure accuracy of calculation and compliance with legislation and added-value that is clear and measurable.

Our growing team consists of forensic rating compliance audit specialists who are Institute of Revenues Rating and Valuation qualified, former local authority revenues officers with over 100 years combined experience, who work closely with our data and systems analysts.

### **Material Changes of Circumstances**

It may be possible for us to propose an alteration to the rateable value of your property if it is affected by:

- A change in its physical state (e.g. demolishing part of it)
- A change in use
- A physical change in locality
- A change in the use of a neighbouring property
- A change of owner or occupier
- Disturbance (e.g. road or redevelopment works)

### **Rate Account Management**

Colliers CRE was one of the first firms to recognise fully the benefit of a full rate account management service. Our team checks rate demands, ensures that all refunds and credits are claimed, and makes payments to billing authorities. Clients are provided with full traceable accounts.

# 2010 Rating Valuation

New rateable values for commercial property come in to effect on 1 April 2010 in England, Wales and Scotland as part of an established 5 yearly cycle which effectively allows the Government to adjust rateable values in line with changes in the commercial markets.

These assessments will be broadly based on key rental values as at 1 April 2008 and our research predicts significant increases in rateable values in many property sectors and geographical hotspots, potentially resulting in a significant impact on rate liabilities from 2010 onwards across the UK.

With offices across the UK, our highly experienced team can service private and public sector clients with holdings of traditional or specialist property of any size, in any location.

To find out how we can help, please call 0844 561 2010 or return this pre-paid card.

# Business Rates Deferral Scheme 2009/10

On 31 March 2009 the Government announced that it will legislate in July 2009 to enable businesses to defer payment of 60% of the increase in their 2009/10 business rate bills until 2010/11 and 2011/12.

Further information is available by contacting us.

This applies to England, Wales and Scotland. There has been no announcement for Northern Ireland at the date of going to print.

# Empty Rates

From 1 April 2008 100% liability for rates has applied to commercial buildings after an initial void period of three months, and to industrial and distribution facilities after six months. Exemption still applies to listed buildings and properties 'owned' by companies in administration. For the rate year 2009/2010 the Government has amended legislation to temporarily increase the threshold at which empty property becomes liable for business rates from a rateable value of £2,200 to £15,000 in England and Wales.

## **How we can help**

We played a key role in the consultation that preceded the new legislation's introduction, helping to limit its impact on owners of empty properties. With a legal consultant on board, we can offer proactive advice on managing and minimising rate liabilities now and in the future.

We can ensure compliance with new and existing legislation. Examples of how existing clients have saved money can be found at [www accurates.eu/case\\_studies/](http://www accurates.eu/case_studies/)

To find out how we can save you money, please call 0121 265 7588 or return this pre-paid card.

# Scotland

## Non-domestic rating multipliers (Uniform Business Rate poundages)

From 2008/09, the large multiplier applies to assessments greater than RV £29,000.

Rate year	Large	Standard
2005/06	46.55p	46.1p
2006/07	45.3p	44.9p
2007/08	44.4p	44.1p
2008/09	46.2p	45.8p
<b>2009/10</b>	<b>48.5p</b>	<b>48.1p</b>

## The Small Business Bonus Scheme

The Small Business Rates Relief Scheme was replaced by the Small Business Bonus Scheme from 1 April 2008. Ratepayers who occupy or are entitled to occupy a non-domestic property which has a rateable value of £15,000 or less may be eligible for a discount on the rate poundage, as set out below:

Combined rateable value of all premises in Scotland Percentage relief available, subject to eligibility	2008/09	2009/10	2010/11
	up to £8,000	80%	100%
£8,001 to £10,000	40%	50%	50%
£10,001 to £15,000	20%	25%	25%

Thresholds for 2010/11 may be subject to change as a result of the 2010 Revaluation.

## Transitional arrangements

Transitional arrangements are phased out with effect from 1 April 2008; all ratepayers will be paying rates based on their current rateable value.

## Maximum annual increases & decreases in rates payable

Rate year	Max annual increase		Max annual decrease	
	in real terms	after inflation	in real terms	after inflation
2005/06	12.5%	16.0%	10.0%	8.2%
2006/07	see note	see note	see note	see note
2007/08	see note	see note	see note	see note
2008/09	n/a	n/a	n/a	n/a
<b>2009/10</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

Note: In 2006/07, the transitional relief/limit applied at one third of that applied in 2005/06 (adjusted for inflation), reducing to one third in 2007/08.

## Empty properties

The scheme grants 100% exemption to properties which are empty for the first three months and 50% thereafter. However, some properties such as industrial and listed buildings and properties with rateable values of less than £1,700 receive a permanent exemption.

# Wales

## Non-domestic rating multipliers (Uniform Business Rate poundages)

There is no transitional phasing scheme in operation in Wales for the 2005 rating revaluation.

Rate Year	All properties
2005/06	42.1p
2006/07	43.2p
2007/08	44.8p
2008/09	46.6p
<b>2009/10</b>	<b>48.9p</b>

A Small Business Rate Relief Scheme was introduced from 1 April 2007 and further extended from 1 April 2008 to 2012.

The key points are:

- It covers all businesses in Wales and will be automatically applied
- RV <£2,000 = 50% relief
- RV £2,001-£6,499 = 25% relief
- RV <£9,000 (Post Offices) = 100% relief
- RV £9,001-£11,999 (Post Offices) = 50% relief
- RV £2001-£6,499 (Retail premises, food, liquor, petrol) = 25% relief
- RV £2001-£8,999 (Credit Unions) = 50% relief
- RV £2001-£11,999 (Child Care) = 50% relief

## General

### Interest on refunds

The appropriate rate of interest depends on the period when the overpayment occurred, not when the refund is paid. The actual rate of interest on rate overpayments is calculated using a statutory formula linked to the base rate quoted by 'reference banks' on 15 March each year.

Rate year	Rates of interest upon refunds of overpaid rates
2000/01	5.00%
2001/02	4.75%
2002/03	3.00%
2003/04	2.75%
2004/05	3.00%
2005/06	3.75%
2006/07	3.50%
2007/08	4.25%
2008/09	4.25%
<b>2009/10</b>	<b>0.00%</b>

# Ireland

Different rules apply to Ireland and Northern Ireland. Further information is available by contacting us (see our contacts page).

The data and information contained in this document is not intended to be definitive advice and no responsibility can be accepted by Colliers CRE for loss or damage caused by reliance upon it.

April 09

# England

## Non-domestic rating multipliers (Uniform Business Rate poundages)

Note: From 1 April 2008 the Government amended legislation to levy 100% business rates on commercial properties in England and Wales that have been empty for three months or more, or six months in the case of industrial and warehouse property. For the rate year 2009/2010 the Government has amended legislation to temporarily increase the threshold at which empty property becomes liable for business rates from a rateable value of £2,200 to £15,000 in England and Wales.

Rate year	Large	Small
2005/06	42.2p	41.5p
2006/07	43.3p	42.6p
2007/08	44.4p	44.1p
2008/09	46.2p	45.8p
<b>2009/10</b>	<b>48.5p</b>	<b>48.1p</b>

For 2009/10 the multiplier for the city of London is 48.9p.

From 2005/06 businesses that qualify for Small Business Rates Relief (SBRR) have the small (i.e. lower) business multiplier used for liability calculations.

A business may apply for SBRR if the aggregate of the Rateable Values (RVs) of its properties is less than £15,000 (£21,500 in London) and only one property is assessed at above £2,200 rateable value.

## Transitional arrangements

Transitional arrangements are phased out from 1 April 2009, all ratepayers will be paying rates based on their current rateable value.

### Maximum annual increases in rates payable

Rate year	Large properties		Small properties	
	in real terms	after inflation	in real terms	after inflation
2005/06	12.5%	16.0%	5.0%	8.3%
2006/07	17.5%	20.6%	7.5%	10.3%
2007/08	20.0%	24.2%	10.0%	13.9%
2008/09	25.0%	29.4%	15.0%	19.0%
<b>2009/10</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

### Maximum annual decreases in rates payable

Rate year	Large properties		Small properties	
	in real terms	after inflation	in real terms	after inflation
2005/06	12.5%	9.8%	30.0%	27.8%
2006/07	12.5%	10.2%	30.0%	28.2%
2007/08	14.0%	11.0%	35.0%	32.7%
2008/09	25.0%	22.4%	60.0%	58.6%
<b>2009/10</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

In England, the definition of a large property is one for which the RV (as at 1 April 2005) is £15,000 or more (£21,500 in London).

# Our Contacts

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# Want to know more?

Please send me further information on the following:

- 2010 Rating Revaluation
- Empty rates
- Accurates Rating Compliance & Audit
- Rating valuation and appeals
- Material changes of circumstances
- Rate account management

Name:

Job title:

Company:

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