Report Rates Working Group (“RWG”) on the revaluation of rateable quarters of property in Jersey

Date 31October 2019

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Appendices

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Executive summary

Recommendation

The three independent members of the RWG agreed the findings in this report but were unable to reach a unanimous recommendation in regards to the revaluation of property in Jersey.

A majority of two members recommended that there should **not** be a revaluation of property in Jersey. The available data indicates that the monetary adjustment of a revaluation for the majority of ratepayers would be small, c. 78% of properties revalued would result in an estimated average increase in Parish rates of between c. £20 p.a. and c. £26 p.a. However research on the experience of other jurisdictions that have carried out revaluations shows that the cost of revaluing could be high (see paragraph 20.0).

1.0 Introduction

1.1 The law governing the assessment of property and the levying of parish and Island-wide rates in Jersey is the Rates (Jersey) Law 2005 ("the Rates Law").

1.2 The Rates Law came into force for the rateable year 2006 following the approval by the States Assembly to introduce the Island-wide rate in August 2005. The Rates Law replaced the Parish Rate (Administration) (Jersey) Law 2003 ("the 2003 Rates Law").

1.3 The 2003 Rates Law, which established the principle of the fixed rateable value ("the FRV") for property, replaced the Parish Rate (Administration) (Jersey) Law 1946 ("the 1946 Rates Law").

1.4 Broadly, under the FRV regime, the rateable values of property were fixed at their assessed rental values as determined in 2003. The rateable values were expressed in "rateable quarters", with £1 of rental value equalling 1 rateable quarter.

1.5 Following the introduction of the FRV the number of rateable quarters assessed for a property was fixed in perpetuity and accordingly only changed if the attributes of the property changed.

1.6 The definition of "attributes" in respect of land means the size, location, accommodation, condition and use of the land and the quality of any house, building or other structure in, on under or over the land.

1.7 Since the introduction of the FRV the relative market rental values of property have changed but this is not reflected in the rateable values of property. Accordingly in the context of non-domestic/commercial property, certain sectors e.g. retail are paying disproportionately higher rates while other sectors e.g. offices are paying disproportionately lower rates based on the current market rents.

1.8 In other words, the rateable values are disproportionate to the current market rents and if a new Rates List were drawn up applying the valuation criteria utilised to produce the 2003 Rates List, the burden of rates would be distributed differently across ratepayers.

1.9 In order to provide a mechanism which could address potential unfairness in property rates the States Assembly adopted a proposition by the Minister for Treasury and Resources in Budget

2017 which enables the States to make Regulations to provide a method by which land in the Island could be periodically revalued.

1.10 Accordingly the RWG was established in 2018 in order to:
1) consider the full range of issues associated with revaluing property for rates purposes; and
2) provide a report to the Minister for Treasury and Resources and the Comité des Connétables with recommendations relating to Regulations for the revaluation of land;
3) seek political direction relating to the introduction of Regulations for the revaluation of land; and
4) subject to 3) above, bring forward the Regulations which provide the mechanism for the revaluation of property for rates purposes.

1.11 The full terms of reference of the RWG is attached **<u>Appendix I.</u>**

1.12 This report relates to points 1) and 2) in 1.10 above, in order to appraise the Minister for Treasury and Resources and the Comité des Connétables of the findings and recommendations of the RWG.

2.0 <u>Summary of key findings and recommendations</u>

2.1 <u>Key findings</u>

2.2 When adopting the 2003 Rates Law the States Assembly were fully aware that they were locking the rateable value of properties in the Island in perpetuity.

2.3 Due to the “attributes” rating system, the rateable value of properties in the Island is determined by reference to the rent they would have achieved in 2003 using the definition set out in the 2003 Rates Law[1].

2.4 The relative market rents for properties have changed since 2003 and will continue to change in the future.

2.5 The fact that market rents change whilst rateable values are fixed creates a risk of unfairness. If it is determined that rateable values should always relate to the rental value then some ratepayers could be paying too much and some ratepayers paying too little. Subject to the fact that the general level of the valuation in the assessments for any given year (“tone of list”) is lessened with revaluation at intervals of perhaps 5 or 10 years.

2.6 This unfairness would be addressed by an Island wide revaluation of rateable values undertaken on a periodic basis.

2.7 On an international comparison the rates payable on Jersey properties are low.

2.8 Under the current regime a revaluation would need to be carried out in respect of all the properties in the Island. This involves revaluing c. 59k domestic and non-domestic properties.

2.9 The modelling of the cost/savings impact (Tables 1 to 3 Appendix X), based on the available data, indicates that the effect of a revaluation on the c.46K domestic properties (i.e. c. 78% of the properties in the Island) could result in an increase in monetary cost on average of between c.£20 p.a. and c.£26 p.a. in Parish rates for each domestic property in the Island. Note that this estimate excludes the Island-wide rate liability.

2.10 The modelling also indicates that the effect of a revaluation on the c.870 retail properties in St Helier (i.e. c. 1.5% of the total properties in the Island) could result in a monetary saving on average of between c.£379 p.a. and c.£485 p.a. in both the Parish rates and Island wide rates for each retail property in St Helier.

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[1] The 1946 Rates Law defined the rental value of land which was not let as “*the amount which it might reasonably be expected to command as rent if it were let from year to year with the tenant undertaking to pay the usual tenant’s rates and the landlord undertaking to bear the costs of repairs and insurance and any other expenses necessary to maintain the land in a state to command that rent*”. Where land was let at a rent, the rental value was whichever was the greater of the rent or the rental value of the land assessed in accordance with that definition. But if the assessment committee considered the rent represented more than the rental value assessed in accordance with the definition the committee might, for the purposes of occupier’s rate, assess in accordance with the definition. R&O8194 https://www.jerseylaw.je/laws/enacted/Pages/Jersey%20RO%208194.aspx

2.11 Furthermore the modelling indicates that the effect of a revaluation on the c.950 offices properties in St Helier (i.e. c. 1.6% of the total properties in the Island) could result in a monetary cost on average of between c.£160 p.a. and c.£399 p.a. in both the Parish rates and the Island wide rate for each office property in St Helier.

2.12 It is challenging to estimate the cost of undertaking an Island wide revaluation without preparing a full business plan. However, based on the experience of other jurisdictions, the cost could be material.

2.13 In a report published in 2007 by the Comptroller and Auditor General in Ireland entitled "Valuation Office", the cost of revaluing commercial property in Ireland was reported as £408 (€600 @ 0.68 €/£ av. ex. rate for 2006[2]) per property. Furthermore the report also stated that a 2003 revaluation of commercial property in Northern Ireland cost £63.46 per property and a 2005 revaluation of commercial property in England and Wales cost £27.08 per property. Although the stated cost of revaluation in the UK did not include all the associated costs.

2.14 **<u>Recommendations</u>**

2.15 The 3 independent members of the RWG were <u>unable</u> to reach a unanimous recommendation in regards to the revaluation of property in Jersey for rates purposes.

2.16 A majority of two members recommended that there should **<u>not</u>** be a revaluation of property in Jersey for rates purposes. The basis for making this recommendation was that the available data indicates that the monetary adjustment for the vast majority of ratepayers of a revaluation would be small and the potential cost of undertaking the revaluation would be high.

2.17 The dissenting independent member of the RWG did not agree with this recommendation on the basis that maintaining the FRV of property leads to an unfair distribution of the cost of property rates.

3.0 **<u>Background of the Fixed Rateable Value ("the FRV")</u>**

3.1 The background of the FRV is set out in the report attached to the Draft Parish Rate (Administration) (Jersey) Law 2003 P.206/2001[3].

3.2 This proposition, adopted by the States Assembly, replaced the 1946 Rates Law with the 2003 Rates Law. The 2003 Rates Law came into force on 1 January 2004.

3.3 A brief summary of the report is set out below:

3.4 Under the 1946 Rates Law the rateable value of land was based on rental values. These rental values were assessed annually. However due to a number of factors, including high property inflation, anomalies became apparent between the assessments of rateable values for owner-occupied properties and the assessments of rateable values of rented properties.

3.5 In order to rectify this disparity the assessments for the year 1983 in respect of owner-occupied property were "brought up-to-date". This resulted in a significant increase in the number of rateable quarters in respect of owner-occupied property. The sudden increases to the number of rateable quarters applicable to owner-occupied property caused considerable anxiety and anger amongst ratepayers due, in part, to a misunderstanding of the basis upon which the amount of rates to be paid was calculated.

3.6 Following this incident a Committee of Inquiry was formed which made 21 recommendations including some modification to the 1946 Rates Law. However there remained concerns amongst ratepayers.

3.7 Subsequently a Working Party was formed to consider revisions to the rating system. In the report by the Working Party there were 28 recommendations.

[2] https://www.statista.com/statistics/412806/euro-to-gbp-average-annual-exchange-rate/

[3] http://www.statesassembly.gov.je/assemblypropositions/2001/17240-22192.pdf

3.8 One of the recommendations eventually adopted into the 2003 Rates Law was that "the rental values, once appropriately assessed throughout a parish, be frozen, ordinarily once and for all." Accordingly "the FRV figure would remain static from year to year unless there were any improvements, any alterations or any additions to the property."

3.9 The report concluded that "with each property permanently assessed, fluctuations in rate liability would be concentrated solely on the unit cost per quarter (i.e. the rate) decided as at present according to the budgetary requirements of the respective parish."

3.10 A summary note referencing the various reviews and reports carried out into the parish rates mechanism and the propositions to the States Assembly of the 2003 Law and the 2005 Law is attached in **Appendix II**.

4.0 Law Officer's advice on the Rates Law

4.1 In order better to understand the operations of the Rates Law and to test whether it would be possible to revalue land under that Law without bringing forward Regulations, the RWG sought the advice of the Law Officers.

4.2 The questions posed to the Law Officers were in the form of a series of scenarios which were agreed by the RWG. The scenarios drafted are in **Appendix III.**

4.3 The key conclusions of the advice from the Law Officers which was accepted and agreed by the RWG are as follows:

- "Location" has a broad meaning and is more than geographical position.
- The Rates Law conspicuously steers away from linking revaluation of rateable value to changes in the value of property.
- If it were decided to link rateable values to current market rental values this would require a change of Law. Therefore it is not possible to rebalance the burden of rates under the existing provisions within the Rates Law as this would require an interpretation of the Rates Law different from the settled understanding to date. To do so would require us to be wholly confident that the settled understanding of the Rates Law and the revision of rateable values were wrong.
- It is recommended that "rebalancing" requires proper reform through drafting of Regulations rather than re-interpretation of existing Articles which might lead to litigation. Whilst some would gain, and probably gain fairly, from a change in approach, there would also be losers. The losers could well likely take legal action.
- This is not a Law without a past, and the fixing of rateable values and the associated difficulties appear to have been well understood and even intended when the Law was drafted.

5.0 Evaluating changes to commercial property market rents

5.1 Finding

5.2 The introduction of the FRV regime fixed the rateable values of property to their assessed rental values as determined in 2003 (see footnote 1 on page 4).

5.3 To assist the RWG in evaluating the changes to the market rents of non-domestic property in Jersey since 2003 the RWG approached a local commercial property expert with a view to obtaining historical information on the rental values of various commercial property types.

5.4 CBRE Jersey Limited ("CBRE") were approached to determine whether they maintained any historical rental value data for commercial property in Jersey.

5.5 CBRE advised that the majority of the data held by them was in respect of commercial property in St Helier and that they were willing to supply this data[4] *pro bono* to the RWG to assist with their endeavours. A copy of the covering letter from CBRE is attached **Appendix IV**.

5.6 It is noted that the calculation of the rental value of properties for the purposes of assessing the rateable values of property in 2003 may not be on the same basis as the calculation of rental rates by CBRE.

6.0 Data on Retail and Office property in St Helier

6.1 The first tranche of data supplied by CBRE was in the form of a table setting out the approximate annual rental rates per square foot ("the rental rates") both in respect of the office and the retail sectors in St Helier for the years 2003 to 2018 inclusive. Additional information was subsequently supplied extending the table to include the rental rates for the office and retail sectors for the years 2000 to 2002 inclusive. **The Table** in **Appendix V** details the rental rates in respect of the office and the retail sectors for the years 2000 to 2018 inclusive.

7.0 Retail property

7.1 There are three categories of retail property: 1) Prime; 2) Secondary; and 3) Tertiary. The categories are determined broadly by the location of the property (e.g. King Street is Prime retail).

7.2 The rental rate for retail property is the approximate rental rate per sq.ft. relating to "zone A". "Zone A" is the first 30 ft. of the ground floor from the back line of the pavement. The rental rate of "zone A" forms the basis upon which the rental rates for the other zones forming the area of a shop is calculated.

8.0 Office property

8.1 There are four categories of office property: 1) Super Prime; 2) Prime; 3) Secondary; and 4) Tertiary. Super Prime are the newest offices on the Esplanade which have been available since c.2015. The rental rates for office property is the approximate rental rate per sq.ft. of office space.

9.0 Data reflected in graphs

9.1 The data from the table supplied by CBRE in Appendix V has been used to create 5 graphs.

9.2 **Graph 1** in **Appendix VI** reflects the movement of the rental rates of "zone A" for the various categories of retail property in St Helier since the year 2000, **Graph 2** in **Appendix VI** reflects the movement of the rental rates of the office property in St Helier since the year 2000.

9.3 The data has also been used to plot the percentage changes of the rental rates for retail property and office property. For the purpose of comparison, the increase in the RPI has also been reflected in the graphs. **Graph 3** in **Appendix VII**, reflects the percentage change of rental rates for retail property in St Helier using the year 2002 as the base period and **Graph 4** in **Appendix VII** reflects the percentage change of rental rates for office property (excluding super prime as this category has only existed since 2015) in St Helier using the year 2002 as the base period.

9.4 Finally **Graph 5** in **Appendix VII**, is a comparison which reflects the percentage change of the rental rates for both the retail and office property in St Helier using the year 2002 as the base period.

[4] TPU did not taken any steps to audit/verify the data provided and relied on the expertise of CBRE.

10.0 **Analysis of graphs by the RWG**

10.1 **Finding in respect of Retail property**

10.2 The rental rates[5] for retail property have fluctuated significantly since the year 2002 particularly in respect of the tertiary and secondary retail property.

10.3 Both these categories of retail property had above-RPI increases in the rental rates between the years 2004/2005 and the year 2008. The rental rates subsequently declined sharply in 2009.

10.4 The rental rates of all the categories of retail property for the year 2018 are the same as the rental rates in the year 2002.

10.5 The average rental rates for all categories of retail property in St Helier decreased by 1% between the year 2003 and the year 2018.

10.6 **Finding in respect of Office property**

10.7 The rental rates for office property have broadly increased since the year 2002 particularly for prime and secondary office property.

10.8 The rental rates for all the categories of office property (excluding super prime) is higher for the year 2018 when compared to the rental rates for the year 2002. However the rental rates for all categories of office property (excluding super prime) in the year 2018 have not increased above RPI when compared with the rental rates for the year 2002.

10.9 The average rental rates for the categories of office property (excluding super prime) in St Helier increased by 23% between the year 2003 and the year 2018.

11.0 **Other non-domestic and domestic property data**

11.1 **Other non-domestic property**

11.2 CBRE advised that, apart from retail property and office property in St Helier, they have limited information in respect of the changes to the rental rates of other non-domestic property in St Helier.

11.3 However CBRE were able to supply the rental rates data in respect of a small number of industrial buildings in St Helier, St Saviour, Trinity and St Peter, together with data in respect of an area of retail property in St Brelade.

11.4 From this information the percentage change in the rental rates between the years 2003 and 2018 has been calculated.

11.5 **Finding**

11.6 The rental rates in respect of the industrial buildings in various Parishes increased by 42.8% between the years 2003 and 2018. The rental rate for "zone A" in respect of the retail units in St Brelade increased by 40.6% between the years 2003 and 2018.

11.7 The rental rates and the percentage increases for the industrial buildings in various Parishes and the retail property in St Brelade are summarised in **Appendix VIII.**

[5] Rental rates in accordance with information supplied by CBRE.

12.0 **Domestic property**

12.1 Statistics Jersey maintain two indices to measure the changes in residential market rental prices.
12.2 These are: 1) the Rental price index[6]; and 2) the RPI Rental component[7].
12.3 The Rental price index records the changes to newly advertised rents for residential properties. This index shows that there has been an 81.2% increase in the indicative Rental price index between the years 2003 and 2018. However the rents quoted in advertisements are not necessarily those actually obtained.
12.4 The RPI Rental component measures the change to current rents actually paid for residential properties. This index shows that there has been a 79% increase in rent paid in respect of residential property between the years 2003 and 2018.
12.5 The average increase in these two indices is 80.1%.

12.6 **Finding**

12.7 The RWG accepted that the average increase of 80.1% would fairly reflect the increase in market rental on domestic property between the years 2003 and 2018.

13.0 **Estimating cost/saving impact of a revaluation**

13.1 Estimating the potential impact of a revaluation of rateable quarters of property is challenging as there is insufficient historic data available in respect of property across the whole of the Island. Accordingly the full impact of a revaluation can only be fully understood once a revaluation itself has been carried out.

13.2 **Finding**

13.3 However assuming a revaluation is based on the rental values of property, the data collected in section 9, section 10 and section 11 identifying the percentage changes in property rental rates[8] between the years 2003 and 2018 can be used to provide an "indication" of the potential impact that a revaluation might have in the context of non-domestic property.
13.4 Furthermore the data in section 12 identifying the percentage changes in residential rental prices can provide an "indication" of the potential impact that a revaluation might have in the context of domestic property.
13.5 Based on the data available, **Table 1** in **Appendix IX** illustrates the estimated annual cost/savings impact a revaluation might have on the amount of Parish rates and Island Wide Rates payable by some of the various non-domestic property sectors and also the amount of Parish rates on domestic property.
13.6 Furthermore **Table 2** and **Table 3** in **Appendix IX** illustrates the estimated annual cost/savings impact where the rateable values of "other non-domestic" property are increased by 10% and 20% respectively.

[6] Rental price index .

[7] RPI Rental component .

[8] Rental rates in accordance with information supplied by CBRE

14.0 **Estimated cost/saving per unit of property**

14.1 **Finding**

14.2 **Table 1, Table 2 and Table 3** in **Appendix X** illustrate the average estimated annual cost/savings per unit of property for some of the categories of non-domestic properties in respect of the Parish rates and Island Wide Rates. These tables illustrate the average estimated cost per unit of property for domestic property in respect of Parish rates only.

14.3 The average estimated annual cost/savings per unit of non-domestic property is calculated by dividing the estimated annual cost/savings in respect of the Parish rates and Island Wide Rates for the various categories of non-domestic property by the number of units under each heading.

14.4 The average estimated annual cost per unit of domestic property is calculated by dividing the estimated cost in respect of the Parish rates by the number of units of domestic property.

15.0 **Estimated cost impact of a revaluation on Parish rates in respect of an average domestic property**[9]

15.1 **Finding**

15.2 Based on the available data the estimated annual cost of a revaluation in respect of Parish rates on an average domestic property has also been calculated. The estimated annual cost of Parish rates for an owner/occupier of an average domestic property in each parish is illustrated in the **Table** in **Appendix XI.** The cost of the Island-wide rate for domestic properties is excluded from the estimated annual cost.

16.0 **Property rates systems in other Jurisdictions**

16.1 This section includes a high level overview of the property tax regimes in other jurisdictions.

16.2 Some jurisdictions that use rental values for the purpose of property rates will use an antecedent basis. This means that properties are valued at a particular date and those values become effective at a later date when the "new" list comes into force e.g. a valuation of property as at 1 April 2018 takes effect for the purposes of the "new" list from 1 April 2020.

16.3 We note that valuations are usually on an historic valuation whereas in Jersey under the 1946 Rates Law all assessments were on rental values as at 1 January in the rateable year; antecedent rents were never used in Jersey as the basis for rateable value.

17.0 **UK**

17.1 **Residential property**

17.2 In the UK Council tax is charged on residential property.

17.3 Residential properties are valued on the basis of the open market capital value. Properties in England[10] and Scotland[11] are valued based on the capital values as at 1 April 1991. Properties in

[9] The assessed rateable value of an average domestic property was estimated by the RWG to be 12,000 quarters.
[10] https://www.gov.uk/guidance/understand-how-council-tax-bands-are-assessed
[11] https://www.saa.gov.uk/council-tax/council-tax-dwellings/

Wales[12] are valued based on the capital values as at 1 April 2003. Properties in Northern Ireland[13] are valued based on the capital values as at 1 April 2005.

17.4 Properties are placed in bands based on a range of capital values. There are eight bands A to H. A being the lowest band and H being the highest band.

17.5 The council tax to be paid in respect of a property will depend on the band in which the property is placed and also the council authority in which the property is located.

17.6 This is because each council authority determines the amount of council tax charged on properties in each band.

17.7 **Commercial property**

17.8 Business rates are charged on commercial property in the UK.

17.9 The basis upon which commercial property is assessed is the open market rental value.

17.9 The open market rental values are assessed by the Valuation Office Agency.

17.10 The last valuation undertaken in England, Wales[14] and Scotland[15] was in respect of the open market rental values as at 1 April 2015 and for Northern Ireland[16] in respect of the open market rental values as at 1 April 2013.

17.11 Revaluation normally takes place every 5 years however there are proposals to shorten the period between revaluations.

17.12 The calculation of business rates payable in England, Wales and Northern Ireland is based on a multiplier of the rateable value.

17.13 Business rates in Scotland are calculated using a "poundage rate" (a proportion of rateable value).

18.0 **Ireland**

18.1 **Residential property**

18.2 With effect from 1 July 2013 all residential property in Ireland is subject to a Local Property Tax[17] ("LPT").

18.3 LPT is based on the assessed market value of the property in May 2013.

18.4 The LPT payable is calculated using a system of market bands.

18.4 The LPT rate applied to the assessed market value can be varied by a local authority by -/+ 15%.

18.5 The LPT rate (before variation by a local authority) for properties valued up to €1m is 0.18% of the assessed market value. Where the assessed market value exceeds €1m the LPT rate is 0.18% up to €1m and 0.25% in respect of any excess above €1m.

18.6 **Commercial property**

18.7 Rates on commercial property in Ireland are based on the market rental values.

18.8 The market rental values are assessed by the Valuation Office.

18.9 Since 2005 the Valuation Office has been running a programme of revaluing the market rental values of commercial property county by county. However the programme of revaluation has not yet been completed for all the counties in Ireland. Since no national revaluation of property had

[12] https://www.gov.uk/guidance/understand-how-council-tax-bands-are-assessed
[13] https://www.nidirect.gov.uk/articles/valuation-of-domestic-properties-for-rates
[14] https://www.gov.uk/introduction-to-business-rates/how-your-rates-are-calculated
[15] https://www.mygov.scot/business-rates-guidance/how-your-rateable-value-and-rates-are-calculated/
[16] https://www.nibusinessinfo.co.uk/content/how-business-rates-are-calculated

[17] Revenue Ireland - Local Property Tax

taken place in Ireland since the "Griffith Valuation" of 1852-1865 the market rental values of commercial properties in some of the counties are very historic[18].

18.10 Once the commercial properties within a county have been revalued, the Valuation Office is required to undertake revaluation every 10 years.

18.11 The calculation of business property rates to be paid is based on a multiplier (an Annual Rate of Valuation ("ARV")) of the rateable value. Each county sets its own ARV.

19.0 Guernsey

19.1 The system of property tax in Guernsey is called Tax on Real Property ("TRP")[19].

19.3 The TRP is under the administration of the Cadastre.

19.4 The calculation of the tax is based on the TRP Unit value applicable to a property.

19.5 The TRP Unit values of properties are determined by measuring the external edges of the property in order to calculate the size of the property.

19.6 One "unit" of TRP is allocated in respect of each square metre of built property and one "unit" of TRP is allocated in respect of 50 square metres of land.

19.7 The use of the property is also recorded in order to identify the category into which the property is allocated.

19.8 There are over 50 categories of property for which a tariff per TRP unit value applies. The tariffs per TRP unit value are determined by Guernsey's States Assembly.

19.9 The amount of TRP payable is calculated by multiplying the TRP unit value for a property by the tariff applicable to the particular category of property.

20.0 Estimated cost of carrying out a revaluation in Jersey

20.1 Under Part 5 of the Rates Law the persons responsible for assessing each area of land in a parish are the Assessment Committee for a parish. Each parish elects members of an Assessment Committee at the Parish Assembly.

20.2 As there are c.46k domestic properties and c.13k non-domestic properties in the Island, the RWG are of the opinion that the parish Assessment Committees would not have the capacity to undertake an Island wide revaluation.

20.3 In order to carry out an island wide revaluation it would be necessary to engage external property experts or employ a dedicated team to undertake this work. This would inevitably introduce additional cost into the rates system.

20.4 It is challenging to estimate the cost of carrying out a revaluation exercise without first preparing a detailed business plan setting out how the revaluation is to be undertaken and the resources required to carry out this task. However evidence of the cost of carrying out a property revaluation in other jurisdictions might provide insight into the potential cost involved.

20.5 In November 2007 the Comptroller and Auditor General in Ireland published a report entitled "Valuation Office" [20] ("the report"). The report includes a review of the revaluation programme in Ireland and also provides some detail of the comparative cost of revaluing property in Ireland as well as in other jurisdictions.

20.6 Paragraph 3.38 of the report states that the outturn figures at the end of 2006 suggest that the direct cost of revaluing a commercial property (in Ireland) was around €400. When the unit share

[18] Section 3 Revaluation of Property - Report Comptroller and Auditor General Special Report "The Valuation Office" November 2007

[19] https://www.gov.gg/cadastre

[20] https://www.audit.gov.ie/en/Find-Report/Publications/2008/Special-Report-60-The-Valuation-Office.pdf

of organisational overheads is taken into account, the unit cost exceeded €600 (the average exchange rate for 2006 for € to £ was 0.68[21]. Accordingly this equated to £408).

20.7 Furthermore at paragraph 3.4 "International Comparison", the report stated that:-

- a 2003 revaluation of commercial property in Northern Ireland ("N.I") cost £4.76m covering 75k properties (i.e. £63.46 per property), and
- a 2005 revaluation of commercial property in England and Wales cost £47.4m covering 1.75m properties (i.e. £27.08 per property).

20.8 The report stated that the cost of revaluation in NI reflected mainly staff costs with an element of administrative overheads and any expenditure incurred on public relations, specialist assistance and enhancements of systems over the period of the revaluation. The reported cost in England and Wales reflected the direct expenditure[22] over the period of the revaluation, including preparatory work.

20.9 The report recognised that organisational overheads were not included in the final costs of revaluation by the UK valuation agencies and that their systems were "well bedded in". This facilitated improved and cost efficient methods of delivery.

20.10 Due to the comparatively small number properties in Jersey compared with the number of properties in, for example England and Wales, it is doubtful whether the Island could benefit from the same economies of scale as that jurisdiction.

20.11 It is also noted that the costs of revaluation in these jurisdictions are historic. On the basis that the cost per property was increased by the UK consumer price inflation[23] ("CPI") up to the end of 2018, then the cost of revaluation per property in NI would be £90.93 and the cost of revaluation per property in England and Wales would be £36.95.

20.12 It is noted that there are a number of commercial properties (e.g. hotels, guesthouses and lodging houses) in the Island for which there is no (or a very limited) rental market. Accordingly, if a revaluation was to be based on rental values, then the methodology for calculating the rental values of these types of property would need to be determined. The Parish Rates Appeal Board established that rental values of such properties would be calculated by a formula.

20.13 Furthermore in 1994 the Royal Court[24] determined that the "profits method" was appropriate for assessing the rateable value of land for the Jersey New Waterworks Company Limited. The "profits method" was subsequently used for assessing the rateable values of land for all the utility companies[25] in 2003. A company called Fuller Peiser was engaged by the parishes to carry out the calculation of the rateable values of the properties owned by the utility companies. The cost of engaging Fuller Peiser was c.£28K. If this cost increased by the Jersey RPI up to December 2018 then the cost would be c.£45K.

20.14 The cost of a revaluation would also need to include the provision of additional support for property owners and occupiers to assist with queries and deal with appeals particularly in a year that a revaluation takes place. This is because a revaluation may increase the level of public attention on the valuation of property for rates purposes. Whilst every effort can be made to ensure that ratepayers understand the rates system to mitigate the number of appeals in the year that the new rateable values apply, it is noted that there were an average of 230 rates appeals annually between the years 1996 and 2003, when based on rental values, compared to an average of 5 rates appeals annually with a FRV (between the years 2004 and 2019).

[21] https://www.statista.com/statistics/412806/euro-to-gbp-average-annual-exchange-rate/
[22] Expenditure consisting primarily of manpower costs, travel and subsistence, publicity, training and information technology expenditure.
[23] https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/d7bt/mm23
[24] https://www.jerseylaw.je/judgments/unreported/PDFs/[1994]JRC119.pdf
[25] Jersey New Waterworks Limited, Jersey Electricity Company Limited, Jersey Gas Company Limited and Jersey Telecoms Limited.

20.15 The total cost of revaluation would be incurred in the period over which the revaluation is undertaken. The actual additional cost of administration of the rates system would be an ongoing cost increase.

21.0 **The separate revaluation of St Helier properties**

21.1 The available data suggests that the main issue arising is the balance of the rates burden for property in St Helier.

21.2 Accordingly, the RWG asked whether officials from the Parish of St Helier would consider identifying a "St Helier" solution to resolving the problem.

21.3 However officials from St Helier were not in favour of St Helier being treated in a different manner to other Parishes as this would: 1) cause anomalies within the Town Parishes; 2) be contrary to the Rates Law; and 3) would complicate the IWR.

21.4 St Helier is in favour of an Island wide revaluation to address the unfairness that has accrued, within the rates system, since all properties were assessed in 2003.

Appendix I

Terms of reference for the Rates Working Group

Evaluate the merits/demerits of revaluation of rateable quarters

1. To consider and document the full range of issues associated with the revaluation of properties for Rates purposes including:-
   - A review of the reasons for moving to FRV (fixed rateable value).
   - A summary of the current valuation mechanism.
   - The justification for revaluation.
   - The value of seeking a piece of advice looking at current market rental values vs current rateable values as evidence.
   - The revaluation processes adopted in comparable jurisdictions.
   - Appetite (if any) for separation of domestic and non-domestic rates for Parish rates purposes, as this might facilitate revaluation of non-domestic properties only.
   - Identification of the associated administration costs arising from a change in the status quo.
   - To consider whether it is possible for individual Parishes to undertake revaluations independently.
2. In light of the findings in 1 above, make written recommendations jointly to the Minister for Treasury and Resources and the Comité of Constables regarding the content of any Regulations that could be introduced under Art 5(3) of the Rates Law.
3. Following the provision of recommendations, seek and record the political direction from the Minister for Treasury and Resources and the Comité des Connétables.

Key decision point: depending on political direction in 3 the following work may be undertaken.

4. Engagements and consultation with interested parties:- Summarise and provide feedback to Minister for Treasury and Resources and the Comité des Connétables reconfirming political direction in particular determine whether to seek an “in-principle” decision from the Assembly.
5. Subject to political direction, prepare law drafting instructions which outline the content of draft Regulations to be introduced under Art 5(3) of the Rates Law.
6. Review the content of the draft Regulations prepared by the law draftsman and provide feedback to the law draftsman until such time as the Rates working group is satisfied that the draft Regulations achieve the political direction.
7. Prepare and agree the financial and manpower implications arising from the content of the draft Regulations for inclusion in the report accompanying the draft Regulations.
8. Support the progress of the draft Regulations through the States Assembly.
9. Prepare for the practical implications of the draft Regulations and support each of the Parishes through the resulting change process.

Appendix II

Background to the introduction of the FRV

1977 Working Party – chair Philip de Veulle; report issued 1978

P.47/1984 Parish Rates: Report of the Committee of Inquiry – chair Senator RR Jeune; report presented to the States on 1 May 1984

The Committee examined the rating systems in Guernsey, the Isle of Man and the United Kingdom; and also considered the recommendations of the 1978 de Veulle Working Party Report – but decided it could not recommend these schemes.

It did consider replacing the rental value with a system based on the concept of permanent rateable value had considerable merit – and that this "offered an attractive alternative that could be well worth pursuing if the present system was not operating satisfactorily in two or three years' time".

P.124/1993 Parish Rates Review contained the report of the Working Party. This was a 1992 Working Party – chair Connétable J Le Sueur; report lodged August 1993 and debated in 1994. The States, on 24 May 1994, adopted the following from P.124/1993 –

Assessing Property to rate

1. It is unanimously recommended to alter the fundamental basis of assessing property to rate by dispensing with the existing assessment formula.
2. In its place and stead be formulated a 'FIXED RATEABLE VALUE' (FRV) ordinarily derived by freezing a specific year's assessed rateable value. For foncier purposes the actual rent would be totally disregarded and the landlord's liability calculated in the aforementioned manner.
3. That FRV figure would remain static from year to year unless there were any improvements, any alterations, any additions, or any change of status to the property. Notwithstanding, an appropriate re-assessment facility should be built in the new procedure for re-evaluation purposes. The frozen FRV would be published annually in a form of valuation list similar to the draft rate list appears at present.
4. With each property permanently assessed, fluctuations in rate liability would be concentrated solely on the unit cost per quarters (i.e. the rate) decided as at present according to the budgetary requirements of the respective parish.

The Parish Rates Working Party was set up in July 1998 by Legislation Committee to produce instructions for a new Parish Rates Law based on the recommendations adopted by the States in 1994.

To clarify certain issues separate propositions were also taken to the States e.g. P.41/2001 http://www.statesassembly.gov.je/assemblypropositions/2001/47788-11798.pdf

All these propositions – and those listed under the Parish Rate (Jersey) Law 2003 below – together with notes and minutes on file refer to the FRV figure remaining static for existing property **in perpetuity**, unless there are any improvements, alternations, additions, demolitions, change of use etc, in which case the FRV will be reassessed.

Parish Rate (Jersey) Law 2003 –

- introduced FRV
- replaced the Parish Rate (Administration) (Jersey) Law 1946 https://www.jerseylaw.je/laws/enacted/Pages/L-05-1946.aspx
- draft law is P.199/2002 http://www.statesassembly.gov.je/assemblypropositions/2002/45656-10381.pdf but this replaced P.206/2001 http://www.statesassembly.gov.je/assemblypropositions/2001/17240-22192.pdf which itself replaced P.143/2001 http://www.statesassembly.gov.je/assemblypropositions/2001/11697-539.pdf .
  P.143/2001 explained the draft Law would replace the 1946 law as follows –
  "*Its main difference from the 1946 Law is to provide that each rateable area of land in Jersey will have a fixed rateable value (expressed in rateable quarters). This rateable value will only change if the attributes of the land change, or if an application for a reassessment of the rateable value or any subsequent appeal is successful*."

Rates (Jersey) Law 2005 –

- introduced the island-wide rate;
- replaced the Parish Rate (Administration) (Jersey) Law 2003 https://www.jerseylaw.je/laws/enacted/Pages/L-18-2003.aspx
- draft law is in P.170/2005 http://www.statesassembly.gov.je/assemblypropositions/2005/7852-24575-3082005.pdf

Appendix III

Rates Working Group request for Law Officers' advice on the application of Article 5 and/or Article 9 of the Rates (Jersey) Law 2005 ("the Rates Law").

Background

The Rates Working Group ("the RWG") has been established in order to consider whether or not the time is right to recommend bringing forward Regulations under Article 5(3) of the Rates Law for the revaluation of land.

Under their terms of reference, the RWG is required to consider the justification for the revaluation of land. Accordingly the RWG has been discussing whether it is possible to revalue land using the processes for the assessment of rateable values and the review of assessment which currently exist within the Rates Law.

The focus of the discussions in regards to revaluation of land has primarily been in the context of commercial property in certain areas of St Helier (e.g. retail shops in Colomberie) where the locations of such property has become less desirable as shopping habits change and surrounding businesses move to different areas of the Town. And also the comparison between one class of commercial property (e.g. retail shops, offices, storage, etc.) and another class of commercial property relative to each other as the "land scape" of the commercial property market has changed.

In order to assist the RWG in understanding how the existing Rates Law might be used for the purposes of revaluing property, the RWG would request that the Law Officers consider the following examples below and express an opinion as to how the Rates Law should be applied:-

Example 1

A residential property "Bellevue" is located in an isolated country location surrounded by fields with attractive vistas. There has been no physical changes to "Bellevue", however a property developer manages to secure planning permission to build houses on the surrounding fields. Accordingly the property developer constructs a number of new houses around "Bellevue".

The property development has accordingly impacted on the location in which "Bellevue" is set.

Question 1

In such an example could it be argued that there has been a change of "attribute" in relation to "Bellevue" due to the change of the location in which the property is set?

Can the owner notify the Connétable of a change of attribute under Article 3(1)(b)? Alternatively would the owner be permitted to request a reassessment under Article 5(1)(d)?

If Article 5 does not apply, is it possible for a review of the assessment to be made under Article 9?

Assuming a new assessment is made/review of assessment takes place, what properties should be considered to be within Article 6(1)(b)/ Article 9(3)? Are they the same properties as when

“Bellevue” was originally assessed or properties which “Bellevue” have similar attributes to “Bellevue” now (e.g. close to housing development)?

Example 2

A row of retail shops is located in Colomberie. In 2003 when rateable values were fixed the location was considered to be a prime retail site by commercial letting agents as there were numerous offices in the area and accordingly there was a high volume of footfall. Since that time the occupancy of offices in the area has reduced and as shopping habits have changed the footfall to the area has reduced.

Accordingly whilst there have been no physical changes to the row of retails shops in Colomberie, the location in which the row of shops are situated is now considered to be a secondary/tertiary retail site by commercial letting agents.

Questions 2

In such an example could it be argued that there has been a change of “attribute” in relation to the row of retail shops in Colomberie due to the change of the location in which the property is set?

Can the owner notify the Connétable of a change of attribute under Article 3(1)(b)? Alternatively would the owner be permitted to request a reassessment under Article 5(1)(d)?

If Article 5 does not apply, is it possible for a review of the assessment to be made under Article 9?

Assuming a new assessment is made/review of assessment takes place, what properties should be considered to be within Article 6(1)(b)/ Article 9(3)? Are they the same properties as when the row of retail shops in Colomberie was originally assessed or should the assessors/owner etc. consider the prime retails sites or secondary/tertiary retail sites which have similar attributes to the row of retail shops in Colomberie now (e.g. retail sites which are considered to be secondary/tertiary retail sites now or, potentially, when fixed rateable values were originally introduced)?

Example 3

The definition of “attributes” in respect of land includes the “use of the land”. Accordingly when considering whether or not land has similar or substantially similar attributes it appears that the use of the land is relevant.

Therefore in the context of, for example, a property used as a retail shop and a property used as offices, the attribute in relation to the “use of the land” for these properties are different.

Question 3

Is the different uses of the land (e.g. retail shop, offices, storage, etc.) conclusive when considering whether the attributes of such properties are similar or substantially similar?

Does this mean that it would not be possible when comparing the rateable values of properties to compare properties which are, in the main, used for different purposes?

Appendix IV

Letter from Senior Director, CBRE Jersey Limited

CBRE

CBRE Jersey Limited
45 Century Buildings
The Esplanade, St Helier
Jersey JE2 3AD

Switchboard +44 (0)1534 874141
Jon.carter@cbre.com

Our Ref JC/SLP
Your Ref

Paul Bouteloup
Tax Policy Unit (Business Tax)
Taxes Offices
Treasury & Resources
Cyril Le Marquand House
P O Box 56
St Helier
JE4 8PF

21 August 2018

BY POST AND E-MAIL:

p.bouteloup2@gov.je

Dear Paul

Commercial Property Rents and Parish Rates

I write with reference to our various discussions and the information that I proivded regarding the approximate rental rates per sq.ft. for commercial property in St Helier.

The data has been obtained from our own knowledge of various rentals within St Helier for the retail and office sectors using not only our knowledge of the current market, but also our historical data information going back to 2003.

As previously mentioned, the retail rents in Jersey are based upon 30ft zones with the first 30ft being known as Zone A and the second 30ft being Zone B which is half of Zone A etc.

The retail rents that were provided were purely Zone A rates for the relevant locations provided on the schedule and are not the overall rate per sq.ft. when taking into account upper floors which are generally let considerably lower than the rental at ground floor.

With regard to the offices, again these were based upon the prime, secondary and tertiary office locations, but also from 2015 two areas that we believe are now or should be regarded as super prime offices are the International Finance Centre and also new Esplanade offices built since 2015 as there are clear differences between the quality of these offices compared to other prime offices on the Esplanade.

I trust that the above is sufficient, however, should you have any queries or questions then naturally please do not hesitate to contact me.

Yours sincerely

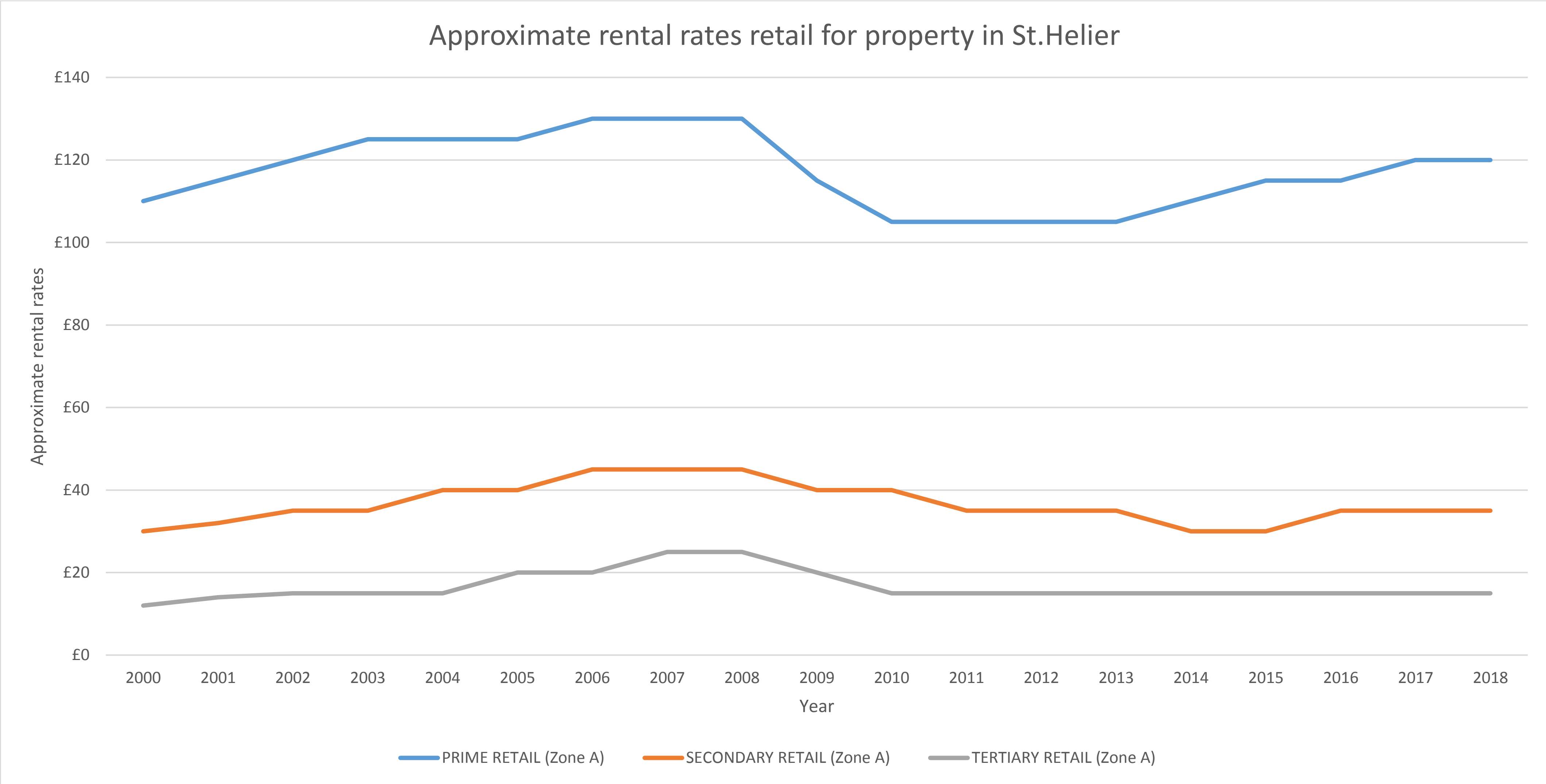
JON CARTER
SENIOR DIRECTOR

Appendix V

Table approximate rental rates per Sq. Ft. for commercial property in St Helier for the period 2000 to 2018																				
		2000	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
	rate per sq ft	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**
Retail																				
PRIME RETAIL	zone A	110	115	120	125	125	125	130	130	130	115	105	105	105	105	110	115	115	120	120
King Street and Queen Street																				
SECONDARY RETAIL	zone A	30	32	35	35	40	40	45	45	45	40	40	35	35	35	30	30	35	35	35
Halkett Place,Halkett Street, Beresford Street, upper Bath Street, lower New Street, Don Street,Waterloo Street Charing Cross, Broad Street,lower Colomberie																				
TERTIARY RETAIL	zone A	12	14	15	15	15	20	20	25	25	20	15	15	15	15	15	15	15	15	15
Lower Bath Street,Upper New Street, upper Colomberie, Belmont Road David Place																				
OFFICES																				
SUPER PRIME OFFICES	per sq ft																35	35	35-40	35-40
IFC & new Esplanade offices built since 2015/16																				
PRIME OFFICES	per sq ft	22	22	24	24	24	24	24	24	24	24	25	25	25	26	26	27	27	27	28
Esplanade pre 2015 plus parts of Castle Street & Seaton Place																				
SECONDARY OFFICES	per sq ft	16	16	17	18	18	20	20	20	22	22	22	22	23	24	24	24	23	2 3	23
Broad Street.Conway Street,Grenville Street,Library Place, New Street, La Motte Street																				
TERTIARY OFFICES	per sq ft	10	11	12	12	12	12	15	15	15	12	12	12	12	12	15	15	15	15	15
Upper Colomberie, Upper Bath Street, Charles Street,																				
The above retail rents are ground floor zone a rents (1st 30' depth) and therefore are not the overall rate per sq ft when taking into account upper floors which are considerably lower than zone a rents																				

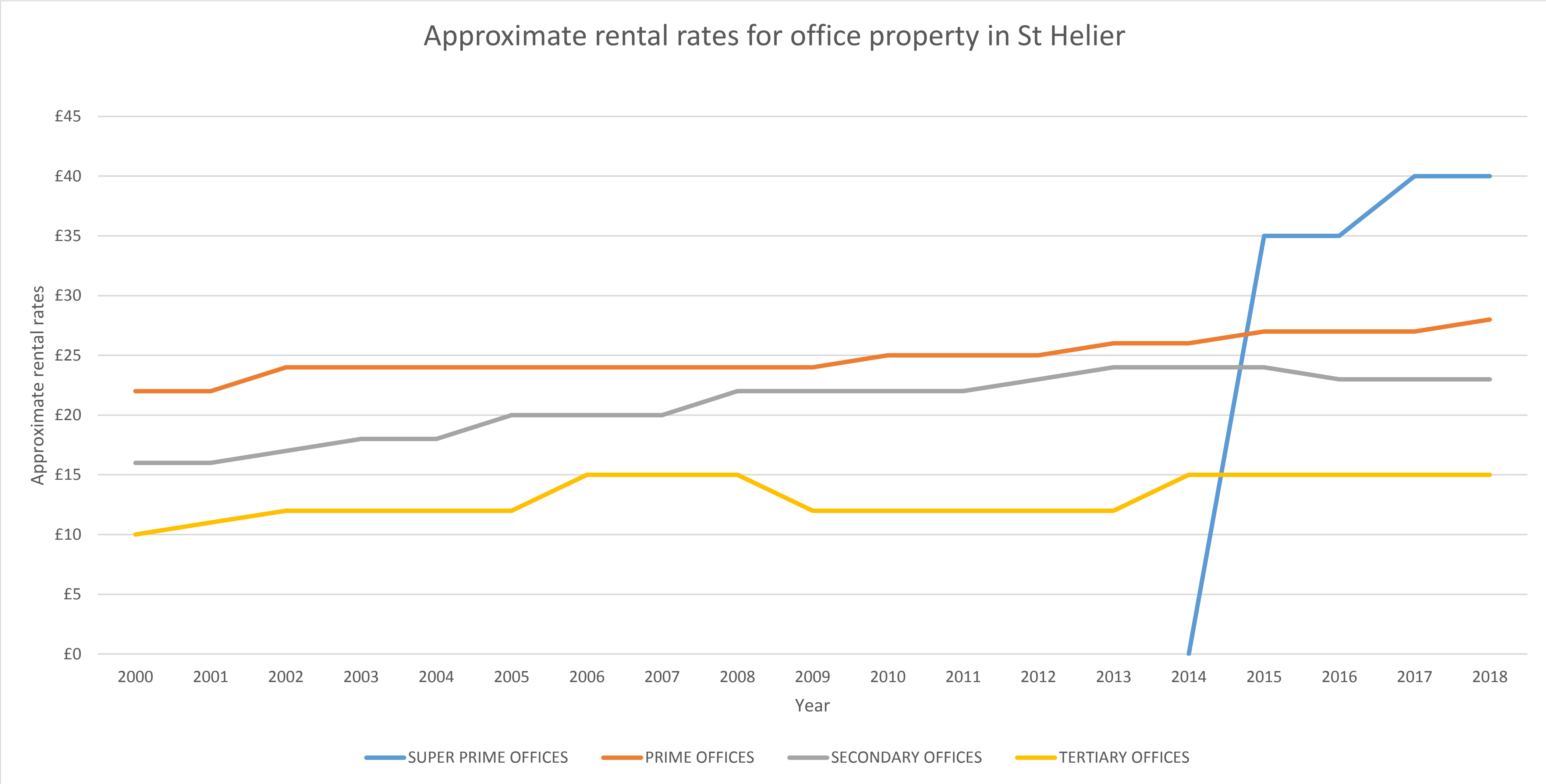
Appendix VI

Graph 1



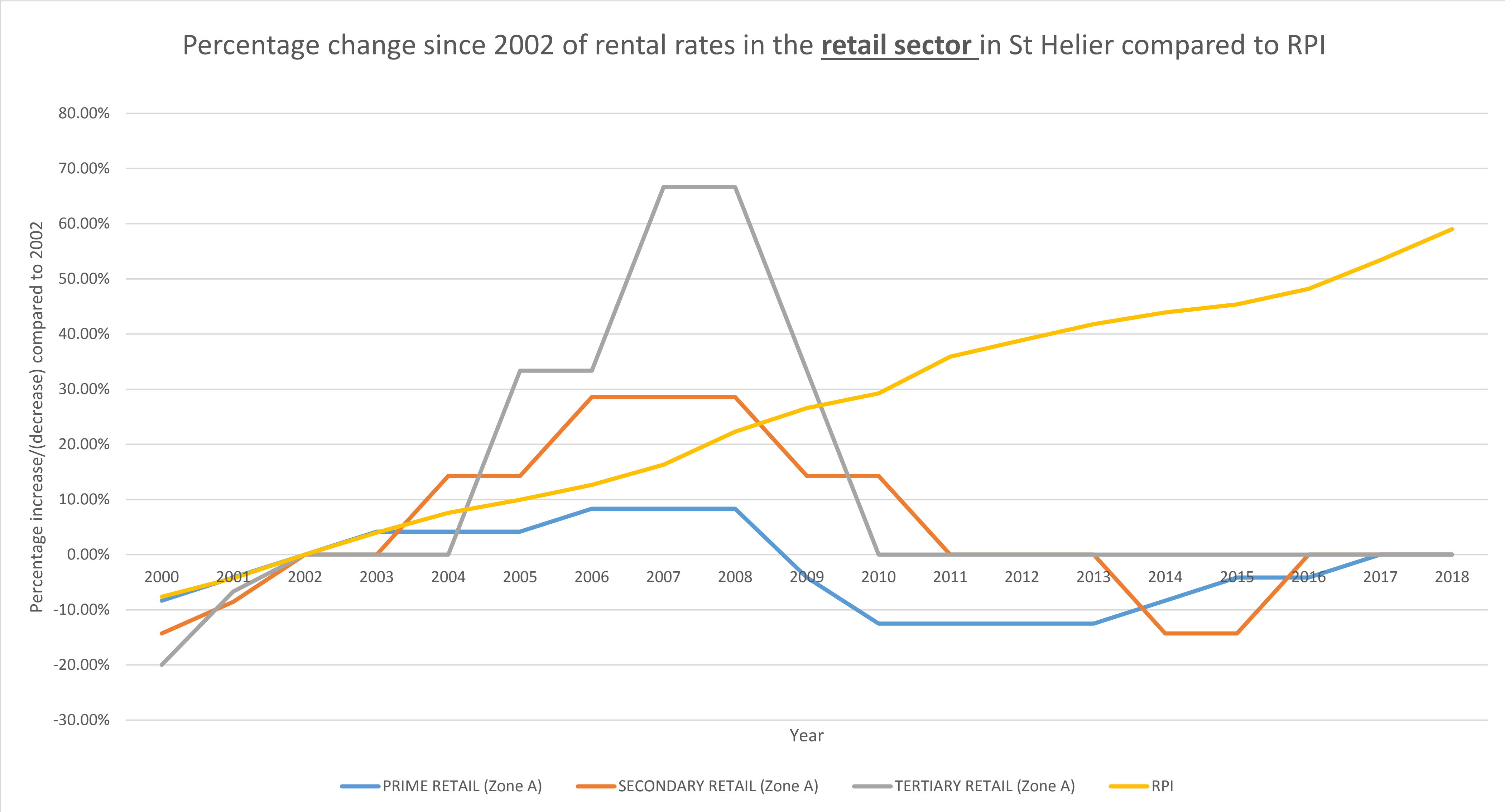
Appendix VI

Graph 2



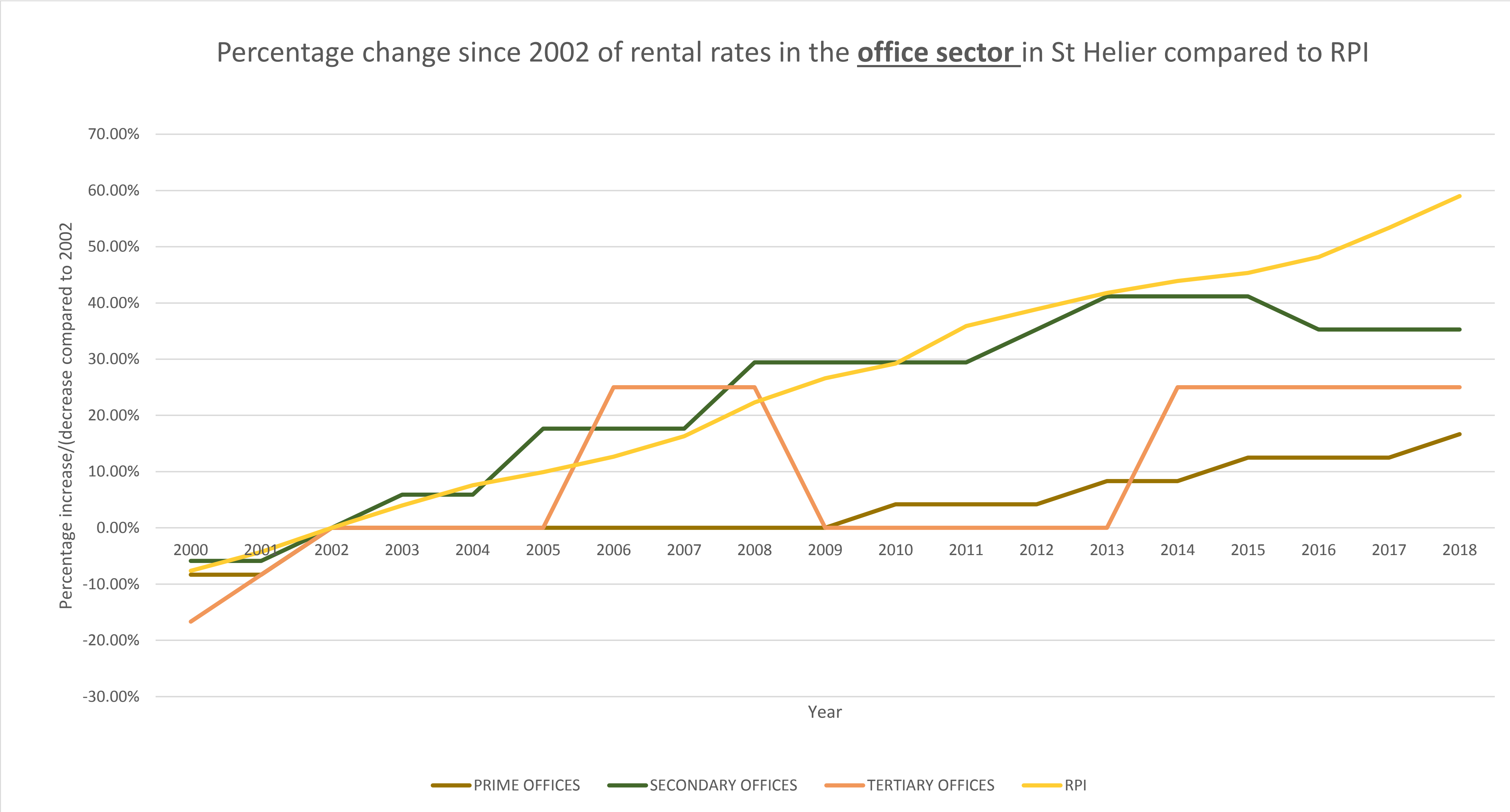
Appendix VII

Graph 3



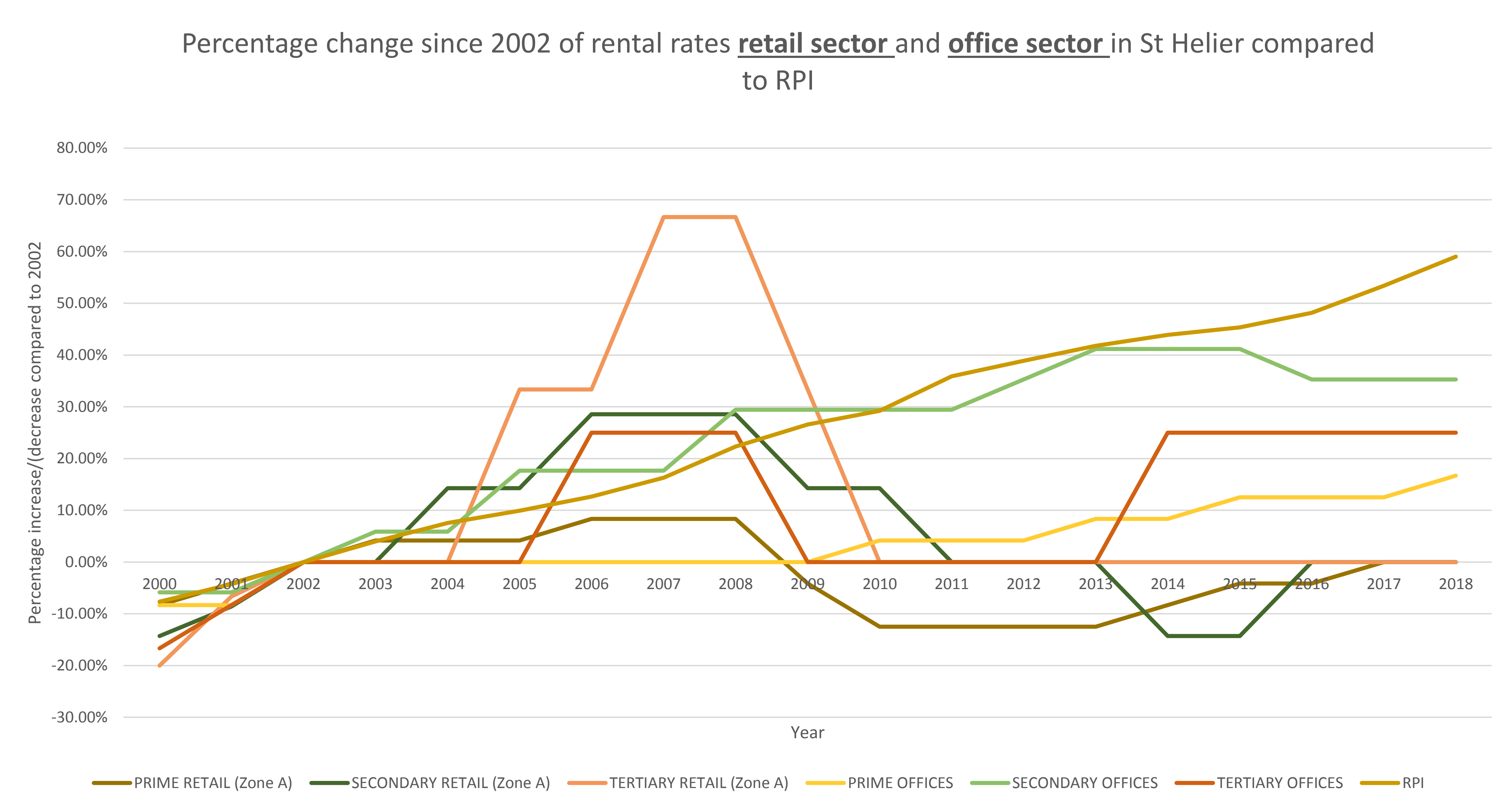
Appendix VII

Graph 4



Appendix VII

Graph 5



Appendix VIII

Percentage increases for the industrial buildings in various Parishes and retail property in St Brelade

Properties	Parish	Rent per sq ft 2003	Rent per sq ft 2018	% increase
Precinct/Red Houses	St. Brelade	£32	£45	40.6
Rue des Pres	St Saviour	£7	£10	42.8
La Collette	St Helier	£7	£10	42.8
Springside	Trinity	£7	£10	42.8
St Peter Tech Park	St Peter	£7	£10	42.8

Appendix IX

Estimated cost/savings impact of a revaluation of the rateable quarters of property.

Table 1 Estimated impact of revaluation on non-domestic/domestic property based on data available (non-domestic (other) increased 0%)

Parish		St.Brelade			St.Clement			Grouville			St. Helier			St.John			St.Lawrence			St. Martin			St.Mary			St.Ouen			St.Peter			St Saviour			Trinity		
Non-domestic property type	% increase/(decrease) rateable value	Parish Rates	IWR	Net impact	Parish Rates	IWR	Net impact	Parish Rates	IWR	Net impact	Parish Rates	IWR	Net impact	Parish Rates	IWR	Net impact	Parish Rates	IWR	Net impact	Parish Rates	IWR	Net impact	Parish Rates	IWR	Net impact	Parish Rates	IWR	Net impact	Parish Rates	IWR	Net impact	Parish Rates	IWR	Net impact	Parish Rates	IWR	Net impact
retail Quennevais Precinct	40.60	-£1,722	£3,908	**£2,186**																																	
retail property St.Helier	-1.00										-£267,768	-£62,579	**-£330,347**																								
offices property St.Helier	23.00										£129,243	£250,479	**£379,722**																								
La Collette Industrial units	42.80										£2,045	£2,934	**£4,979**																								
St Peter Technical Park	42.80																												-£462	£3,644	**£3,182**						
Rue Des Pres Industrial Site	42.80																															-£1,318	£5,081	**£3,763**			
Springside Industrial Site	42.80																																		-£1,807	£4,750	**£2,943**
Non-domestic (other)	0.00	-£110,291	-£19,237	**-£129,529**	-£31,295	-£5,512	**-£36,807**	-£24,635	-£5,006	**-£29,641**	-£786,069	-£92,028	**-£878,097**	-£35,068	-£6,003	**-£41,071**	-£33,486	-£6,278	**-£39,764**	-£34,345	-£4,514	**-£38,859**	-£24,265	-£2,904	**-£27,169**	-£36,839	-£5,217	**-£42,056**	-£94,972	-£20,994	**-£115,966**	-£190,962	-£33,899	**-£224,861**	-£43,172	-£6,626	**-£49,798**
Totals		-£112,013	-£15,329	**-£127,343**	-£31,295	-£5,512	**-£36,807**	-£24,635	-£5,006	**-£29,641**	-£922,548	£98,806	**-£823,742**	-£35,068	-£6,003	**-£41,071**	-£33,486	-£6,278	**-£39,764**	-£34,345	-£4,514	**-£38,859**	-£24,265	-£2,904	**-£27,169**	-£36,839	-£5,217	**-£42,056**	-£95,434	-£17,350	**-£112,784**	-£192,280	-£28,818	**-£221,098**	-£44,980	-£1,876	**-£46,855**
Estimated impact of revaluation on domestic property based on data available																																					
Domestic property	80.1	£112,013	£0	**£112,013**	£31,295	£0	**£31,295**	£24,635	£0	**£24,635**	£922,548	£0	**£922,548**	£35,068	£0	**£35,068**	£33,486	£0	**£33,486**	£34,345	£0	**£34,345**	£24,265	£0	**£24,265**	£36,839	£0	**£36,839**	£95,434	£0	**£95,434**	£192,280	£0	**£192,280**	£44,980	£0	**£44,980**

Table 2 Estimated impact of revaluation on non-domestic/domestic property based on data available (non-domestic (other) increased 10%)

Parish		St.Brelade			St.Clement			Grouville			St. Helier			St.John			St.Lawrence			St. Martin			St.Mary			St.Ouen			St.Peter			St Saviour			Trinity		
Non-domestic property type	% increase/(decrease) rateable value	Parish Rates	IWR	Net impact	Parish Rates	IWR	Net impact	Parish Rates	IWR	Net impact	Parish Rates	IWR	Net impact	Parish Rates	IWR	Net impact	Parish Rates	IWR	Net impact	Parish Rates	IWR	Net impact	Parish Rates	IWR	Net impact	Parish Rates	IWR	Net impact	Parish Rates	IWR	Net impact	Parish Rates	IWR	Net impact	Parish Rates	IWR	Net impact
retail Quennevais Precinct	40.60	-£1,837	£3,103	**£1,266**																																	
retail property St.Helier	-1.00										-£277,412	-£100,904	**-£378,316**																								
offices property St.Helier	23.00										£105,431	£155,840	**£261,271**																								
La Collette Industrial units	42.80										£1,900	£2,358	**£4,258**																								
St Peter Technical Park	42.80																												-£682	£2,929	**£2,247**						
Rue Des Pres Industrial Site	42.80																															-£1,581	£4,083	**£2,503**			
Springside Industrial Site	42.80																																		-£1,998	£3,818	**£1,820**
Non-domestic (other)	10.00	-£95,355	-£6,581	**-£101,935**	-£27,250	-£1,885	**-£29,136**	-£21,433	-£1,712	**-£23,145**	-£692,549	-£31,481	**-£724,030**	-£30,300	-£2,053	**-£32,353**	-£29,078	-£2,147	**-£31,226**	-£29,837	-£1,544	**-£31,381**	-£21,003	-£993	**-£21,997**	-£31,970	-£1,785	**-£33,755**	-£81,008	-£7,182	**-£88,190**	-£163,880	-£11,596	**-£175,476**	-£37,170	-£2,267	**-£39,436**
Totals		-£97,192	-£3,477	**-£100,669**	-£27,250	-£1,885	**-£29,136**	-£21,433	-£1,712	**-£23,145**	-£862,629	£25,813	**-£836,816**	-£30,300	-£2,053	**-£32,353**	-£29,078	-£2,147	**-£31,226**	-£29,837	-£1,544	**-£31,381**	-£21,003	-£993	**-£21,997**	-£31,970	-£1,785	**-£33,755**	-£81,690	-£4,253	**-£85,943**	-£165,461	-£7,513	**-£172,974**	-£39,168	£1,551	**-£37,617**
Estimated impact of revaluation on domestic property based on data available																																					
Domestic property	80.1	£97,192	£0	**£97,192**	£27,250	£0	**£27,250**	£21,433	£0	**£21,433**	£862,629	£0	**£862,629**	£30,300	£0	**£30,300**	£29,078	£0	**£29,078**	£29,837	£0	**£29,837**	£21,003	£0	**£21,003**	£31,970	£0	**£31,970**	£81,690	£0	**£81,690**	£165,461	£0	**£165,461**	£39,168	£0	**£39,168**

Table 3 Estimated impact of revaluation on non-domestic/domestic property based on data available (non-domestic (other) increased 20%)

Parish		St.Brelade			St.Clement			Grouville			St. Helier			St.John			St.Lawrence			St. Martin			St.Mary			St.Ouen			St.Peter			St Saviour			Trinity		
Non-domestic property type	% increase/(decrease) rateable value	Parish Rates	IWR	Net impact	Parish Rates	IWR	Net impact	Parish Rates	IWR	Net impact	Parish Rates	IWR	Net impact	Parish Rates	IWR	Net impact	Parish Rates	IWR	Net impact	Parish Rates	IWR	Net impact	Parish Rates	IWR	Net impact	Parish Rates	IWR	Net impact	Parish Rates	IWR	Net impact	Parish Rates	IWR	Net impact	Parish Rates	IWR	Net impact
retail Quennevais Precinct	40.60	-£1,950	£2,374	**£424**																																	
retail property St.Helier	-1.00										-£286,776	-£135,631	**-£422,406**																								
offices property St.Helier	23.00										£82,308	£70,088	**£152,396**																								
La Collette Industrial units	42.80										£1,760	£1,836	**£3,596**																								
St Peter Technical Park	42.80																												-£892	£2,281	**£1,389**						
Rue Des Pres Industrial Site	42.80																															-£1,835	£3,180	**£1,345**			
Springside Industrial Site	42.80																																		-£2,183	£2,973	**£790**
Non-domestic (other)	20.00	-£80,755	£4,887	**-£75,868**	-£23,245	£1,400	**-£21,845**	-£18,268	£1,272	**-£16,996**	-£601,736	£23,381	**-£578,356**	-£25,651	£1,525	**-£24,126**	-£24,738	£1,595	**-£23,143**	-£25,395	£1,147	**-£24,248**	-£17,812	£738	**-£17,075**	-£27,182	£1,326	**-£25,857**	-£67,700	£5,334	**-£62,367**	-£137,787	£8,612	**-£129,174**	-£31,328	£1,683	**-£29,645**
Totals		-£82,705	£7,262	**-£75,443**	-£23,245	£1,400	**-£21,845**	-£18,268	£1,272	**-£16,996**	-£804,445	-£40,326	**-£844,771**	-£25,651	£1,525	**-£24,126**	-£24,738	£1,595	**-£23,143**	-£25,395	£1,147	**-£24,248**	-£17,812	£738	**-£17,075**	-£27,182	£1,326	**-£25,857**	-£68,592	£7,614	**-£60,978**	-£139,621	£11,792	**-£127,829**	-£33,511	£4,656	**-£28,855**
Estimated impact of revaluation on domestic property based on data available																																					
Domestic property	80.1	£82,705		**£82,705**	£23,245	£0	**£23,245**	£18,268	£0	**£18,268**	£804,445	£0	**£804,445**	£25,651	£0	**£25,651**	£24,738	£0	**£24,738**	£25,395	£0	**£25,395**	£17,812	£0	**£17,812**	£27,182	£0	**£27,182**	£68,592	£0	**£68,592**	£139,621	£0	**£139,621**	£33,511	£0	**£33,511**

Appendix X

Average estimated cost/savings impact per unit of property

Table 1 Estimated average cost/(savings) per unit of a revaluation (Non-domestic (other) increase 0%)

Category	% increase/(decrease) rateable value	St.Brelade		St.Clement		Grouville		St. Helier		St.John		St.Lawrence		St. Martin		St.Mary		St.Ouen		St.Peter		St Saviour		Trinity	
		Average (saving)/cost per unit	Number of units	Average (saving)/cost per unit	Number of units	Average (saving)/cost per unit	Number of units	Average (saving)/cost per unit	Number of units	Average (saving)/cost per unit	Number of units	Average (saving)/cost per unit	Number of units	Average (saving)/cost per unit	Number of units	Average (saving)/cost per unit	Number of units	Average (saving)/cost per unit	Number of units	Average (saving)/cost per unit	Number of units	Average (saving)/cost per unit	Number of units	Average (saving)/cost per unit	Number of units
retail Quennevais Precinct	40.60	£199	11																						
retail property St.Helier	-1.00							-£379	871																
offices property St.Helier	23.00							£399	952																
La Collette Industrial units	42.80							£62	80																
St Peter Technical Park	42.80																			£265	12				
Rue Des Pres Industrial Site	42.80																					£145	26		
Springside Industrial Site	42.80																							£113	26
Non-domestic (other)	0.00	-£158	819	-£74	449	-£39	758	-£490	1792	-£42	973	-£47	852	-£49	789	-£36	761	-£34	1,228	-£117	993	-£267	842	-£49	1,026
Domestic (Parish rate only)	80.1	£24	4,660	£8	4,004	£11	2,295	£55	16780	£28	1,268	£13	2,598	£18	1,959	£33	744	£20	1,811	£41	2,344	£32	6,044	£31	1,429

Table 2 Estimated average cost/(savings) per unit of a revaluation (Non-domestic (other) increase 10%)

Category	% increase/(decrease) rateable value	St.Brelade		St.Clement		Grouville		St. Helier		St.John		St.Lawrence		St. Martin		St.Mary		St.Ouen		St.Peter		St Saviour		Trinity	
		Average (saving)/cost per unit	Number of units	Average (saving)/cost per unit	Number of units	Average (saving)/cost per unit	Number of units	Average (saving)/cost per unit	Number of units	Average (saving)/cost per unit	Number of units	Average (saving)/cost per unit	Number of units	Average (saving)/cost per unit	Number of units	Average (saving)/cost per unit	Number of units	Average (saving)/cost per unit	Number of units	Average (saving)/cost per unit	Number of units	Average (saving)/cost per unit	Number of units	Average (saving)/cost per unit	Number of units
retail Quennevais Precinct	40.60	£115	11																						
retail property St.Helier	-1.00							-£434	871																
offices property St.Helier	23.00							£274	952																
La Collette Industrial units	42.80							£53	80																
St Peter Technical Park	42.80																			£187	12				
Rue Des Pres Industrial Site	42.80																					£96	26		
Springside Industrial Site	42.80																							£70	26
Non-domestic (other)	10.00	-£124	819	-£65	449	-£31	758	-£404	1792	-£33	973	-£37	852	-£40	789	-£29	761	-£27	1,228	-£89	993	-£208	842	-£38	1,026
Domestic (Parish rate only)	80.1	£21	4,660	£7	4,004	£9	2,295	£51	16780	£24	1,268	£11	2,598	£15	1,959	£28	744	£18	1,811	£35	2,344	£27	6,044	£27	1,429

Tale 3 Estimated average cost/(savings) per unit of a revaluation (Non-domestic (other) increase 20%)

Category	% increase/(decrease) rateable value	St.Brelade		St.Clement		Grouville		St. Helier		St.John		St.Lawrence		St. Martin		St.Mary		St.Ouen		St.Peter		St Saviour		Trinity	
		Average (saving)/cost per unit	Number of units	Average (saving)/cost per unit	Number of units	Average (saving)/cost per unit	Number of units	Average (saving)/cost per unit	Number of units	Average (saving)/cost per unit	Number of units	Average (saving)/cost per unit	Number of units	Average (saving)/cost per unit	Number of units	Average (saving)/cost per unit	Number of units	Average (saving)/cost per unit	Number of units	Average (saving)/cost per unit	Number of units	Average (saving)/cost per unit	Number of units	Average (saving)/cost per unit	Number of units
retail Quennevais Precinct	40.60	£39	11																						
retail property St.Helier	-1.00							-£485	871																
offices property St.Helier	23.00							£160	952																
La Collette Industrial units	42.80							£45	80																
St Peter Technical Park	42.80																			£116	12				
Rue Des Pres Industrial Site	42.80																					£52	26		
Springside Industrial Site	42.80																							£30	26
Non-domestic (other)	20.00	-£93	819	-£49	449	-£22	758	-£323	1792	-£25	973	-£27	852	-£31	789	-£22	761	-£21	1,228	-£63	993	-£153	842	-£29	1,026
Domestic (Parish rate only)	80.1	£18	4,660	£6	4,004	£8	2,295	£48	16780	£20	1,268	£10	2,598	£13	1,959	£24	744	£15	1,811	£29	2,344	£23	6,044	£23	1,429

Appendix XI

Estimated cost of Parish Rates for an owner/occupier of re-valuation on an average 3 bedroom dwelling (assessed at 12,000 rateable quarters)												
	St Brelade	St Clement	Grouville	St Helier	St John	St Lawrence	St Martin	St Mary	St Ouen	St Peter	St Saviour	Trinity
Estimated cost re-valuation 1	£38	£9	£9	£78	£25	£13	£17	£30	£18	£43	£38	£32
Estimated cost re-valuation 2	£33	£7	£8	£73	£21	£11	£15	£26	£16	£37	£33	£28
Estimated cost re-valuation 3	£28	£6	£6	£68	£18	£9	£13	£22	£14	£31	£28	£24
Average estimated cost	£33	£7	£8	£73	£21	£11	£15	£26	£16	£37	£33	£28

Estimated cost re-valuation 1	Non-domestic (other) increased by 0%
Estimated cost re-valuation 2	Non-domestic (other) increased by 10%
Estimated cost re-valuation 3	Non-domestic (other) increased by 20%