

Business Rates Revaluation 2023

Ensure what you pay is fair. Prepare now.

The draft 2023 Rating assessments for England, Scotland, Wales and Northern Ireland are out. Valuation dates vary, but all have been set with backdrop of unprecedented times. Brexit. Pandemic. Cost of living crisis. Energy Crisis.

For many properties, without having undertaken an inspection or detailed review, Valuation Officers and Assessors have had to make general assumptions on the rateable value (RV). Many of the draft assessments proposed will not be accurate. And yet these are set to form the base for future liabilities.

For some ratepayers, decreases in their RV might not be enough and increases might be too high. From our analysis so far, many businesses may have an opportunity to reduce their business rates liability. Are you one of them?

REVALUATION 2023 AT A GLANCE

With mostly good news so far, the Autumn Statement delivered much-needed change, but it hasn't helped everyone. The overall 7.3% increase in total RV for the English and Welsh draft list and 5.9% for the Scotland draft roll hide the massive variance seen from sector to sector, in some cases of more than 100%. Across all, it is evident that cost-based valuations have increased significantly. For Scotland, the upcoming revaluation will be a revaluation like no other – a result of extensive reform and consultations.

While not all draft lists and multipliers for 2023 are available, we can already give our clients more clarity for budgeting and advise on the potential for appeals.



ENGLAND	SCOTLAND	WALES	NORTHERN IRELAND
Draft 2023 Rating List available	Draft 2023 Rating Roll available	Draft 2023 Rating List available	Draft 2023 Rating List available
Valuation date 1 April 2021	Valuation date 1 April 2022	Valuation date 1 April 2021	Valuation date 1 October 2021
Multipliers (UBR) released and have been frozen at 22/23 levels - 51.2p for RV £51,000 or more and 49.9p for RV less than £51,000	Multipliers (UBR) expected to be confirmed in December	Multiplier (UBR) expected to be confirmed in December	No single Multiplier available – set at regional and district level
New business rates liabilities effective 1 April 2023	New business rates liabilities effective 1 April 2023	New business rates liabilities effective 1 April 2023	New business rates liabilities effective 1 April 2023
	New Revaluation process effective 1 April 2023	New more onerous appeal system from 1 April 2023 – similar to Check, Challenge, Appeal in England	

REVALUATION 2023 – WHY THIS ONE MATTERS

More regular revaluation cycles, now moving to a three-year cycle, have resulted in valuations being based on a more accurate factual date. But the valuation dates used for the 2023 Revaluations mean that the evidential data is more difficult to analyse.

For now, there are still and will continue to be opportunities to challenge assessments. These are built on a backdrop of an ever-evolving appeal process and valuation dates taken at tumultuous times. Despite limited transactional activity at these dates, there have been wide movements in rental values particularly in the following sectors:



INDUSTRIAL

An industrial market that peaked following Covid-19 but is now cooling



OFFICE

“Flight to Quality”- hybrid working post Covid-19 has led to increased demand for centrally located high quality space



RETAIL

Decimated high streets in an ever-evolving retail landscape



LEISURE

A volatile leisure market that continues to face challenges

As the business rates burden on occupiers is already substantial and these changes come at a time of economic shifts and property value changes, we want to ensure all our clients are fully prepared for Revaluation 2023.

ENSURE BUSINESS RATES ARE A PRIORITY

Robust business rates management in 2023 is about proactively managing and budgeting for what is ultimately a tax. You may or may not yet have an accurate picture of your business rates liabilities from April 2023, however you can act now to protect your business.



BUDGETING AND FORECASTING

Alongside people and rent, business rates are likely one of your biggest expenses. With the current business environment, accurate budgeting for, and affordability of, business rates liabilities and accruals is more crucial than ever.



SAVING MONEY

Informing the valuation thinking proactively on your RV and working with the changes to the valuation process could help you agree a lower basis of valuation.



MINIMISING RISK

While a lower RV would be welcome by any business, an under assessment could be corrected by the Valuation Officer or Assessor and result in a rate demand you've not accounted for. Making sure this is identified at the earliest opportunity will help you to budget more accurately.



COMPLIANCE

Fundamental changes proposed in England and Wales will materially impact the way businesses need to supply information. These are anticipated to be introduced some time after April 2023. It will be critical to ensure strict compliance to avoid fines.

We work with property and finance directors to manage and mitigate their rate liabilities.

1 Review your entire portfolio to identify where there may be opportunities to challenge assessments and to understand where assessments may be too low (under assessed) and accrue accordingly

2 Identify opportunities for reduction or deletions for property undergoing demolition, redevelopment or refurbishment

3 Mitigate any vacant but occupiable property through Empty Rates Mitigation

4 Apply for applicable reliefs

5 Manage formal appeal process

1

2

3

4

5

WHY ACT NOW?

The reason to act now is two-fold. You have until 31 March 2023 to start the appeal process for the 2017 rating list in England and Wales. This could result in a significant refund backdated as far as 2017. The second is that any adjustment to your 2017 RV will ensure the factual base point for the 2023 Rating list assessments are correct. Acting now, you can unlock valuable future savings, mitigate costs and minimise risks to your property portfolios.

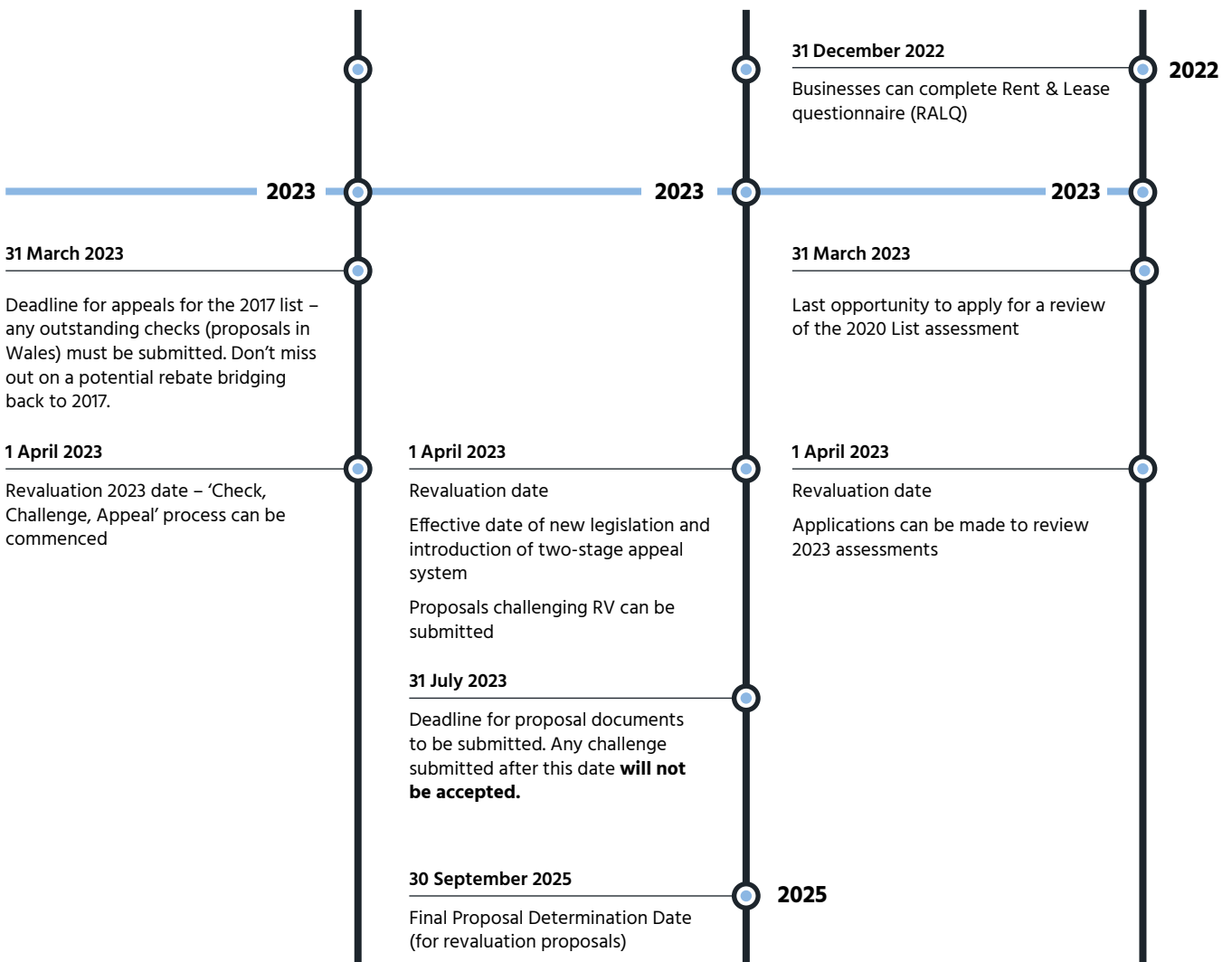


KEY DATES

England & Wales

Scotland

Northern Ireland



The key is to ensure there is sufficient time for discussions, inspections and analysis ahead of the proposal submission window.

HOW GERALD EVE CAN HELP YOU

The continually changing Non-Domestic rates system is onerous on the ratepayer and is underpinned with strict legislative procedures and timelines. It's important to get it right. Our market leading specialists understand the intricacies of each sector and property type and are prepared to face the new challenges of the upcoming 2023 revaluation on your behalf. Using tools such as our bespoke rating databases linked to the live rating list, we can efficiently identify any errors or anomalies to raise with you and commence the appeal process.

For an informal no-obligation conversation about your business rates liabilities, please reach out.



**SEND ME MORE
INFORMATION**



GIVE ME A CALL

KEY FACTS

£3.5bn

saved in rates
liabilities since 2010

40

of the FTSE
100 companies
represented

60

sector
specialist
surveyors

£212m

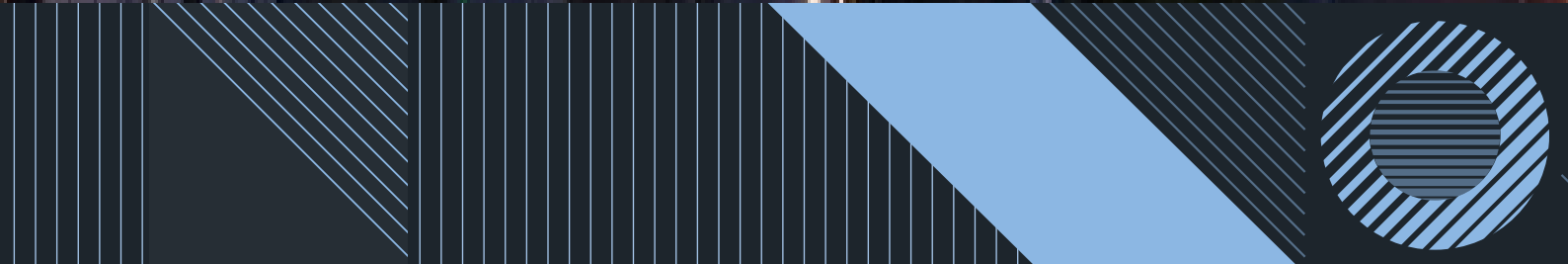
advising on the
UK's largest single
assessment at
Heathrow Airport

£1.1bn

processed annually as the
UK's leading ratepayer

75,000

properties advised on



OFFICES

London (West End)

One Fitzroy
6 Mortimer Street
London W1T 3JJ
Tel. +44 (0)20 7493 3338

London (City)

Bow Bells House
1 Bread Street
London EC4M 9BE
Tel. +44 (0)20 7489 8900

Birmingham

45 Church Street
Birmingham B3 2RT
Tel. +44 (0)121 616 4800

Cardiff

32 Windsor Place
Cardiff CF10 3BZ
Tel. +44 (0)29 2038 8044

Glasgow

140 West George Street
Glasgow G2 2HG
Tel. +44 (0)141 221 6397

Leeds

1 York Place
Leeds LS1 2DR
Tel. +44 (0)113 204 8419

Manchester

No. 1 Marsden Street
Manchester M2 1HW
Tel. +44 (0)161 259 0450

Milton Keynes

11 Exchange Square
21 North Fourth Street
Milton Keynes MK9 1HL
Tel. +44 (0)1908 685950

West Malling

35 Kings Hill Avenue
West Malling
Kent ME19 4DN
Tel. +44 (0)1732 229420

Gerald Eve is a firm of international property consultants based in the UK. We operate a national network of nine offices and an international association covering 20 European countries and all major US markets.

Whether you are a property owner, investor, occupier or developer, Gerald Eve provides independent, intelligent and relevant advice based on detailed market knowledge and sector understanding.

Together we have the resource, experience and relationships to deliver the best property solutions for your business.