

# **Changes to the rates liability of empty and partly occupied properties from 1 April 2008**

## **Exempt Properties**

### **Properties liable for unoccupied property rates from 1 April 2008**

The class of non-domestic hereditaments prescribed for the purposes of Section 45(1)(d) of “the Act” consist of all “relevant non-domestic hereditaments” other than those described in regulation 4 - (see below for definitions of “relevant non-domestic hereditament” and “the Act”).

### **Regulation 4**

The “relevant non-domestic hereditaments” described in this regulation are any hereditament;

- (a) which, subject to regulation 5 has been unoccupied for a continuous period not exceeding three months – (see below for definition of regulation 5 )
- (b) which is a “qualifying Industrial hereditament” that, subject to regulation 5, has been unoccupied for a continuous period not exceeding six months – (see below for definition of “qualifying industrial hereditament);
- (c) whose owner is prohibited by law from occupying it or allowing it to be occupied;
- (d) which is kept vacant by reason of action taken by or on behalf of the Crown or any local or public authority with a view to prohibiting the occupation of the hereditament or to acquiring it;
- (e) which is the subject of a building preservation notice within the meaning of the Planning (Listed Buildings and Conservation Areas) Act 1990(a) or is included in a list compiled under section 1 of that Act;
- (f) which is included in the Schedule of monuments compiled under section 1 of the Ancient Monuments and Archaeological Areas Act 1979(b);
- (g) whose rateable value is less than £2,200;
- (h) whose owner is entitled to possession only in his capacity as the personal representative of a deceased person;
- (i) where, in respect of the owner’s estate, there subsists a bankruptcy order within the meaning of section 381 (2) of the Insolvency Act 1986(c);
- (j) whose owner is entitled to possession of the hereditament in his capacity as trustee under a deed of arrangement to which the Deeds of Arrangements Act 1914 (d) applies;
- (k) whose owner is a company which is subject to a winding-up order made under the Insolvency Act 1986 or which is being wound up voluntarily under that Act;
- (l) whose owner is a company in administration within the meaning of paragraph 1 of Section B1 to the Insolvency Act 1986 or is subject to an administration

order made under the former administration provisions within the meaning of article 3 of the Enterprise Act 2002 (Commencement No 4 and Transitional Provisions and Savings) Order 2003 (e);  
(m) whose owner is entitled to possession of the hereditament in his capacity as liquidator by virtue of an order made under section 112 or section 145 of the Insolvency Act 1986.

## **Regulation 5**

### **Continuous Occupation**

A hereditament which has been unoccupied and becomes occupied on any day shall be treated as having been unoccupied for the purposes of regulation 4(a) and (b) if it becomes unoccupied again on the expiration of a period of less than six weeks beginning with that day.

### **“Qualifying Industrial Hereditament”**

A qualifying industrial hereditament means any hereditament other than a “retail hereditament” in relation to which all buildings comprised in the hereditament are – (see below for definition of “retail hereditament”);

- (a) constructed or adapted for use in the course of a trade or business; and
- (b) constructed or adapted for use for one or more of the following purposes, or one or more such purposes ancillary thereto;
  - (i) the manufacture, repair or adaptation of goods or materials, or the subjecting of goods or materials to any process;
  - (ii) storage (including the storage or handling of goods in the course of their distribution);
  - (iii) the working or processing of minerals; and
  - (iv) the generation of electricity

“relevant non-domestic hereditament” means any non-domestic hereditament consisting of, or part of, any building, together with any land ordinarily used or intended for use for the purposes of the building or part;

“retail hereditament” means any hereditament where any building or part of a building comprised in the hereditament is constructed or adapted for the purpose of the retail provision of;

- (a) goods, or
- (b) services, other than storage for distribution services, where the services are to be provided on or from the hereditament; and

“the Act” means the Local Government Finance Act 1988