

## **Empty Properties - End of Relief?**

The 1st April 2008 saw The Rating (Empty Properties) Act 2007 come into force. Landlords of empty commercial properties will be liable for payment of full business rates after 3 months of any industrial unit being empty and after 6 months of any warehousing being empty.

Although temporary relief was granted in December's Budget statement in the form of a 12 month moratorium from 1st April 2009 for premises with a low Rateable Value of £15,000 per annum or less, this relief came to an end in March 2010. This could be a death blow for many commercial landlords who have struggled to find tenants for their properties in the current recession.

In order for full business rates not to apply, a property must be occupied for at least 6 weeks within any one quarterly billing period. This may therefore make short-term lets, such as Christmas Season lets, far more attractive to the struggling landlord.

At presently, the Government will also allow changes to be made to commercial properties that would make them unmarketable and thus avoid full business rates. This obviously comes with the caveat that the Government can and does easily change its mind.

One point to note is that Charities, Community Amateur Sports Clubs, Listed Buildings and buildings of companies in liquidation, receivership or administration will be exempt.

The Rating (Empty Properties) Act 2007 could possibly be the most ill-timed legislation the present Government has enacted so far. It is always possible that the current relief will be extended after 1st April 2010 but Commercial Landlords be warned, a low rent tenant may be better than no tenant at all.

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