



NORTHERN IRELAND – June 2021

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Call to protect independent retailers in Reval2023

A repeat of the 2020 business rates revaluation, which saw some independent retailers face hikes of 20-40% while a number of out-of-town superstores paid less, must be avoided says Retail NI following Finance Minister Conor Murphy’s announcement of another revaluation in 2023.

“There is no doubt of the positive contribution, Minister Murphy and his department has made in delivering support grants and a rates holiday to many of our members during this pandemic,” said Glyn Roberts, chief executive, Retail NI.

“However, given their negative experience of the last rates revaluation, many independent retailers and small business owners will no doubt approach the 2023 Reval with trepidation.

“The last Reval in 2020 resulted in many independent retailers seeing increases of between 20-40% in their rate bills and actually reduced rates liability for large out of town supermarkets.

“Tesco Knocknagoney, a huge out-of-town superstore, which has an unfair competitive advantage with its location over town centre traders, with free car parking, no traffic attendants and a public transport link, actually received a reduction of 15%.

“At a meeting with the Minister, we urged him to ensure that these mistakes are not repeated with the 2023 Reval and to begin a wider reform of our dysfunctional, antiquated and broken system of business rates.”

Retail NI has also, meanwhile, criticised last week’s decision by Fermanagh Omagh Council to grant a major out-of-town retail application on the former Unipork site outside Enniskillen.

“This is a shameful decision based upon exaggerated claims of new jobs being created and completely ignored the concerns of local independent retailers and small businesses in Enniskillen Town Centre,” said Roberts.

“We believe this application won’t complement the existing retail offer; it is in fact a competing town centre which will decimate what is a well-established and successful Enniskillen town centre.

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“This scheme is a fragrant breach of the 'town centre first' policy. It beggars belief that such an outdated business model has been approved by the Fermanagh Omagh Planning Committee.

“As we have seen before with countless other out-of-town retail development, it always destroys and displaces existing town centre retail jobs.”

Rates need to be ‘less of a millstone’ for retailers

A retail boss has said he hoped a revaluation exercise for business rates will mean the charge becomes “less of a millstone” for shops.

Offices, pubs, shops and other businesses will have their rates revalued to reflect the impact of the pandemic, Finance Minister Conor Murphy announced.

Mr Murphy said 74,750 non-domestic properties would go through the Reval2023 process.

Rates were last revalued last year.

They are calculated from rental values, with the net annual value (NAV) used together with rates struck by councils and Stormont to calculate how much should be paid.

The Minister said: “The Covid-19 pandemic has had a dramatic impact on the economy resulting in changes between business sectors and this will feed through to changes to the rental values of many properties.

“Although the last revaluation was just over a year ago in 2020, I have asked Land & Property Services to bring forward another revaluation in the shortest possible time.

“Reval2023 will maintain fairness and ensure businesses are paying rates which take account of the impact of the pandemic.”

Hotels in Belfast city centre saw an increase in their values at the last revaluation — but the dire impact of the pandemic on tourism could mean a fall in values.

And shops could also emerge with lower values because of the effect of the pandemic and lockdowns on that sector.

But Retail NI chief executive Glyn Roberts said many would be nervous about the outcome of the process, as some independent retailers had been left with a 40% increase in their bill last year.

He said the process had also left grocery giant Tesco with a 15% smaller bill for its Knocknagoney store in Belfast

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Aodhán Connolly, director of the Northern Ireland Retail Consortium, urged all retailers to engage with the revaluation process when it starts on October 1.

“Retail and high street destinations have changed greatly over the past 18 months given the pandemic and other pressures on the industry. That needs to be reflected in the new valuations so that there is more equity in the system and rates are less of a millstone around the neck of the high street.”

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