

Reval2020

Revaluing properties for business rates



INFORMATION FOR LOCAL COUNCILLORS

What is this about?

Land & Property Services (LPS) is revaluing properties in Northern Ireland for business rates. The last revaluation was held in 2015 based on 2013 rental levels which will result in a five year gap to 2020.

Why is LPS carrying out this revaluation?

LPS is carrying out this revaluation now to ensure that business rates stay up to date and reflect local economic changes by distributing rate liability fairly across all sectors in line with changes in rental values.

How will this affect ratepayers?

LPS is urging business ratepayers to provide their rental information now in 2018. The data collected will be analysed and used to produce new rateable values. These values will then be used to calculate rate bills from April 2020.

LPS will write to ratepayers and ask them to complete a Rent and Lease Questionnaire (RALQ). Ratepayers should provide LPS with the information requested now.

You may receive requests for advice on the revaluation from your constituents. Please advise them that they should provide LPS with the information requested.

Why should ratepayers complete the questionnaire?

Legislation requires that business ratepayers must provide the information; fines for non-compliance can be imposed. It is also in their interest to do so; helping to ensure that they pay the correct amount of business rates from April 2020.

When will this happen?

The questionnaire will be available from the end of April. The data collected will be analysed and reviewed to produce new rateable values. LPS will publish the new values in draft format online in late autumn 2019, with rate bills based on the new values issued from 1st April 2020.

Will rate bills change?

At this stage it is impossible to say what the impact on individual ratepayers will be. As a result of revaluation some rate bills will go down but some will go up. Many will stay almost the same. This is an exercise in readjustment. The District Rate and the Regional Rate decides the actual level of rates paid.

How does LPS value property for rates?

There are 3 industry standard methods to assess a rental value.

COMPARATIVE METHOD

LPS analyses all actual rents collected, this method is used for the majority of properties such as shops, offices, warehouses and factories.

RECEIPTS AND EXPENDITURE METHOD

LPS analyses trading information such as turnover or throughput. This method is used to assess the rental value of a property where there is limited or no rental evidence available and the property's rental value is related to its level of trade. A pub would be an example.

CONTRACTOR'S METHOD

LPS analyses building costs and land values, this method is used to assess the rental value of a property where there is no rental or trading information available. A school or hospital would be an example.

For your information

Most ratepayers will use the online service to submit their rent and lease information, some ratepayers will receive forms to complete. Ratepayers who have no access to a computer can get help to fill in the questionnaire by calling **0300 200 7801**. All the information gathered from the questionnaire is subject to the Data Protection Act and General Data Protection Regulations legislation.

Are there plans to carry out a domestic revaluation?

There are no plans for a revaluation of domestic properties.

Where can I find out more information?

You can find out more on our website
www.finance-ni.gov.uk/reval-2020-ni