

NI Reval2023



Rebalancing business rates



CAUSEWAY COAST & GLENS BOROUGH COUNCIL BRIEFING PAPER

January 2023

What is the non-domestic rates revaluation?

A rates revaluation is the full reassessment of the individual net annual values (NAVs) of 75,000 non-domestic properties in Northern Ireland. It results in a new non-domestic Valuation List which comes into force on 1 April 2023 when rate bills are issued based on the new values.

Why is there a revaluation now?

LPS has conducted this revaluation to ensure that business rates stay up-to-date and reflect local economic changes. It will distribute the rate liability fairly across all sectors, and in line with changes to rental values.

Social, economic, and environmental circumstances change over time and do not affect all property sectors or geographical areas in the same way. If we use rateable values based on outdated levels of rents, this undermines the fairness and equality of the system.

The last non-domestic revaluation was in 2020. Current rate bills are based on rental levels at 1 April 2018, after revaluation they will be based on rental levels at 1 October 2021.

Following the revaluation, the proportion of the rate burden that each business ratepayer pays will be shared out relative to more up to date rental values.

The amount of money to be raised through rates will not change as a direct result of Reval2023. The purpose of a revaluation is to maintain fairness in the rating system not to raise more revenue.

Who asked for this revaluation?

The revaluation is in response to calls by business ratepayers here for more frequent revaluations.

Finance Ministers have supported more frequent business revaluations, recognising the importance of ensuring that the rating system remains closely aligned to market values for business ratepayers.

This revaluation has been delivered only three years since the last Valuation List was published. This is the shortest time between revaluations ever delivered in any UK jurisdiction.

Who assessed these new rateable values?

Land & Property Services (LPS) assessed the new NAVs. LPS is part of the Department of Finance and is responsible for all rating, valuation, mapping, and land registration services in Northern Ireland.

LPS maintains the largest property database in Northern Ireland, including information on rents, lease details, use of property, floor space and information such as quality and repair.

What is the basis of the rateable values?

The rateable value is an estimate of the net annual rental value (NAV) of a property, as at 1 October 2021. The statutory basis is established by The Rates (NI) Order 1977. This applies to all properties whether they are rented, owner-occupied or vacant.

What data was collected by LPS for the revaluation?

During 2021 LPS issued a Rent & Lease Questionnaire (RALQ) to occupiers of non-domestic properties in Northern Ireland. The RALQ is a request for rental and lease information. LPS also asked for information relating to turnover or throughput for specific property types, such as hotels, pubs, quarries, and petrol filling stations.

All RALQ information is used by LPS to establish the new NAVs. LPS received just over 25,000 returns from ratepayers.

Why would a rateable value or NAV go up or down?

Economic, social, and environmental circumstances change over time and do not affect all property sectors or geographical areas in the same way.

The NAV will go up or down if the estimated rental value of the property has changed because of those and other factors affecting the property market between the previous valuation date of 1 April 2018 and the new valuation date of 1 October 2021.

The NAV has been assessed by looking at other similar rented properties in the vicinity and making any appropriate adjustments. At each revaluation LPS values property using actual rental evidence gathered from occupiers and landlords.

A ratepayer's own rent may be different from their rateable value; that is because LPS look at all rents for each type of property in all locations, not just the individual rent paid on that property which may be affected by the circumstances of the landlord, tenant, or lease.

What will the impact be on rate bills?

There may be some fluctuation, but NI Reval2023 will rebalance business rates so that they remain fair and equitable.

The revenue to be raised is the total amount of money needed from rates to pay for public services such as health, education, and infrastructure as well as leisure facilities, tourism, and waste management.

What may change is the proportion of the burden each ratepayer contributes. In general terms the impact on business ratepayers will depend on the relative changes in local rental values from the last non-domestic revaluation (that is from the valuation date of 1 April 2018).

64% of properties across Northern Ireland will see no change or their rateable value decreasing under Reval2023. This percentage will vary at council level, reflecting the mix of property types within the council boundary, and the rental evidence collected during the revaluation process. In Causeway Coast & Glens, 67% of properties will see no change, or their rateable value will decrease.

When ratepayers are paying rate bills which reflect current property values the system is rebalanced.

The release of the draft schedule of values **will not enable business ratepayers to calculate their rate bill at this point**; because, while the NAV is a key factor in the calculation of non-domestic rates, it is not the only factor.

It is only when the District Councils set the District Rate Poundage and the Regional Rate Poundage is set that rate bills can be calculated.

In the absence of a functioning Executive, the Secretary of State will set the Regional Rate for 2023/2024.

What is the overall change in NAV across Northern Ireland?

The total NAV has decreased by £10.2 million from £1,693 million to £1,682 million or -0.6%.

What is the draft schedule of values?

The draft schedule lists all non-domestic property in Northern Ireland, including addresses, property IDs, property classifications, current NAV, new draft Reval2023 NAV and the change in value as a result of the revaluation.

LPS released the draft schedule of Reval2023 NAVs on 11 January 2023; this can be accessed online only, from the dedicated Reval2023 website:

<https://valuationservices.finance-ni.gov.uk/DraftSchedule/Search>

When do the draft values come into effect?

The schedule will remain as a draft and subject to change until finally published as the new Valuation List in March 2023, which becomes effective on 1 April 2023. Rate bills issued in April 2023 will be based on the new Valuation List.

The 2020 Valuation List remains valid until 31 March 2023 and will continue to be maintained by LPS until that date. Valid challenges on current List NAVs which have not been resolved by April 2023 will continue to be processed.

The 2020 Valuation List can be viewed at:

www.finance-ni.gov.uk/topics/property-valuation/valuation-lists

Why release the values now if these other factors affecting next year's rate bill are not known yet?

It allows ratepayers to see their new values as early as possible and to allow them to query the figure, if necessary, particularly if any ratepayer considers it is not a reasonable assessment of what someone would pay in annual rent in October 2021, or it is out of line with similar properties in the vicinity.

How are rate bills calculated?

To calculate the rate bill a simple equation is used:

NAV x Total Rate Poundage (District Rate Poundage + Regional Rate Poundage) = Rate Bill, less any allowances (e.g., Small Business Rate Relief, Industrial Derating, Exemption, Sport & Recreation Relief).



The rate poundages for 2023-24

Now that the new overall draft NAVs are known, the local councils and central government are in the process of deciding the rate poundages, i.e., the multiplier used to calculate the required amount of money to fund public services in Northern Ireland. Once these are known the draft schedule will be updated to give ratepayers an early indication of what their rate bills could be in April 2023.

Will revaluation affect the rate relief currently available?

Revaluation does not impact on the structure of any of the existing reliefs for business ratepayers - this includes Industrial Derating, Exemption from Rates, and Sport and Recreation relief. Domestic ratepayers are unaffected.

Property occupied by registered charities which are 100% exempt from rates will also be revalued, but they will receive a “Zero Balance” bill.

The Small Business Rate Relief (SBRR) scheme is a Northern Ireland government initiative, which is aimed at supporting the growth and sustainability of small businesses in Northern Ireland, by providing some small business owners with rate relief. Qualifying businesses will receive the rate relief on their annual bill during the life of the support scheme. SBRR thresholds are based on NAV, so it is possible some ratepayers may see changes to the level of relief they receive.

The SBRR scheme came into effect in April 2010 initially for a term of five years but has since been extended annually on review.

See <https://www.nibusinessinfo.co.uk/content/small-business-rate-relief> for updates on the scheme.

Can ratepayers challenge their draft rateable value?

Business ratepayers, if they have any concerns, can request an Informal Review of their draft NAV between 11 January and the end of March 2023. However, they cannot formally challenge the valuation to the District Valuer until 1 April 2023 when it becomes the statutory Valuation List.

Help available for business rates

There are a number of reliefs available to business ratepayers. These schemes include:

- Small Business Rate Relief
- Small Business Rate Relief for small Post Offices
- Charitable Exemption
- Sport and Recreation Rate Relief
- Residential Homes Rate Relief
- Industrial Derating
- Non-Domestic Vacant Rating
- Hardship Relief
- Back in Business

Ratepayers can find out more about these reliefs and allowances, eligibility and how to apply, at -

<http://www.nibusinessinfo.co.uk/content/help-available-business-rates>

NON-DOMESTIC REVALUATION – Facts and Figures

The non-domestic Valuation List contains 74,633 non-domestic properties. This includes -

- 18,944 shops / retail premises.
- 16,169 office premises.
- 13,219 warehouse and storage premises.
- 4,029 manufacturing premises.
- 965 licensed public houses.
- 1,798 schools.
- 2,844 churches and church halls.

The non-domestic Valuation List for Causeway Coast & Glen Borough Council area contains 6,090 non-domestic properties. This includes -

- 1,610 shops / retail premises.
- 923 office premises.
- 1225 warehouse and storage premises.
- 302 manufacturing premises.
- 127 licensed public houses.
- 151 schools.
- 297 churches and church halls.

The value of the lists

- The NI total non-domestic value of the current Valuation List is £1,693,016,612 say £1,693 million.
- The NI total non-domestic value of the new draft values is £1,682,800,868 say 1,682 million.
- This is an overall decrease of £10.2 million or -0.6%.
- The Causeway Coast & Glens total non-domestic value of the current Valuation List is £96,891,400 million.
- The Causeway Coast & Glens total non-domestic value of the new draft values is £99,970,075 million.
- This is an overall increase of £3,078,675 or 3.2%.

All figures in this document are correct as at 20th December 2022

Map 1

Northern Ireland NAV change at council level

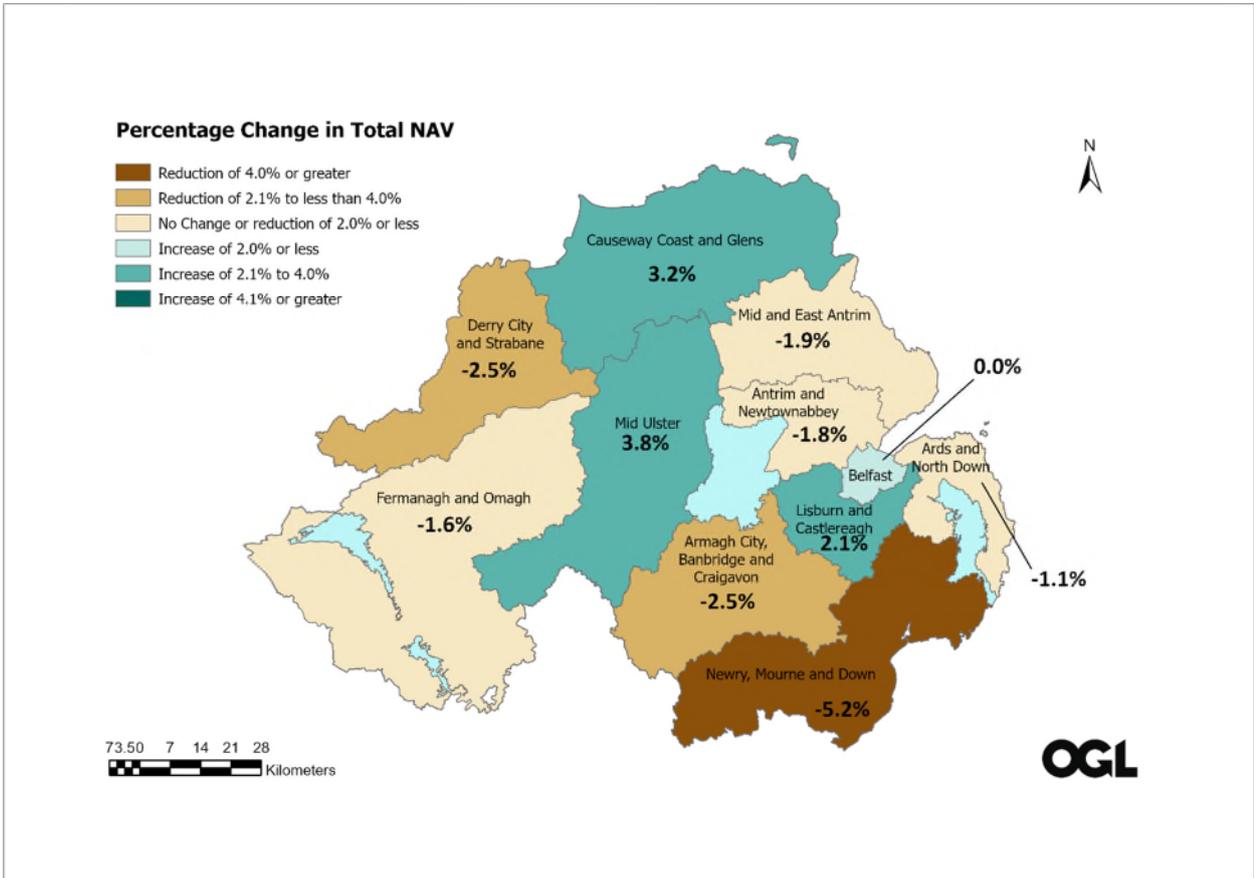


Table 1 - Total NAV of current valuation list and new draft schedule of values

Change in NAV between Valuation Lists				
District	NAV 2020 List	Total NAV 2023 List	Change in Total NAV	% Change NAV
Antrim and Newtownabbey	£131,982,787	£129,603,974	-£2,378,813	-1.8%
Ards and North Down	£101,357,194	£100,279,635	-£1,077,559	-1.1%
Armagh City, Banbridge and Craigavon	£147,180,015	£143,443,542	-£3,736,473	-2.5%
Belfast	£524,832,608	£524,927,591	£94,983	0.0%
Causeway Coast and Glens	£96,891,400	£99,970,075	£3,078,675	3.2%
Derry City and Strabane	£129,027,906	£125,772,352	-£3,255,554	-2.5%
Fermanagh and Omagh	£103,642,323	£102,018,816	-£1,623,507	-1.6%
Lisburn and Castlereagh	£131,190,972	£133,966,370	£2,775,398	2.1%
Mid and East Antrim	£100,242,542	£98,385,598	-£1,856,944	-1.9%
Mid Ulster	£105,732,676	£109,761,859	£4,029,183	3.8%
Newry, Mourne and Down	£120,936,189	£114,671,056	-£6,265,133	-5.2%
Northern Ireland	£1,693,016,612	£1,682,800,868	-£10,215,744	-0.6%

Table 2 - Total NAV of current valuation list and new draft schedule**Main property sectors – Northern Ireland**

Northern Ireland	Current Valuation List Total NAV	New Draft Schedule Total NAV	Growth Factor
Offices	£285m	£313m	1.10
Retail	£390m	£374m	0.96
Warehouse, Stores etc	£165m	£184m	1.12
Industrials	£158m	£175m	1.11

Table 3 - Total NAV of current valuation list and new draft schedule**Main property sectors – Causeway Coast & Glens**

	Current Valuation List Total NAV	New Draft Schedule Total NAV	Growth Factor
Offices	£8.25m	£8.4m	1.02
Retail	£22.1m	£22.3m	1.01
Warehouse, Stores etc	£9.3m	£10.25m	1.11
Industrials	£7.75m	£8.5m	1.10

Table 4 - NAV changes - All non-domestic properties Causeway Coast & Glens area

Causeway Coast & Glens		
	Number of Properties	As a %
NAV Increasing	2,037	33%
No change	3,090	51%
NAV decreasing	963	16%
Total	6,090	

67% of properties in Causeway Coast & Glens will see no change or a decrease in NAV as a result of this revaluation.

Table 5 - A sample of properties over £100k NAV in Causeway Coast & Glens Borough Council area

Property	Current NAV	Draft NAV
University of Ulster Coleraine	£1,913,000	£1,814,900
Glenconway Wind Farm	£531,000	£1,175,000
Ewishgaran Windfarm	£299,000	£882,000
Riverside Regional Centre Coleraine	£639,500	£639,500
Hilltop Holiday Park, Portrush	£316,000	£384,500