

Caravan Storage - Business Rates



Business Rates – Caravan Storage



A property tax

Based on the annual rental value of the property at a fixed date

For the just closed 2017 Rating List – 01/04/15

For the new 2023 Rating List – 01/04/21 (Scotland 01/04/22)

Worth noting that Business Rates are a dissolved power and each Country can run their own system

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Valuation

- The Valuation Office will collate rental transactions for industrial land sites
- They will then build up a matrix of values depending on the following factors
 - Location – Clearly sites on industrial estates will be worth more than sites adjacent to farms
 - Size – Usually larger sites will be valued at a lower rate than smaller sites
 - Surface – The Valuation Office will adopt different figures depending on the quality of the surface. They adopt three bandings
 - Hard Surfaced – Concrete or tarmac
 - Rough Surfaced – gravel or chippings
 - Bare land – Common in Caravan Storage

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Valuation

The main difference between caravan storage and other ‘industrial’ sites is the position on planning.

As you are all aware caravan storage sites usually have a very restricted planning consent often limiting the use to just caravan storage.

This can be picked up by the Valuation Office but can also be missed.

Your sites should be at the lowest level of value on the Valuation Officers scheme for land assessments. The Valuation Office often adopts the full value with an end allowance

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Valuation

Whilst the Valuation Office will have a good deal of rental evidence on general industrial land they will have limited transactions on caravan storage sites

This means the end allowance adopted can be arbitrary. In any appeal we have to prove their figures are wrong. They do not have to prove they are correct.

In order to deal with this we have started to look at a basis of value on a percentage of gross receipts (net of VAT)

I have recently agreed the assessment on a site in Somerset 25% of gross receipts.

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Reliefs

Many of your sites will benefit from small business rate relief, 100% relief is granted on assessments below the rateable values as detailed.

- a) England - £12,000
- b) Wales - £6,000
- c) Scotland - £15,000

In order to qualify this must be the only commercial property you occupy. There are limited provision for two properties

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The Duty to Notify

The Non Domestic Rating Act 2023 has just received Royal Assent. Which among other provisions will introduce what has been called ‘The Duty to Notify’.

At the moment there is no statutory duty to inform the Valuation Office or the Local Authority that you have improved or extended your property.

If asked you must respond truthfully but if not asked you can just keep quiet.

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Duty to Notify

The new system will require

- A) That the Valuation Office is notified within 60 days of any changes to the rent paid or occupation of the premises.

- B) That the Valuation Office is notified within 60 days of any physical changes to the property.

- C) That an annual return is submitted confirming the rental position

- D) That an annual return is submitted confirming that the factual information held by the Valuation Office is correct

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Duty to Notify

- When will this come into effect.
- At the moment unknown but certainly before the 2026 Revaluation
- So I would expect 2024/5
- Will they change the current provisions for back dated increases.
- At the moment not known but they will not need primary legislation for this.
- Failure to comply will result in penalty notices being issued.