

An Avison Young White Paper

Autumn 2018



Check Challenge Appeal (CCA) - an update on statistics

And it doesn't make for any better reading.

In our last issue we advised that statistics issued in February 2018 revealed that only 0.68% of properties in England had been contested in the 2017 Rating List. Fresh statistics issued this September for the period between 1st April 2017 up until 30th June 2018 show this figure has only risen to circa 1.9% of the total 1.88 million properties in England.

36,310 2017 Rating List "checks" were submitted of which 4,460 have progressed to "challenge" stage. Even more worrying is that only 15 third stage "appeals" to Valuation Tribunal have been made in the 2017 Rating List. Perhaps the latter is just as well as at 30th June 2018 there were still 109,000 2010 rating list appeals outstanding at Valuation Tribunal. At the same period in the 2010 Rating List there were 266,870 proposals made - nearly 8 times more!

On the plus point of the 36,310 "checks" submitted 28,040 have been resolved – 77%. It has to be

conceded that it is reassuring that such a high proportion can be resolved without recourse to a second stage "challenge" and from that perspective the Government's desire to reduce the number of appeals to Valuation Tribunal is met. However, the majority of those resolved "checks" are not those where there are substantial matters relating to compiled list tone or the impact of material changes of circumstance. It is safe to say that those 4,460 that have progressed to "challenge" are the more contentious. Given that the Valuation Office has 18 months to respond to a "challenge" it may be a few months before the next revaluation in 2021 that the ratepayer sees any resolution to those currently outstanding.

There have been 169,390 properties claimed by ratepayers on the new Valuation Office CCA Portal - a paltry 9% of the total stock. 40% of ratepayers who have registered on the system have not claimed their properties.

(continued)



Check Challenge Appeal (CCA) - an update on statistics

Wales has opted not to engage in CCA and the old appeal regime prevails. Out of 116,960 non-domestic properties there have been 6,390 appeals made up to 30th June 2018 with 580 resolved out of which 50.3% have resulted in a change to the Rating List.

Contrast this with the situation north of the Border in Scotland. As at 30th June 2018 32% (73,845) of properties had been appealed with circa 22% of those appeals resolved (16,228). 26% of those resolved resulted in a change to Rateable Value. The statistics are very similar to those for the 2010

Valuation Roll.

The issues that have plagued the operation of the CCA process continue with slow progress on making the system fit for purpose. This has undoubtedly held ratepayers back from challenging but with the rating list approaching mid - life it is inevitable that a crisis is unfolding.

Avison Young is the world's fastest-growing commercial real estate services firm. Headquartered in Toronto, Canada, Avison Young is a collaborative, global firm owned and operated by its principals. Founded in 1978, the company comprises 2,600 real estate professionals in 84 offices, providing value-added, client-centric investment sales, leasing, advisory, management, financing and mortgage placement services to owners and occupiers of office, retail, industrial, multi-family and hospitality properties.

© 2018 Avison Young (Canada) Inc. All rights reserved. The information contained herein was obtained from sources which we deem reliable and, while thought to be correct, is not guaranteed by Avison young (Canada) Inc.

