

# How your property is valued for rating

## What are rates?

Rates are a tax. They are a tax on the occupation of land and buildings.

The amount of rates you pay is determined by the rateable value for your property and the Multiplier set each year by the Government.

$$\text{Rateable Value} \times \text{Multiplier} = \text{Rates payable}$$

For 2002-03 the Multiplier was 43.7 p in the £.  
For 2003-04 it is 44.4p in the £.

The rates payable may also be affected by any transitional relief applicable to your property. Rates payments are made to your local council and they will be able to explain the calculation and any transitional relief entitlements.

## What is rateable value?

The rateable value of each property represents its annual rental value assessed at 1 April 1998 levels of value. Every five years this is reviewed. The most recent review was in April 2000. The next review is being prepared for April 2005.

The value is on the basis that if the property was rented the tenant would be paying for the repairs, insurance and the rates.

If you are considering whether your rateable value is correct you need to ask yourself whether it could reasonably have let for that amount of rent in April 1998.

## Who decides the rateable value?

Rateable values are assessed by the local Valuation Officer who is a Chartered Surveyor appointed to act as an independent statutory officer to set the rateable values. The Valuation Officer is separate from and not employed by the local council who collect the rates.

If you consider your rateable value is wrong you can appeal to the Valuation Officer. If agreement cannot be reached then the rateable value will be decided by the independent local Valuation Tribunal.

## How does the Valuation Officer make valuations for rating?

To assess the rateable value the Valuation Officer has to decide what is the rental value of your property.

The usual way valuers decide on the rental value of a property is by seeing what other similar properties have let for in the open market near to the valuation date.

The Valuation Officer sends out questionnaires to the occupiers of rented properties to find out what rents are paid. These rents are analysed and adjusted usually to show a rental value per square metre. The Valuation Officer then values other similar properties at the level of values shown by the rents.

**For example** two offices let in a street in April and May 1998. One let for £10,000 pa and the other for £20,000 pa. The first had an area of 100 square metres and the second an area of 200 square metres. These would analyse as follows:

$$\text{Office 1} \quad \frac{10,000}{100 \text{ sq M}} = \quad \text{£100/sq M}$$

$$\text{Office 2} \quad \frac{20,000}{200 \text{ sq M}} = \quad \text{£100/sq M}$$

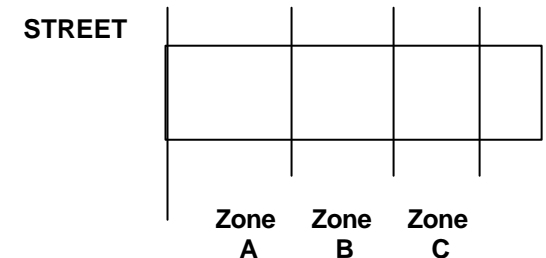
The analysis shows that £100/sq M is the normal letting value. Offices 1 and 2 can be valued at £10,000 and £20,000 rateable value.

Office 3 is not let and has an area of 150 sq M. Knowing the rental value in the street is £100/sq M the Valuation Officer can value this as follows:

$$\text{Office 3} \quad 150 \text{ sq M @ } \text{£100/sq M} = \text{£15,000 RV}$$

## How are Shops valued?

Shops are valued in a slightly different way from offices and factories because the front of the sales area is more valuable than the back of the shop. The sales area of a shop is divided into "Zones" called Zone A, Zone B, Zone C etc. The value per M2 of Zone B is taken at half that of Zone A and the value of Zone C is taken at half the value of Zone B etc. Rents are analysed the same way.



## How are Holiday Cottages valued?

Separate leaflets explain the valuation of holiday cottages and bed and breakfast businesses.

## How are Public Houses valued?

The size of a pub is not as important as its potential to trade. A small pub that is always full of customers will be more profitable than a large pub with few customers. Unlike shops or offices, pubs are not valued per M2 but by looking at the likely turnover from drink sales, food sales, letting bedrooms and fruit machines. Rents of pubs are analysed in the same way.

## Appeals

If you believe your rateable value is incorrect you can propose a change by making a formal proposal to the Valuation Officer. Proposal forms with guidance notes are available from the Valuation Officer.

You may make an appeal yourself or you can employ an agent or property specialist to represent you or make your appeal. Should you wish to employ an adviser then please be aware that there are some firms operating as "rating consultants" who are inexperienced, may have hidden fees and offer a poor service.

The professional bodies for valuers employed in rating are the Royal Institution of Chartered Surveyors (RICS) and the Institute of Revenues, Rating and Valuation (IRRV) and they will be pleased to provide you with the addresses of reputable firms practising in your area. The RICS offer a helpline on 0870 333 1600. The Valuation Officer is not permitted to offer advice on the suitability of any adviser

## Further Information

Please contact your local Valuation Office.

## Your local Valuation Officer is Patrick Bond who has offices at:

### Norwich Valuation Office

Rosebery Court, Central Avenue  
St Andrews Business Park  
Norwich, NR7 0HS  
Tel: 01603 241000  
Fax: 01603 241099

### Ipswich Valuation Office

St Clare House, Greyfriars  
Ipswich, IP1 1LR  
Tel: 01473 587800  
Fax: 01473 587899

### Colchester Valuation Office

34 Southway,  
Colchester, CO2 7BB  
Tel: 01206 287100  
Fax: 01206 287199

### Chelmsford Valuation Office

London House, New London Road  
Chelmsford, Essex, CM2 0QL  
Tel: 01245 541200  
Fax: 01245 541299

### Other leaflets available:

How to appeal against your rating assessment  
Council Tax and the new owner  
How holiday cottages are valued  
Rating of Bed & Breakfast and guest houses  
Choosing a rating adviser  
A guide to disabled facilities at local VO offices

[eastangliagroup.vo@voa.gsi.gov.uk](mailto:eastangliagroup.vo@voa.gsi.gov.uk)

[www.voa.gov.uk](http://www.voa.gov.uk)

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