

# GUIDANCE NOTES

## Business Rates Appeals

As with any business expense, it always makes sense to ensure you are not paying too much.

### **How are my rates calculated?**

The rates you are liable to pay on your property depend on its rateable value. This is calculated by the Valuation Office who act on behalf of the relevant local authority.

Current rateable values are based on the 2010 list, which in turn is based on the 2008 rental value of the property in question. The rateable value is then multiplied by a figure known as the multiplier which is set by the Government to give you the rates that are payable. The multiplier is 0.428 in Wales and 0.433 in England (2011). If, therefore, your rateable value is £10,000, you would pay £4,280 per annum in Wales and £4,330 in England.

### **What should I do if I think my rates are too much?**

It is often the case that the rateable value is incorrect for any number of reasons. Common reasons include inaccurate measurements, incorrect assessment of the use of the property, failure to account for certain factors that change the way the property should be compared to other properties. Material changes are also relevant such as part of the property no longer being used or occupied, or being used for a different purpose.

In most cases, the Valuation Office will consider any reasonable reason for challenging the rateable value of any property as long as the evidence is properly presented. In some cases, particularly with agriculturally related property, there may be reasons for the property to be exempt from rates altogether.

If the Valuation Office are not prepared to agree to a revaluation, then there is an appeal procedure available which will be heard by an independent valuer.

### **How can I appeal or challenge the rates I pay?**

You can either contact the Valuation Office yourself or go onto their website or if you would like professional advice, we would be quite happy to do an initial assessment over the telephone to see if you have a reasonable chance of getting your rates reduced. We do the initial assessment by asking you various questions over the telephone (this should take no more than 10 minutes). We will then do some research and let you know if you have a good chance of getting a reduction.

### **What does this cost?**

Our initial consultation with you over the telephone and research is free of charge. If we think you do not have a case, we will tell you, but if we think you have a good chance, we will visit your property, carry out the necessary survey and measurements and then negotiate with the Valuation Office on your behalf.

We will do this on a "no win, no fee" basis. If we succeed, then we will charge you 50% of the amount we save you in the first year plus 10% of any rebate we get for you (plus VAT). If we do not succeed, then we will not charge you anything.

### **What does this mean in practice?**

We recently did a rate review for a client in Wales. We measured the property and found that the Valuation Office had over estimated the areas and misunderstood the use of some of the buildings. As a result the rateable value came down from over £15,000 to under £5,000. As a consequence, the property came under the small business rate relief threshold and instead of paying rates of over £6,000, the business did not have to pay any rates at all in 2011.

For further information, please contact Davis Meade Property Consultants on 01691 659658 (Oswestry Office) or 01492 510360 (Colwyn Bay Office).

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