





BACKGROUND

Business rates are a substantial burden on a business, restricting investment and impacting on profitability. When a commercial property is vacated, there is a period of exemption from paying business rates. This is usually three months, although this can vary depending on property type, size and location. After this period, the ratepayer can become liable to pay these rates again, even if the property remains unoccupied.

Some commercial property owners, especially those with properties in the industrial sector, have seen their rates bill increase significantly; some may have had no option but to consider demolition.

BUSINESS CASE

Holding vacant property is a drain on resources. Not only is there a lack of income, the costs associated with empty commercial property such as increased insurance premiums and security along with ever rising business rates increase the problem for commercial property owners.

KEY FACTS - BUSINESS CHAIN

Commercial Property falls vacant 3 month Empty Property Rate (EPR) relief is granted

(6 months for industrial or warehouse properties)

After 3
(or 6 months),
EPR is charged
at 100% of
occupied rate

If property can be occupied for 43 days or more, a further 3 or 6 months of rate relief can start

At the end of 3 or 6 month period, process can be repeated



HOW VPS CAN HELP

Working in partnership with our national partner, Vacant Space Management (VSM) Ltd, VPS takes complete ownership of the process. We provide ethical and cost effective solutions for commercial landlords to mitigate holding costs and create income in empty buildings.

If the correct measures are put in place as soon as a building becomes empty then these savings can be achieved.

VPS CAN HELP:

- Reduce bottom line property costs and maximise the savings on rates bills
- Reduce the amount commercial property owners pay in rates
- Minimise exposure to liability

DID YOU KNOW?

Empty Property Rates The charging of full business
rates on vacant commercial
properties has been
legislated since 2008

THE VPS WAY

Our programmes are recognised as a legitimate way of mitigating empty business rates. They are a commercially attractive and socially responsible way to reduce the amount property owners pay in rates.

A socially acceptable and commercially effective method of securing vacant premises, providing up to 90% cost saving of using traditional security methods.

Effective where minimum use and intrusion of a commercial property is required. Short-term storage of low value goods of display and sale of imported art works.



Holding a programme of charity exhibitions in empty commercial premises can deliver Empty Property Rate savings in excess of 95% per year.

A registered charity occupying commercial premises is entitled to 80%-100% business rate relief. Plus landlords can benefit from lower insurance and security costs.

CASE STUDIES

VPS, with its national partner, has helped clients make substantial reductions in the cost of void property. Here are some examples of savings on empty business rates:

Wembley (London) two vacant retail stores occupation arranged by two national charities until redevelopment process started.

Saving: £162,000 per annum for two years

Milton Keynes.18,000 sq ft vacant space in office building. "Umbrella" charity installed that shared and managed use of building for charitable use.

Saving: £237,000 per annum for two years

Dartford (Kent). Installation of art exhibition in office units and storage in small industrial units. Charity occupiers were installed in the long term voids. **Saving: £197,500 per annum**







