**PRESS RELEASE – IMMEDIATE -**

**LANDMARK DECISION OF SUPREME COURT ON BUSINESS RATES**

Newbigin (Valuation Officer) (Respondent) v S J & J Monk (a firm) (Appellant) and Interveners comprising - the Rating Surveyors’ Association and the British Property Federation) [**2017] UKSC 14**

The Supreme Court has today given its judgment in a property dispute which will dictate future business rates levels for properties undergoing works or refurbishment.

The case relates to a commercial office building undergoing a scheme of works that had been stripped to shell. The question was whether it should be valued for the purposes of non-domestic rating (business rates) and the works went beyond “repairs” and if it were still a useable office?

In the Valuation Tribunal and the Court of Appeal the judgement was for the Valuation Officer but many expressed concern as to the practical application of the decision and the matter was appealed by the owner of the building, a firm S&J Monk. A key aspect of the case was the intervention of the BPF and the Rating Surveyors’ Association that considered that the Court of Appeal decision was likely to produce manifest unfairness and needed further clarification by the highest court in the land.

In today’s unanimous judgment the Supreme Court reversed the Court of Appeal decision and agreed with the judgment of the Upper Tribunal (Lands Chamber) that the property should be reduced in value to Rateable Value £1 and be described as a “building undergoing refurbishment”.

The effect of the judgment is that ratepayers will not need to pay business rates where the rating list is amended in circumstances where the property is subject to significant building works. The benefit will be ensuring that rates will not have to be paid whilst the property is subject to redevelopment – such an approach was stifling development, causing uncertainty, and was considered by many to be unfair, limiting the appetite to invest and redevelop a property, which is in nobody’s interest.

Addressing the question of whether this may create a danger of ratepayers abusing the system the Court of Appeal decision was described in the judgment of the Supreme Court as “novel”, and that prior practice and the guidance previously applied by the Valuation Office Agency in its own rating manual should be followed despite the Agency’s change of approach following the earlier decisions.

Handing down its ruling today, the Supreme Court confirmed that it was entirely appropriate, where the premises were undergoing reconstruction on the material day, that the Upper Tribunal was entitled to alter the rating list as it did to reflect that reality – the assessment was reduced to Rateable Value £1 and described as a building undergoing refurbishment works.

Commenting on the decision the convenor for the Rating Surveyors’ Association – Andrew Hetherton a Past President of the Association said:

*“There was considerable concern from many professionals at the approach argued by the Valuation Office Agency and determined by the Court of Appeal. We are extremely pleased that the judgment of the Supreme Court confirmed the helpful intervention of both the BPF and the RSA and that common sense has prevailed. We were very concerned at the approach adopted by the Valuation Office Agency as we are also with the changes for the forthcoming 2017 Revaluation under Check Challenge and Appeal”.*

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Further information:

The Rating Surveyors’ Association is a professional organisation for Chartered Surveyors and experienced Rating Surveyors dealing with the assessment and review of properties for non-domestic rates.

The Association was founded in 1909 and currently has over 475 members and works closely with both the Royal Institution of Chartered Surveyors and the Institute of Revenues Rating and Valuation on matters relating to non-domestic rating.

The Association comprises both those working in the public sector (the Valuation Office Agency and local authorities) and private sector practitioners, dealing with the assessment and review of non-domestic rating assessments.  It supports its members in their continuing professional development, organises training and networking events as well as mentoring and supporting those interested in becoming qualified surveyors.

For further details please contact

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