



News Release

No: 00100

Date: 27 March 2009

Call on Government to reinstate 50% Empty Rate Relief in Budget

London -

Knight Franks National Head of Rating Keith Cooney calls for the Government to reinstate Empty Rates Relief for vacant properties

“ This last Budget before election year will be instrumental on how this Government is judged by the property industry. We call on Mr Darling to look at the damage his empty rate reforms have caused and seize this opportunity to reinstate the relief by at least 50% for all vacant properties. The situation is now very serious with recent NSO figures showing that 41% of small businesses have already disappeared in the last 12 months alone.(1) These were the very businesses Mr Darling said he wanted to protect in his November pre-budget statement but the new relief to be granted on 1st April for assessments under £ 15,000 is clearly too little, too late. In spite of the number of businesses going to the wall the government have managed to increase the amount of tax collected in business rates by over £ 1.85 billion.(1) This is double what they had intended and exposes the underlying damage that this tax is doing to the key Private sector business who will increasingly be forced to cut employees if they are not given some respite from this punitive tax.

Some consider that the Government were disingenuous when they claimed they had responded to the Industries concerns by exempting assessments under £ 15,000 rateable value from empty rates. However, a closer look at this ‘generosity’ and it is readily revealed to show that 87% of the £ 19 billion collected is charged to Businesses who have assessments over this level.(2) Far from listening to the industry the Government have actually decided to push for a record 5% addition in rates for the coming year. This tax increase simply can not be sustained in the current climate and it will lead to higher unemployment and the needless vandalism of vacant properties in order to avoid this charge.”

For further information, please contact:

K Cooney, National Head of Business Rates, , 0207 861 1111

keith.cooney@knightfrank.com

Ends



**Notes to Editors
Sources**

**1) Communities & Local Government - Local Government Finance Key Facts : England
published by NSO November 2008**

**2) Communities & Local Government - Business Rates Supplements : A White Paper October
2007**

Knight Frank LLP is the leading independent global property consultancy. Headquartered in London, Knight Frank and its New York-based global partner, Newmark Knight Frank, operate from 196 offices, in 38 countries, across six continents. More than 6,770 professionals handle in excess of US\$700 billion (almost £355 billion) worth of commercial, agricultural and residential real estate annually, advising clients ranging from individual owners and buyers to major developers, investors and corporate tenants. For further information about the Company, please visit www.knightfrank.com.