

# Property Bulletin

Spring 2008

In this issue we look at two issues relevant to commercial properties. The first is a change to an existing regime, and the second is, in effect, a new regime.

## Business Rating on Commercial and Industrial Premises

Until 1st April, vacant industrial and warehouse buildings had complete exemption from business rates on unoccupied premises, until the premises came back into use. Offices and retail premises that were unoccupied could qualify for a three month exemption, after which they could claim a minimum of 50% relief.

The new regulations allow for full relief for vacant industrial and warehouse premises for the first three months. After that period has expired, the full business rates will be payable. There continue to be certain exemptions, for example, if a property is considered to be incapable of occupation. These changes may well prompt owners of vacant commercial premises to look closer at the exemptions available, and also to give serious consideration to appealing the rateable value for premises in an effort to reduce the expense.

## Energy Performance Certificates ("EPC's")

These certificates have been required in connection with residential properties that are to be marketed for sale. From the 6th April, commercial premises which are to be sold or let, or newly constructed commercial premises, will require an EPC. The requirement is being phased in between 6th April and 1st October 2008. The phasing is by reference to the area of the premises in question. However, by

6th October, all commercial premises will require an EPC before being marketed. When selling or letting premises that require an EPC, that EPC must be given free of charge to any prospective buyer, or tenant, at the earliest possible opportunity. This would include the point at which written information is given to prospective owners/tenants, or the premises are being viewed, and certainly before any binding contract is entered into.

Please note that in certain circumstances EPCs are required not only for newly built properties, but for older properties that have been the subject of modification. EPCs can only be produced by a qualified energy assessors, who have used approved software.

The cost of obtaining an EPC may possibly be recoverable from a tenant under the service charge provisions in the tenant's lease, but this is by no means guaranteed, and the lease would have to be checked carefully.

As ever with new regulations, the provisions are complex.

For further information on these subjects or on any matter relating to residential or commercial property, please contact us by telephone or email.

### BULLETINS BY EMAIL

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