

British Horse Society and Horsescotland

2017 Business Rates Revaluation – Equestrian Centre Guidance Note

What Are Business Rates?

- ◆ Business rates are applied to all non-domestic properties in Scotland – the rateable value of the property is calculated by the Scottish Assessors and the latest revaluation came into effect as of the 1st April 2017.
- ◆ The rateable value is typically based upon the equivalent open market rent that the property might reasonably be expected to achieve.

How Are Rates Bills Calculated?

- ◆ The rateable value is not the final value which non domestic property owners will pay.
- ◆ The amount payable is determined by multiplying the rateable value by the “poundage” rate. The “poundage” rate is currently 46.6% i.e. £0.466 is payable for every pound of rateable value.

What Reliefs Are Available?

- ◆ Small Business Rates relief is applicable to any business with a rateable value under £15,000 and this provides 100% rates relief.
- ◆ A 25% relief is available to any business with a rateable value of £15,000-£18,000.
- ◆ Where more than one business property is owned and the combined rateable value of these is £18,000-£35,000 a 25% relief on each of the business premises with a rateable value under £18,000 will be applicable.
- ◆ Agricultural Buildings are exempt from business rates - Horses and ponies are not classed as livestock so do not qualify under this exemption.
- ◆ Not all local authorities apply reliefs automatically. If you are eligible contact your local authority to check your status.

How Is Equestrian Property Valued?

- ◆ Where local comparable evidence is available stables, ancillary buildings, grass gallops and grazing land are all valued according to the comparative valuation method.
- ◆ Specialist equipment such as all-weather gallops, horse walkers and site improvements and subjects where comparable evidence is not readily available are valued according to the contractors’ valuation method.
- ◆ The contractors’ valuation method is based upon the value equating to the cost to build replacement facilities with an allowance made for depreciation and obsolescence spread over a period of time as rent.
- ◆ Further information is available in “Practice Note 10: Valuation of Riding Schools, Livery Stables, Equestrian Centres, and other Quasi Agricultural Subjects” which is available on the Scottish Assessors Website - www.saa.gov.uk/wp-content/uploads/2017/04/Riding-Schools-etc_R2017_MPC10.pdf
- ◆ All rateable properties are measured on a gross external area basis.
- ◆ For stables, where there is no local comparable evidence a rate of £10-£12/m² is applied to the total area.
- ◆ Ancillary stable buildings (offices, tack rooms, barns) have a similar rate applied to them with an allowance made for the standard and quality of the buildings.

- ◆ Indoor arenas are typically valued between £3-£6/m² and outdoor arenas at £350/ha plus an allowance of £1.50-£3/m² dependent upon quality and location of the facilities.
- ◆ Grazing land for equestrian purposes is recommended to be valued at a rate of £350/ha while in premium locations a rate up to £1,000/ha could be applied.
- ◆ Grass gallops can be rated at a value of £2,000/ha but may be exempt if suitably grazed for agricultural purposes while all-weather gallops are rated at a value of £20-£40/m² dependent upon surface material/quality and depth.

Next Steps

- ⇒ Appeals can be made against the revaluation up until the 30th September 2017.
- ⇒ The valuation can be requested from your Local Assessors' Board and it is important to check details of any valuation, especially the areas and rates used - <https://www.saa.gov.uk>
- ⇒ Appeals can make the rateable value increase as well as decrease. Do your homework and sense check the current valuation before appealing.
- ⇒ For further advice please contact Niall Milner of Davidson & Robertson – NM@drural.co.uk or 01555 66 66 55