

A GUIDE TO

# REVAL 2023

Lisney

## COMMERCIAL RATES REVALUATION

*"NI Business Rates "Revaluation 2023" will become effective from 1st April. All business occupiers should check their new rating valuations are correct when the draft List is published online in January.*

For obvious reasons, businesses today are prioritising cost controls but one fixed overhead that is often misunderstood is their rates liability.

A company's rates bill is based on their property's rating assessment (or NAV). You can make sure your NAV is accurate and the business is not being over charged, with a little investigation and applied knowledge. Through the pandemic, "rates holidays" afforded some sectors financial assistance through the hardest of times but we are all back to paying full rates now.

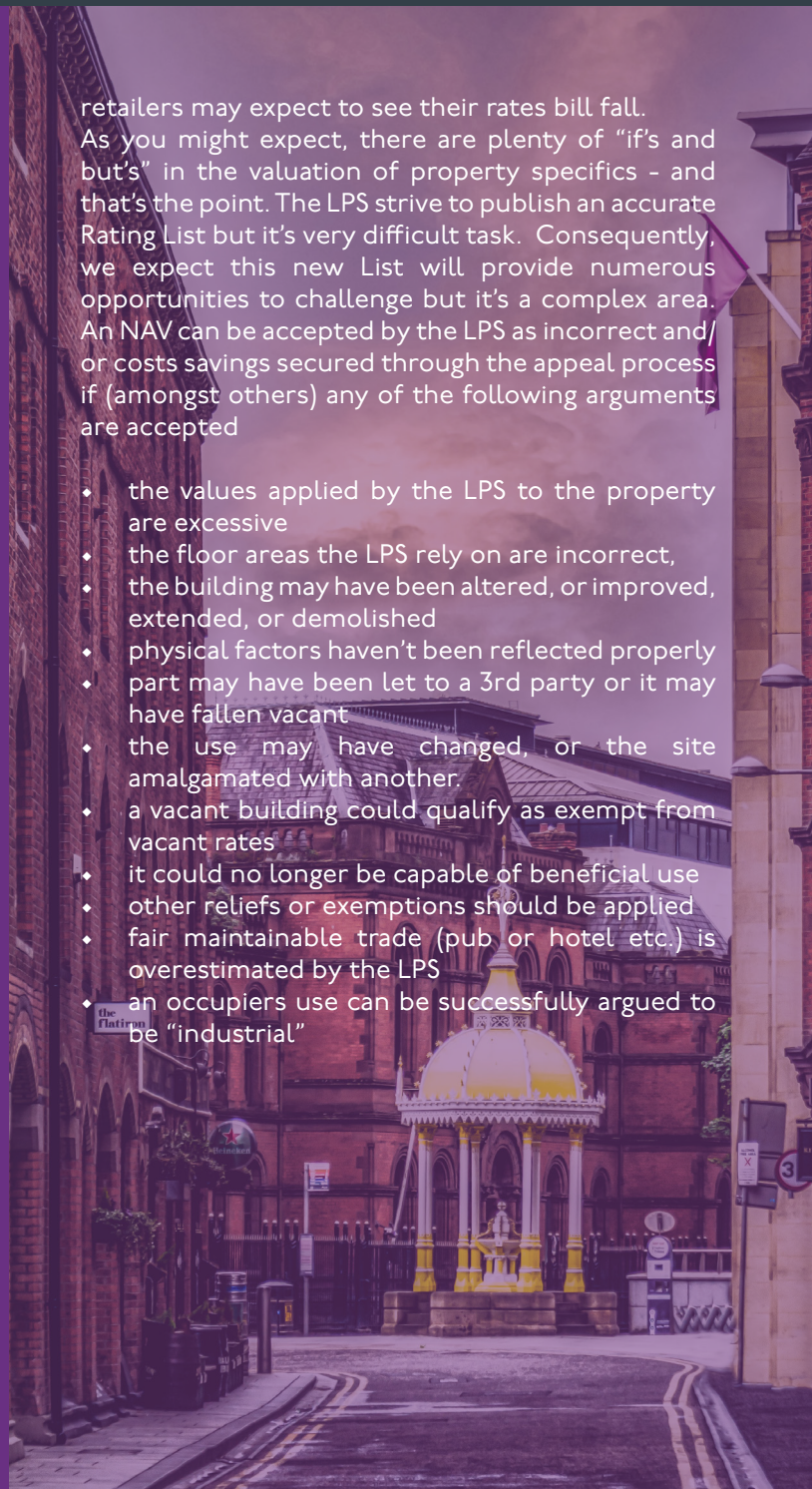
The 9th Rating List will become effective from 1st April 2023 and the new rating valuations (NAVs) for all business occupiers will be published online by the Land & Property Services (LPS) in January.

This new List will update all NAVs in line with rental values as at a new valuation date (or AVD) of 1st October 2021. This date is post pandemic, a time when there was much uncertainty, and as a result we expect it is likely there will be more opportunities for the assessments to be challenged. The point of a Revaluation is to update and re-distribute the overall rates burden using property value relativities.

This means that some sectors will do better than others. Broadly prime retail rateable values will fall significantly in some places, prime offices values may rise and good industrial space is likely to increase in value. The consequence is that office and industrial occupiers may need to consider budgeting for higher rates liabilities in 2023/24 while

retailers may expect to see their rates bill fall. As you might expect, there are plenty of "if's and but's" in the valuation of property specifics - and that's the point. The LPS strive to publish an accurate Rating List but it's very difficult task. Consequently, we expect this new List will provide numerous opportunities to challenge but it's a complex area. An NAV can be accepted by the LPS as incorrect and/or costs savings secured through the appeal process if (amongst others) any of the following arguments are accepted

- the values applied by the LPS to the property are excessive
- the floor areas the LPS rely on are incorrect,
- the building may have been altered, or improved, extended, or demolished
- physical factors haven't been reflected properly
- part may have been let to a 3rd party or it may have fallen vacant
- the use may have changed, or the site amalgamated with another.
- a vacant building could qualify as exempt from vacant rates
- it could no longer be capable of beneficial use
- other reliefs or exemptions should be applied
- fair maintainable trade (pub or hotel etc.) is overestimated by the LPS
- an occupiers use can be successfully argued to be "industrial"





## APPROACH TO VALUATION

Most NAVs are assessed using a comparative approach, the Rating List being based on a rental valuation as at the AVD (Antecedent Valuation Date) of 1st October 2021. If your property is a trading property, like a hotel, bar or perhaps a multi storey car park, a receipts-based assessment will however be undertaken. The appropriate approach must be understood and applied correctly.

## APPEAL PROCESS

If there are grounds to appeal there is a 3 stage appeal process based in statue with the 1st stage an Application for Revision, then an 2nd stage Appeal to the Commissioner of Valuation and then if not satisfied a case can be taken onto the Lands Tribunal for Northern Ireland.

## LISNEY EXPERIENCE

As expert valuers we providing rating consultancy services to wide range of retained and new clients from retailers to hoteliers and from pharmaceutical companies to manufacturers. We cover all of NI and all sectors of the market.

Recent major successes include securing material "tone" reductions on prime shopping centres, on major outlet parks and negotiating schemes "out of the List" during period of substantive works. We have negotiated significant future cost savings and backdated reimbursements on many instructions, most recently by amalgamating contiguous properties in the same occupation and establishing industrial vacant status on a former factory complex.

Where there is an angle, we will find it. These reductions on NAVs don't just result in cost savings this year for clients – they are annual savings going forward and can be backdated resulting in material reimbursements.

## A FINAL WORD OF CAUTION....

Be careful though – do not proceed without careful consideration and good reason. NAVs can go up or down on appeal and an unwise challenge could result in a increased rates liability or back dated bill once a case is determined – so while mitigating costs is a priority for any business, make sure to first take professional advice from experienced rating consultants.

If you would like to discuss your rating liability please contact

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