

DG RATING

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Expert Business Rates Advice

MY RENT IS MORE THAN MY RATEABLE VALUE, IS MY RATEABLE VALUE CORRECT?

Undertsanding business rates & how they affect your business

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DG RATING LTD

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Business Rates Expert

I provide creative business rates solutions for clients across all property types throughout the UK. With extensive knowledge and experience from my time spent at the Valuation Office Agency, CBRE, and Flude Property Consultants, I can help you navigate the complex world of business rates and ensure you are paying the correct amount.

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For commercial property tenants in the United Kingdom, the relationship between rent and Rateable Value (RV) is a critical aspect of understanding their financial obligations. In this article, we delve into the factors influencing Rateable Value and explore what to do if your rent surpasses the assessed value of your property.

Rateable Value vs. Rent:

Rateable Value is the basis for calculating business rates, representing the estimated open market rental value of a property on a specific date. It is assessed by the Valuation Office Agency (VOA) in England, with equivalent agencies in Scotland, Wales, and Northern Ireland. While Rateable Value is a significant factor in determining business rates, it may not always align precisely with the rent a tenant pays.



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Factors Influencing Rateable Value:

Several factors contribute to the calculation of Rateable Value, including the size, location, and usage of the property. The assessment is made on a specific valuation date and aims to reflect the property's rental value at that time. However, it's essential to recognize that changes in market conditions, property improvements, or other factors may not be immediately reflected in the Rateable Value.

Rent Exceeding Rateable Value:

If your rent surpasses the Rateable Value, it doesn't necessarily mean there is an error in the assessment. Several reasons could contribute to this apparent mismatch:

1. **Market Fluctuations:** The property market is dynamic, and rental values can change over time. If your rent has increased due to market demand, it may exceed the Rateable Value set at a specific valuation date.
2. **Property Improvements:** If you have made significant improvements or renovations to your property, these enhancements may increase its rental value. However, the Rateable Value may not be immediately adjusted to reflect these changes.
3. **Lease Terms:** The terms of your lease agreement, such as rent reviews or specific clauses, can influence the rent you pay. These terms may not be directly considered in the Rateable Value assessment.



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Checking the Accuracy of Rateable Value:

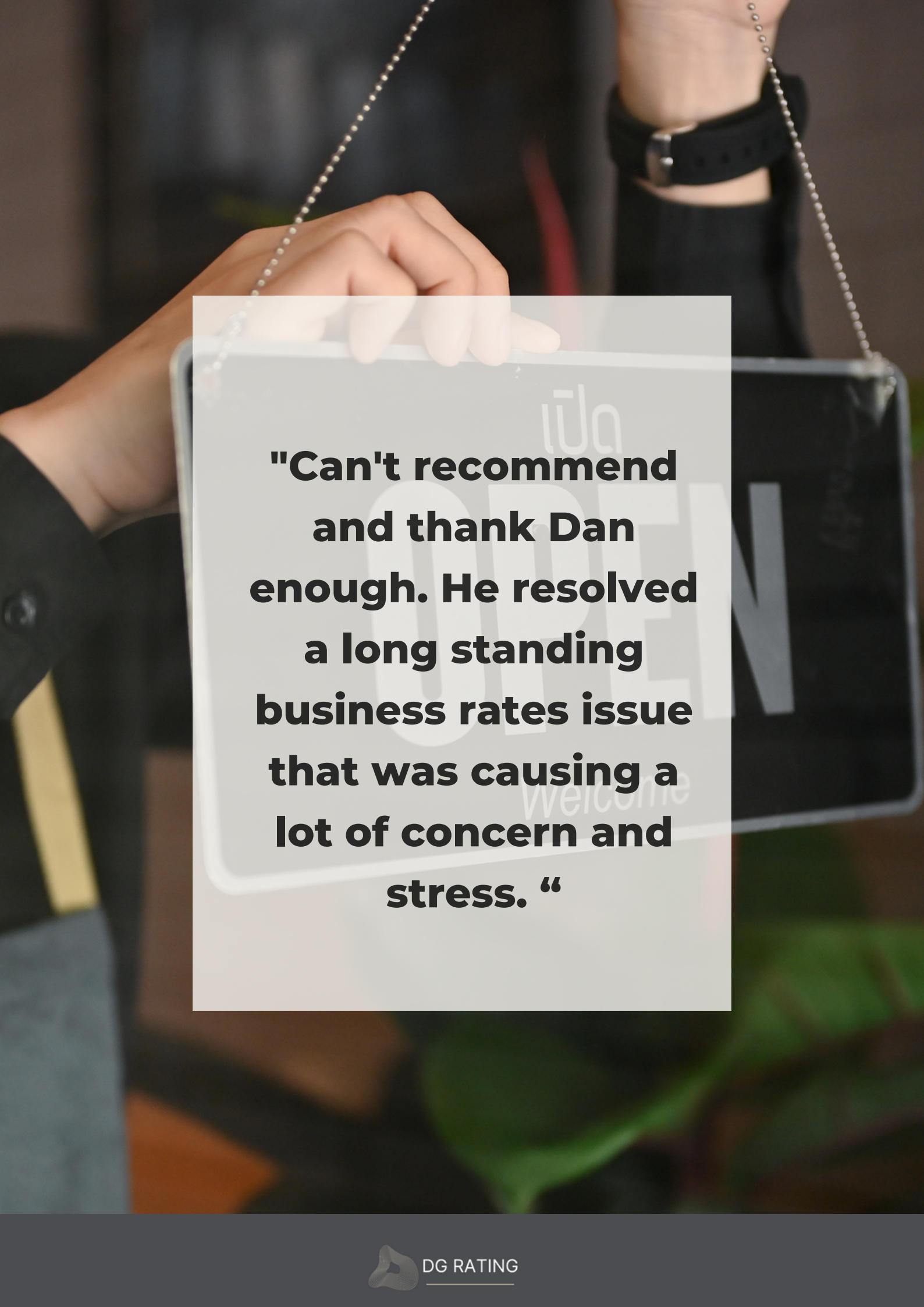
If you suspect that your Rateable Value is inaccurate, there are steps you can take to address the situation:

1. **Review the Assessment:** Obtain a copy of your property's Rateable Value assessment and review it carefully. Check if any changes, improvements, or inaccuracies have been overlooked.
2. **Appeal Process:** If you believe the Rateable Value is incorrect, you have the right to appeal. The process varies across the UK regions, so check with the relevant agency or local council for guidance on how to initiate an appeal.
3. **Professional Advice:** Seeking advice from a chartered surveyor or property expert can be invaluable. They can assess the property, consider market conditions, and guide you on the best course of action.

Conclusion:

Understanding the relationship between rent and Rateable Value is crucial for commercial property tenants. While it's not uncommon for rent to exceed the assessed value, it's essential to review the Rateable Value periodically and take action if discrepancies arise. Whether through the appeal process or with professional guidance, tenants can ensure that their business rates accurately reflect the current market conditions and the true value of their commercial property.



A person is holding a white sign with a testimonial quote. The person is wearing a black top and a black wristband. The background is blurred, showing some greenery and a sign with the word 'WELCOME' partially visible.

**"Can't recommend
and thank Dan
enough. He resolved
a long standing
business rates issue
that was causing a
lot of concern and
stress. "**

