

EMPTY PROPERTY RELIEF ELIGIBILITY AND RATES OF RELIEF

Unoccupied industrial property is eligible for 100% relief for the first six months since becoming unoccupied, and 10% thereafter.

Other (non-industrial) unoccupied property is eligible for 50% relief for the first three months since becoming unoccupied and 10% thereafter.

100% relief is provided indefinitely for unoccupied properties which meet any of the following:

- listed building.
- rateable value is under £1,700.
- owned by a trustee for sequestration, liquidation, or executors.
- cannot be occupied by law.
- under a compulsory purchase order.
- the property has no buildings.
- the owner is in administration (or subject to an administration order).
- the owner is a company or partnership being wound up under Insolvency Acts

From 1 April 2022, in the interests of tackling tax avoidance, before awarding empty property relief, local authorities are required to consider any properties let under a lease agreement, which have become unoccupied on or after 1 April 2022 and within 6 months from the date the property first became occupied under the lease agreement. Where this and one of three additional criteria are met, 100% indefinite rates relief for winding up or sequestration is not applicable although rates relief at the other levels for unoccupied premises will apply. The three additional criteria are:

- the rent charged for the lands and heritages is significantly below the level of the rent which could reasonably have been obtained at the time the lease was entered into, in all the circumstances;
- payment of the rent is optional in terms of the relevant lease;
- the purpose of the arrangement is identified in the lease as being for the purpose of mitigating rates liability.