



News Release

No: 09pr101

Date: 27 March 2009

Thousands left to sink following changes to the non-domestic rating regulations

London, UK – On Monday 8 March amending regulations will come into force which will alter the non-domestic rating (Collection and Enforcement) (Local Lists) regulations allowing ratepayers facing backdated rate demands to spread their payments over eight years. The legislation is designed to assist the UK port ratepayers which were facing a £54 million rates bill.

Keith Cooney, Head of Knight Franks Rating Department commented: ““On the 8 March the Government brought into force its pre-budget statement promises, announced in November, to help the UK Port ratepayers who were facing a crippling rates bill of £54 million. They can now apply to have this liability spread over a period of up to eight years which will be welcome news in the Labour heartlands, where the majority of these ratepayers are based. The success of this political lobbying is in stark contrast to the Government's unwillingness to cede to the property industry's demands to overturn the £900 million surprise rates bill issued last year on all Landlords who owned empty property.

“The reason the Government ended up in this political storm was down to its continuous financial erosion of the Valuation Office Agency which is responsible for looking after all rating assessments. This Agency has practically had to agree to cost cuts every year since 1993 which, we are informed, is designed to improve and generate efficiencies. The VOA was tasked way back in 2004 to sort out the rating position in the ports but failed to do this until 2008 and that is why this unsustainable £54 million rates bill suddenly surfaced.

In addition, there are thousands of other businesses faced with backdated bills, through no fault of their own, who are being left to sink by this legislation. The Government has deliberately laid down strict criteria which makes it practically impossible for anyone else, apart from the Port Tenants, to qualify for this relief which is inequitable. What is particularly uncomfortable, is the Government can continue to inflict backdated rate bills on businesses until 2011 but there will be no protection for anyone under this proposed scheme after the 31 March next year. We would call upon the Government to widen the criteria to assist other businesses and extend the scheme until 2011.”



For further information, please contact:

Keith Cooney, head of rating, Knight Frank, +44(0)20 7861 1111

Naomi Curtis, commercial senior pr executive, +44(0)20 7861 1744

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Notes to Editors

Details of the legislation have already been sent out to the Billing Authorities and this can be found on the CLG web site under the following link.

<http://www.local.odpm.gov.uk/finance/busrats/bri22009.pdf>

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