How to win a Business Rates Appeal

A business rates appeal is a challenge to the rateable value of your property.

Your rateable value is an estimated rental valuation of your property.

You can appeal, free of charge, against your rateable value to the Valuation Office if you believe it is too high via this link.

To win your appeal you need to show that the RENTAL VALUE of your property at 1st April 2008 is less than the RATEABLE VALUE.

The main ways of doing that are referring to

1) The rent on your property
2) The rent on a neighbouring property
3) Rateable values of similar properties
4) Turnover or profits information if you are a pub or Hotel.

All appeals are, initially, considered by the Valuation Office but if they don't offer you a reduction the appeal is transferred to the Valuation Tribunal.

The Valuation Tribunal will hear your appeal, free of charge, and if you have a strong case will likely grant you a reduction.

To have your case heard, though, you need to provide them with a written Statement of Case and then they have to find an available date.

If you lose you can appeal your case to the Lands Tribunal, although this can be expensive, and you won't be able to make an additional appeal on the same grounds before April 2017.

Frequently asked questions

What is the chance that my rateable value is too high?

The Valuation Office estimates 1.6 million rateable values using a computer programme. This typically over-assesses 1 in 4 businesses.

Will the Valuation Office offer a reduction on my appeal?

The Valuation Office has targets not to concede more than a 3.6% reduction on appeal. So they may offer a small reduction and likely resist a large reduction.

What are my chances of winning an appeal at Valuation Tribunal?

It partly depends on your evidence and your experience. Roughly 1 in 10 businessmen win appeals at Tribunal as opposed to 7 in 10 Professional Agents.
How to claim business rate reliefs

The Government has put in place a series of schemes to reduce business rates for certain businesses. These include:-

Transitional Relief - This is based on your 2005 rateable value. The lower your 2005 rateable value, the more you benefit from transitional relief. You can't claim it as such but if you can reduce your 2005 rateable value then you can increase the benefit of it.

Small Business Rate Relief - This is based on your 2010 rateable value. If it is less than £6000 you can generally receive a 100% reduction in your rates bill. Where it is between £6000 and £12000 you receive less relief. To claim it fill in a form from your Local Authority.

Discretionary Relief - Here Councils have the power to reduce the rates for a business by up to 100% if it is providing a worthwhile social benefit. To claim it fill in a form from your Local Authority.

Hardship Relief - If your business is struggling financially because of the level of business rates your Council have the power to reduce your bill, temporarily. To claim it speak to your Local Authority.

Aside from "reliefs", there are exemptions e.g. Religious, Agricultural, Disabled, Domestic, that can all reduce you rates to 0.

It depends, though, on the facts of each case as to whether you qualify.

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How to win a Rent Review

From a tenants perspective winning a rent review is agreeing the lowest rent possible.

That is, partly, determined by the rent review clause.

If the rent review clause is an "upwards only" clause, the most common, then the lowest rent possible is the current rent that you are paying.

But if it is an "upwards or downwards" then the rent can be any level.

So the first step in winning your rent review is to READ YOUR LEASE.

On reading your lease pay particular attention to what happens if you and your landlord can't agree the new rent.

If the lease says that the dispute is referred to an Expert, rather than an Arbitrator, then you are in a much stronger position.

Aside from the lease terms, the single most important ingredient to winning your rent review is having full details of rents agreed on nearby properties.

If you have that information you can work out what the rent should be based on your lease terms but if you don't the landlord will dictate the negotiation.

To get that information you can approach your neighbours, which can be difficult but is imperative if you don't want to be forced into a

Professional Agents pay many thousands of pounds in subscriptions to database providers who collect that rental information

Frequently asked questions

My landlord has proposed a 50% rent increase. Why shouldn't I just offer a bit less?

Landlord's know that most tenants will just haggle against the asking rent and so include a "hagglers premium" in their rent offer. This is, say, an extra 10% on top that the landlord can give away to make the tenant think he has got a good deal.

Why is an Expert Determination better for a tenant than an Arbitration?

Arbitrators decide who has made the best argument and, generally, landlords are best able to make an argument. Experts determine the rent based on the facts.

I have improved my property, should I pay more rent?

Most leases exclude the value of improvements from the rent you agree.
How to win a Lease Renewal

If your lease is protected by the Landlord and Tenant Act 1954 you are in a much stronger negotiating position than if it is "contracted out".

Bearing that in mind, from a tenant’s perspective, winning a lease renewal is getting the best possible combination of lease terms and rent.

Often tenants look at just the length of the lease and the amount of the rent at lease renewal and not the specific terms.

Landlord’s know this and will often try to slip in lease terms that are particularly beneficial to them, often when they have no legal right to do so.

They may also try to avoid granting a new lease but offer a lease extension, particularly when on lease renewal the rent may actually be due to fall.

To win your Lease Renewal, then, you need to do the following

1. Check that the lease terms offered by the landlord are not materially different to your current lease terms. Where they are different establish why
2. Check that the new rent proposed is in line with current market rents. You should do that by contacting your neighbours and finding out what rent they are paying.

Examining leases can be difficult if you are unfamiliar with the legal jargon. Equally accessing local rental information can be timing consuming, often requiring you to "knock on doors".

Professional Lease Renewal Agents look at leases all the time and pay many thousands of pounds in subscriptions to database providers who collect that rental information.

Frequently asked questions

I improved my property 10 years ago. How does that affect my lease renewal?

If your lease is "protected" any additional rental value from these improvements should generally be excluded from your rent on your new lease.

My original lease was for 10 years, but my landlord wants to offer me a 5 year lease contracted out of the Act. Is this OK?

If your current lease is "protected" then you are entitled to a new lease on the same terms as the old one. It sounds like the landlord plans to develop the property soon and is trying to avoid paying you compensation.

My landlord has given me a s.25 notice to quit the premises. Does it mean I have to leave?

If you have been a good tenant and are protected then, generally, no but you will need to serve a counter notice if you want to stay.