

# VACANT CARE HOMES ARE LIABLE FOR BUSINESS RATES IN SCOTLAND

In Scotland, contrary to popular belief, care homes are entered in the Valuation Roll for business rates purposes. Our research shows that the average Rateable Value (RV) of a care home in Scotland is £150,000. Based on the RV, occupiers pay approximately half of this in business rates. Using the Scottish average value as an example, then care homes, on average, could be liable for around £75,000 per year in business rates. Clearly, these sums are not insubstantial.

From experience, this doesn't seem to cause a problem when care homes are occupied as operators are able to claim 100% Disability Relief on behalf of the residents. However, when a home is closed down (either being sold for an alternative use or is in the process of being refurbished) or a new care home has been erected and is awaiting Registration, they are liable for vacant rates payments which is normally 45% of the RV placed on the property.

In many cases, cash strapped Councils are now chasing the operators at the time or, in some cases, retrospectively.

There are number of strategies which can be put in place to minimise this if operators are aware of the potential liability at the outset. The main one is to ensure you appeal your rates assessment within 6 months of taking a legal interest in the property. There are other mitigation schemes which can also be adopted, depending on each individual situation.



## BLAIR COURT, CLYDEBANK

NEGOTIATED BUSINESS RATES  
APPEAL RESULTING IN A SAVING  
OF £250,000 ON BEHALF OF  
ASCENSOS

Our subsidiary company [businessratesadvice.com](https://businessratesadvice.com) is currently providing rates advice to over 400 commercial occupiers throughout the UK including Thistle Healthcare, Quiz Clothing, Ascensos, Enchanted Forrest Nursery Group and the Maxi Group. To date, we have managed to secure significant reductions in these occupiers rates liability.



If you have any queries regarding the potential of business rates on care homes, please feel free to get in touch.

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🖱 [www.businessratesadvice.com](https://www.businessratesadvice.com)

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