

## Insights

# MATERIAL CHANGES TO BUSINESS LOCATIONS: CAN I GET MY BUSINESS RATES REDUCED?

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Yes, if the change is a relevant change.

Your UK business rates overheads depend on the rateable value (or “RV”) of the premises.

The RV reflects the circumstances of the premises at the date of the rating list, currently 1 April 2017.

Those circumstances can change. For example, the highway giving access to the premises might be closed, or the building next door might be demolished and redeveloped.

Or you may have your own programme of refurbishment which means that your premises cannot be used whilst the works are progressing.

Issues arise where external factors undermine the prospects for profitable use of the premises. Hotels and retail destinations in the UK experiencing a fall in occupancy rates and missing customers in the wake of the global coronavirus crisis, will be keen to save overheads as they seek to balance their books.

These are the general guidelines for testing if a change in business operations may support a reduction in RV:

- i. Does the matter concern a characteristic of the premises or of the locality, or is it something to do with the actual occupier or the way in which it conducts its business? A relevant change will concern the premises not the way the actual occupier conducts its business. For changes to the locality, see (iii) below.
- ii. Does the matter concern a characteristic of the premises? If so, does it affect the physical state of the premises or the mode of its occupation? A relevant change will affect the physical state of the premises or how it is occupied.
- iii. If the matter does not concern a characteristic of the premises, does it concern a characteristic of the locality in which the premises are situated? If so, does the matter affect the physical state of

the locality or use or occupation of other premises in the locality? If both answers are “yes”, the change is relevant.

- iv. If the matter concerns a characteristic of the locality, but does not affect the physical state of the locality or concern the use or occupation of other local premises, is the matter itself physically manifest in the locality? If the answer is “yes”, the change is relevant.

What action should you take? If the answers point to a change being relevant, consult your specialist rating surveyors for advice on a challenge to your RV. If the facts are unusual, seek specialist legal advice.

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This insight was originally authored by Roger Cohen.

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## MEET THE TEAM



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