What does the 2017 Rating Revaluation mean for Hoteliers?

Don’t sleepwalk into the Revaluation – be clear about your business rates.

With access to the largest network of hotel specialists in the UK, from agency and valuation to investment and development, no other adviser is better placed to manage your business rates liabilities in the 2017 Rating Revaluation, whether you have one single site or a portfolio of hotels spread across the UK.

This is the first time since 1990 that we have had more than a five year gap between revaluation cycles, and during that time we have emerged from recession and seen the property industry boom and bust. Following the release of the 2017 Draft Rating List, we can see a further widening of the gap in Rateable Values between North and South; with hotels in the North increasing on average between 5% and 10% between Rating Lists, compared to 20% in the South and 34% in London.

The hotel market has experienced considerable changes. Since the last revaluation room rates and occupancy levels have fallen and recovered; and during the course of the 2010 Rating List around 1,000 new hotels have opened across the UK, particularly in core centres, boasting an additional 70,000 new rooms. Combined with extensive consolidation over the last few years, all of this activity could have an effect on the business rate liabilities on your properties; however without specialist advice and knowledge it isn’t always easy to identify where these opportunities are or be able to challenge the Valuation Office Agency (VOA) over them.

From our market coverage and working with our colleagues in our specialist hotel division we have noticed that there are significant missed opportunities for MCC (Material Change of Circumstance) appeals for new openings and, with the commencement of the 2017 Rating Revaluation imminent, we are conscious that hoteliers need to be fully advised in respect of these.

With the largest specialist hotels department, encompassing Agency, Valuation, Development & Investment teams as part of the Colliers platform, we are the only dedicated rating team with access to this level of knowledge and expertise enabling us to provide the most detailed review of your liabilities and maximising opportunities for savings.
Our specialist hotels experience

As one of the country’s largest dedicated rating teams, we have been further enhancing our expertise in preparation for the 2017 Rating Revaluation by recruiting specialists from both the market and the VOA. We have the largest number of qualified surveyors that hold RICS Diplomas in Rating and our surveyors sit on a number of IRRV and RSA panels, including that currently discussing the national scheme proposed for hotels for the 2017 Rating Revaluation.

Our dedicated group of hotel experts have specialist understanding of the receipts and expenditure valuation approach and, unlike some advisors which run all hotel advisory services from one central location, our team sit in regional offices, providing a better service to your business whether a large portfolio or a single site.

This local presence means that we have stronger working relationships with the VOA surveyors and Billing Authorities, and our local knowledge of areas enables us to maximise savings, including MCC savings which are of particular relevance to the hotel sector. It also helps us in servicing instructions on single site hotels where market knowledge can make a real difference; our Birmingham and London teams have recently secured £300,000 and £630,000 savings respectively for single premise clients in their cities.

The 2017 Rating Revaluation will see the largest changes in Rateable Value for a generation – businesses may be sleep walking into the effects without planning for the consequences both good and bad.

Our hotels management team

Since 2010 we have saved our clients over £500m. This is down to our dedication in identifying every saving and, after demonstrating a track record of securing reductions on premises that have already been agreed by incumbent advisors, is one of the reasons we are winning new clients. Following a mid-List instruction for a national hotel chain we exceeded our initial savings projection of £1m in the first year, delivering savings of £2.2m within 11 months; this total now stands at nearly £4m and much of the savings relate to opportunities missed or simply not pursued by their incumbents.

For further information or an informal discussion please contact our team on: 0800 358 3230 rating@colliers.com www.colliers.com/businessrates