

From 1 April 2008 full business rates are payable on your empty properties

Have you done all you can to avoid this unfair
property tax?



“I have no doubt that we can devise a strategy to mitigate empty rates for every vacant property”

Jerry Schurder, head of rating
Tel. 020 7333 6324

Empty property rates: an avoidable tax

What can you do?

While there is no ‘one-size-fits-all’ solution, we can devise bespoke strategies tailored to your business and property circumstances. We can either remove your empty property rates liability entirely or at least reduce the size of the bill.

Call us to discuss how you can avoid this unfair property tax.

What are the new rules?

From 1 April 2008, those with vacant factories and warehouses in England and Wales pay full rates once their property has been empty for **six months**.

Other vacant properties are entitled to 100% relief for the first **three months** only and are subject to full rates thereafter.

When will you be charged EPR?

The three or six month initial exemption period commences from the date the property was vacated. For most empty properties, this means the 100% charge commenced on 1 April 2008.

There are no changes to Empty Property Rates (EPR) in Scotland.

Which properties are exempt from EPR?

- listed buildings
- small properties with a rateable value of less than £2,600 (less than £18,000 in 2010/11)
- empty properties of companies in administration or liquidation
- vacant land without buildings

How else can I mitigate the tax?

Rating law is complex and the new rules for EPR have created some untested opportunities. The following list summarises some of the options available to businesses seeking to avoid the new tax.

- **Intermittent occupation:** If an empty property is occupied for at least six weeks and falls vacant again, it qualifies for another exemption period of six months (warehouse and industrial property) or three months (all other property).
- **Charitable occupation:** Charities are entitled to 80% mandatory rates relief on properties they occupy. They can also apply for discretionary relief on the remaining 20%. If a charity then vacates, no empty rates are payable, so long as one can demonstrate that the next user is also likely be a charity.

- **Occupation prohibited by law:** No rates are payable if occupation is prohibited by law, such as buildings affected by asbestos or dangerous structures, or by the actions of a local or public authority.
- **Incomplete build or refurbishment:** Incomplete properties, such as those being developed or refurbished, cannot be assessed until they are considered to be complete for rateable occupation. Local authorities can serve Completion Notices which mean that a building can be treated as complete even if it isn't. We can guide you through this complex area to ensure that you approach the latter stages of construction and fit-out in a manner designed to prevent or defer a rates assessment.
- **Properties not capable of beneficial occupation:** Another complex area. It could mean a damaged or uninhabitable building. The physical state of the building will be important and one will need to consider whether repair works, without improving the property, are economically viable.
- **Other cunning plans:** The examples listed here offer a short summary of some of the options available for tackling empty property rates. As leading advisers on rating matters, we have devised new solutions for mitigating EPR.

The circumstances of every property will vary and we will need to consider a range of factors to identify one or more ways to help you avoid paying unnecessary business rates.

The next step: pick up the phone

At **Gerald Eve**, our team of rating surveyors is experienced in finding the right solution for cutting your rates bill down to size. In some instances, we will be able to reduce your empty property rates liability to zero. Call your usual contact or one of our EPR strategy team shown here to discuss how we can minimise the cost to your business.

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