BUSINESS RATES AVOIDANCE AND EVASION

CONSULTATION RESPONSE

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INTRODUCTION

The British Property Federation (BPF) represents the UK real estate sector, an industry that contributes more than £107bn to the economy and supports 2.3 million jobs. Our members are invested in commercial and residential real estate in communities across the UK - revitalising our cities and shared spaces, re-imagining our town centres, and creating vibrant new places designed for the way we live today.

We recognise the extensive efforts that Government have invested in recent years to review and reform the business rates system – and are keen to continue engaging on this to ensure that the business rates system is as responsive to the economy as possible.

We also recognise that the issue of empty properties is a significant challenge for our high streets and communities more broadly, and we are keen to continue to engage with Government on this broader agenda. As we have noted before, we believe that the high and rising cost of business rates has exacerbated the problem of empty properties over the last decade. At the same time, we recognise that business rates are an important source of income for local authorities; a balance therefore needs to be struck between lowering costs for businesses and maintaining sustainable revenues for local government.

We don't agree that the proposed reforms to Empty Property Relief which are set out in this consultation are appropriate – and would risk hampering leasing activity and investment. However, we do recognise that there are shortfalls with the current policy for taxing empty units – in particular, the current 3 – 6 month period of Empty Property Relief is woefully inadequate and does not reflect the time it typically takes to re-let a property to a new tenant – let alone carry out refits and energy efficiency improvement works. We have set out an alternative proposal to introduce a fair and proportionate tax system for unoccupied properties within our response – and would be glad to engage with Government further on this.

FORMAT OF OUR RESPONSE

1. Executive Summary
2. Appendix 1: Response to consultation questions (our responses focus on Chapter 2)
3. Appendix 2: Data on typical vacancy periods

Executive summary

Measures to reform the rates of unoccupied properties

Our response to this consultation predominantly focuses on Chapter 2 – "measures to reform rates of unoccupied properties". We have not responded to the detailed questions set out in the later chapters – but we would of course support Government's efforts to address tax evasion and measures to tackle "rogue" agents.

We vehemently agree that there are significant shortfalls in the current approach to tax unoccupied properties. However, we would not support the detailed reforms to Empty Property Relief which are set out in this consultation for a number of reasons – namely, the proposals;

1. risk hampering genuine commercial leasing activity (particularly short term and pop-up lease activity);
2. would create an uncertain tax environment which would not support investment into our towns and cities;
3. will not address the underlying shortfalls of the current Empty Property Relief policy – namely, that the 3 or 6 months relief period is woefully inadequate and does not represent how long it actually takes to refit a property and find a new tenant *(a period of closer to 12 months is more typical - see more detail on re-occupancy period data in the appendix)*

It seems absurd to make tweaks to a tax relief which is clearly no longer fit for purpose. Government should first reform Empty Property Relief to make sure that it is appropriately supporting property owners for the time it typically takes to market and refit a property.

Furthermore, by simplifying the tax system and making it fair and appropriate; the financial incentive for owners to investigate lawful empty rates mitigation schemes will fall away – and the tax system will better support investment into our towns and cities.

Alternative proposal – a fair and proportionate tax system for unoccupied properties

We have taken the opportunity to set out an alternative reform to Empty Property Relief, which we believe will make the system fairer and better reflect the original policy intention behind Empty Property Relief – which is to "*support property owners while they market or refit a property before it comes back into use*" (para 2.4 of the consultation). Furthermore, this alternative proposal will also reduce mitigation activity in the market, which the Government are seeking to address. We have collated data on typical vacancy periods in the market to help inform our recommendation (further details on vacancy period data can be found in the appendix).

Alternative proposal:

1. *Extend the Empty Property Relief (EPR) period to at least 6 months, and ideally closer to 12 months* – this will better support property owners through more realistic vacancy periods. A longer EPR period is also likely to incentivise tenants to take on space quickly so they can benefit from the end of the EPR period during their pre-occupancy fit our period.
2. *Bring back the 50% discount on rates bills on vacant units, after the initial EPR period.* This relief was in place before 2008 – and it provided certainty to property owners that their costs would be more manageable during a period where no rental income is coming in – and especially helpful for those properties that take longer to re-occupy. It is also important to note that we didn't typically see any empty property rates mitigation schemes in the market when this 50% discount applied to vacant units before 2008. By reducing the possible savings that can be made through rates mitigation, the benefits of mitigating rates reduces significantly – hence this is a particularly important element of the design of the relief if Government are seeking to reduce the rates mitigation activity.

What are the benefits of this alternative proposal?

1. Capping tax on vacant units to a sustainable level provides a fairer and more certain tax environment for investors – which will better support private investment in our towns and cities; critical to meeting our levelling up and our green growth objectives.
2. By better supporting a property owner through a realistic vacancy period and reducing the rates bills by 50% thereafter, there will be less benefit in and thus a much reduced financial incentive to engage in rates mitigation activity.
3. Property owners will be able to focus all of their attention on findings the right occupier mix for their schemes, without being burdened by business rates implications and considerations.
4. Local authorities' will be better able to rely on a more realistic and sustainable revenue stream from vacant units and the demand on their own resources in managing empty rates mitigation schemes will fall away.

It has been suggested that taxing vacant units will incentivise a property owner not to leave their units vacant, however this concept feels very alien to our members as their primary business objective is to generate rental income from property. Indeed, over the past 40 years, more than 70% of the total return delivered by commercial property has come from rental income, with only 30% attributable to increases in property value.

In addition, property owners will have mortgage costs, insurance costs, and numerous other costs to bear while a property is empty – they are therefore already very well incentivised to find a new tenant as quickly as possible. The suggestion that swathes of our high streets are vacant because property owners are lazy or disinterested is not only a fundamentally unfair and inaccurate representation – it loses sight of the real challenges facing our high streets – and how we can best tackle them.

Typical vacancy periods: how long does it take to market and re-fit a property?

Vacancy periods will vary significantly based on a number of factors (e.g. the asset class, whether it is a new development, or a second hand re-let; its geography; its size; the complexity of the fitout etc.). However, it has been possible to compile some indicative averages - partly based on data we have commissioned from the Local Data Company (LDC) on retail properties, and partly from collating data from property owners and advisors within our membership.

The data suggest that a period of 12-18 months vacancy is typical for most asset classes. LDC data also indicates that since 2021, only 9% of retail properties falling vacant were reoccupied in less than 6 months – which further illustrates that the current 3-month period of Empty Property Relief no longer reflects market conditions.

Further details of the data we have collected on vacancy periods and the methodologies are set out in the appendix – however it's important to note that where we calculate average vacancy periods, we've included only vacant properties *that have then been relet*. We took this decision to ensure that we are excluding assets which may be subject to particularly challenging markets, or significant supply/demand imbalances. If we were to include currently vacant properties then average vacancy periods would be significantly higher.

This does pose the question – how could the business rates system better support those vacant units which are taking longer to re-occupy, and who won't be served even by the more generous Empty Property Relief (EPR) proposals we set out above?

How could the business rates system support those units which are vacant for longer periods?

While our alternative proposals to reform EPR above will better support these units which are more viable, and which tend to find an occupier within 12-18 months; we know that there are still properties within the retail and office market in particular, which are taking a lot longer to re-occupy.

It is important for Government to consider how we could better support these parts of the market that are struggling more with persistent and longer-term vacancy – and in the context of this consultation; how can we make sure that business rates itself is not creating a barrier to occupiers taking on this vacant space and exacerbating vacancy rates on our high streets.

Drawing on the 'Fresh Start' relief in Scotland, Government could consider a similar measure which reduces costs for occupiers taking on vacant units – for example:

How could business rates provide an incentive for occupiers to take up vacant space?
Provide a 12-month business rates relief to any occupier that takes out a long terms lease on a vacant unit *(this could be limited to long term vacant units – or could include all vacant units to keep the incentive clear and simple).*

At the very least this should be extended to retail and office properties in the first instance. We know that a good mix of different tenants will complement and support each other to succeed – creating more vibrant high streets.

Tax evasion and "rogue" agents – the business rates system itself creates a breeding ground for rogue agents to thrive.

While we have not commented in detail on the consultation questions set out in chapter 3 and 4; it goes without saying that we do not condone tax evasion or the actions of rogue agents who seek to take advantage of desperate or unwitting businesses. We support Government efforts to address these, and we would highlight that the design of the tax itself could be helping to perpetuate this nefarious activity.

The very nature of the business rates system – that fact that it is highly unresponsive and imposes a huge, fixed cost on business - is itself putting many businesses and property owners in a desperate financial position. Furthermore, we know anecdotally from many businesses that the introduction of the new 'Check Challenge Appeal' (CCA) system has placed an increased administrative burden on many businesses – many of whom have found the CCA system hard to navigate. There is a range of rate reliefs potentially available to occupiers but the schemes are complex and small businesses especially find it difficult to access the reliefs they are entitled to. It is therefore no surprise that an industry of rogue agents purporting to support businesses with nefarious schemes has thrived in recent years.

The Government's recent decision to abolish downwards transition and increase the frequency of valuations will go some way to helping to make the business rates system more responsive. However, we are still in a position where the time between revaluations and the end of the rates cycle is 5 years. We only have to look to the transformation of our retail sector over the last decade or so to know that a lot can happen to the economy and rateable values in 5 years – so Government should continue to push for more frequent revaluations still. Furthermore, the tax rate remains at a staggeringly high 50% - already unprecedentedly high compared to other taxes – and, without Government intervention this Autumn, is at risk of increasing further in line with inflation.

By reducing the tax rate and conducting valuations more frequently; the business rates tax system would better ensure that the burden placed on business is fair and manageable – therefore removing the environment that "rogue agents" thrive in. A responsive and fair tax system should be the Government's number one priority for business rates reform.

Appendix 1: Response to consultation questions

Chapter 2: Measures to reform rates on unoccupied properties

Amending the 're-set period' from 6 weeks to 3-6 months

Question 1: Would increasing the required duration of occupation during the 'reset period' from 6-weeks to 3- or 6-months, in your view, be effective in reducing avoidance through empty property rates?

Question 2. What potential issues may arise from requiring occupation for 3- or 6-months during the 'reset period'?

1. The data on vacancy periods suggests that Empty Property Relief should be extended not reduced. This measure would do the exact opposite, and therefore is not appropriate – certainly not without the alternative reforms to extend Empty Property Relief that we propose.

2. Possible consequences of this measure include:
    a. Short term leasing activity decreases.
    b. Property owners could be forced to take drastic action to take their properties out of the rating list completely.

3. *Impact on short term leasing activity:*
   While property owners will typically want to secure a more permanent tenant in the long run, shorter term lets offer a good option for both parties in the meantime. In particular, from an occupier's perspective, they provide a really important offering to new businesses that are seeking to trial new space in new locations, without the risk of committing to a long-term lease.

4. From a property owner's perspective, while they will typically be striving to secure more permanent tenants in the long run, this can take time – and short-term occupancy provides a number of benefits to the property owners in the meantime:
    a. Generating some income until they can find a longer-term tenant.
    b. Minimising losses/covering costs – namely mortgage interest, insurance, security - as well as business rates.
    c. Maintaining an occupied more vibrant site which benefits all the tenants in the scheme and local community.
    d. Allows a property owner to test out a new occupier with no trading history to see how well they perform and how well they complement the wider scheme (while the tenant also trials the space with limited long term risk).
    e. Allows seasonal businesses and pop ups to be accommodated.

5. While we will still see some short term lease activity because of the benefits above, the 6-week re-set period provides an added incentive for property owners to pursue shorter term lease deals,

while they look for a more permanent tenant. We would be concerned that increasing the re-set period would reduce the incentive to pursue short term lease deals, which we have seen to be beneficial to both property owners and tenants.

6. *A risk that properties will be taken out of the rating list:*

   If the tax payable on vacant properties becomes even more out of step with typical vacancy periods; as a worst-case scenario, some many property owners could be forced to take drastic action to undertake works to take properties out of the rating list entirely - and so reduce the overall opportunity to generate rates income. While this is most definitely a last resort – this may be seen as the only option for those property owners with properties facing more challenging markets, with less prospect of letting their units quickly. As we have seen from the data, a third of vacant units on the high street are taking over 2 years to find a new occupier – a property owner that cannot afford that rates bills for 2 years may have little choice but to take this seemingly drastic action – to the detriment of our towns and high streets – and our economy.

7. We would reiterate that the most important reform to Empty Property Relief policy is to extend the relief period to at least 6 and ideally 12 months, to better reflect how long it typically takes to secure a new tenant, followed by a 50% discount until the property is reoccupied. If an extension to the reset period was introduced alongside this reform, it would likely have a less damaging impact on the short-term commercial lettings activity, and there would be less risk that property owners would be forced to take their units off the rating list completely.

Introducing a limit on the number of times EPR can be claimed in a given period

Question 3: Would introducing a limit on the number of times EPR could be claimed in a given time period, in your view, be effective in reducing avoidance?

Question 4. What potential issues may arise from limiting the number of times properties can benefit from EPR within a given period?

8. Limiting the number of times EPR could be claimed in a given period would also have a detrimental impact on short term and pop-up leasing activity.

9. In order to better support short term and pop-up leasing activity, we would reiterate our calls to extend the ERR period to at least 6 or ideally 12 months, to better reflect how long it typically takes to find a new long term tenant. This would simplify the tax considerably – and ensure that property owners can focus on the best leasing opportunities for their assets, without having to consider the business rates implications.

10. We would also reiterate that property owners are already incentivised to maintain occupied properties - to cover their costs and maintain revenues as far as possible – and also to maintain vibrant and occupied schemes.

11. If Government were to go ahead with this approach – we would suggest that a better way to frame the policy would be to allow a maximum amount of Empty Property Relief within a given period – e.g. 12 months EPR within 2 years for example. This would mean that property owners could accept any amount of short term lets, without limiting the total amount of Empty Property Relief they're entitled to – which should have a less distorting influence on the market.

Introducing new conditions to the meaning of 'occupation'

Question 5: What are your views on adding additional conditions to the meaning of occupation for the purposes of determining whether a property should benefit from a further rate free period?

Question 6: How could the additional occupation conditions be effectively defined to reduce avoidance?

12. We would urge Government against making changes to a well established and well understood definition of 'rateable occupation'. Case law relating to the meaning of occupation goes back decades, and disrupting this would introduce significant uncertainty into the tax treatment of properties.

13. Furthermore, we would be concerned that tweaks to this definition would risk impacting on current commercial practices. For example, the consultation highlights that properties are being used as storage facilities in a contrived way – however, in a shopping centre context; it is genuinely useful and helpful for occupiers taking out new space or refitting their properties, to be able to use spare units to store their goods in the short term.

14. The best way to ensure that tweaks to these rules will not inadvertently impact on genuine commercial activity, would be to reform Empty Property Relief in the first instance, to make sure that it is fair and appropriate – reflecting real vacancy periods. If nefarious or egregious practices continue that Government are not happy with; further changes should be considered at that point.

Discretionary relief

Question 7: What are your views on reforming the current arrangements for empty property rates relief and replacing them with a local, discretionary scheme?

15. We would not support a discretionary scheme for Empty Property Relief – as this would lead to a less certain tax environment for investors. Inevitably Billing Authorities will impose different rules and standards, in practice on a case-by-case basis that gives no certainty to property managers and

investors. Querying a discretionary relief is time-consuming and expensive (especially if the only route available is judicial review) so in practice empty rates will become almost totally controlled by Billing Authorities, with no effective review procedure for taxpayers that is accessible and proportionate.

16. We know that certainty is critical for investors when making investment decisions. Without certainty over the tax environment – investors will need to make prudent estimates in investment appraisals of their potential empty business rates bills – which is likely to lead to reduced viability of investment.

17. Our high streets are in desperate need of investment to support our levelling up agendas, and to allow for significant retrofitting works needed to improve the energy efficiency of our commercial property stock - therefore, we would reiterate our call for a fairer and more appropriate Empty Property Relief which reflects the typical vacancy periods. If investors have certainty that Empty Property Relief will be provided for at least 6 months and ideally 12 months, followed by a 50% discount on rates thereafter, this will provide a fairer and more certain tax environment, which reflects market conditions - and will ultimately support greater investment in our town and cities.

Question 8: Are there any other additional criteria which, in your view, should be met for a property to qualify for EPR?

18. No comment.

The 'next in use' exemption

Question 9: Would removing the 'next in use' exemption, in your view, be effective in tackling avoidance of EPR?

Question 10. What issues may be caused by the removing the 'next in use' exemption?

Question 11. What are your views on how the 'next in use' exemption may be improved to minimize the opportunities for rates avoidance, including (but not limited to) introducing additional criteria or devolving the award of the exemption to local authorities?

19. We are less familiar with the 'next in use' exemption and possible implications of reforming it. It's important to consult with charities and sports clubs – or other intended beneficiaries of this relief, to check whether it is benefiting them and working in a way that Government intended. And indeed, if these reforms could hamper their ability to claim the relief that Government consider they need.

20. We would add that nefarious or unintended use of the 'next in use' provision would likely fall if a longer initial rates free period was implemented, followed by a 50% discount, as we propose.

21. As a general point, we would note that the more reliefs we have, the more complex the tax environment, the more opportunities there are for the tax rules to distort the market; and more importantly, the smaller the numbers of businesses that are left bearing the total business rates burden. We would like to see a government review of the current suite of reliefs, to check whether they are still appropriate - representing good value for the tax payer, and not creating unwanted distortions in the market.

Chapter 3: Wider business rates avoidance and evasion

Chapter 4: "Rogue" agents

22. While we have not commented in detail on the consultation questions set out in chapter 3 and 4; we do not condone tax evasion or the actions of rogue agents who seek to take advantage of desperate or unwitting businesses – and support Government's efforts to address this behaviour.

23. However, we would suggest that the very nature of the business rates system – that fact that it is complex, highly unresponsive and imposes a huge, fixed cost on business - is itself putting many businesses and property owners in a desperate financial position. Furthermore, we know anecdotally from many businesses that the introduction of the new 'Check Challenge Appeal' (CCA) system has placed an increased administrative burden on many businesses – many of whom have found the CCA system hard to navigate. There are a range of rate reliefs potentially available to occupiers, but the schemes are complex and small businesses especially find it difficult to access the reliefs they are entitled to. It is therefore no surprise that an industry of rogue agents purporting to support businesses with nefarious schemes has thrived in recent years.

24. The Government's recent decision to abolish downwards transition and increase the frequency of valuations will go some way to helping to make the business rates system more responsive. However, we are still in a position where the time between revaluations and the end of the rates cycle is 5 years. We only have to look to the transformation of our retail sector over the last decade or so to know that a lot can happen to the economy and rateable values in 5 years – so Government should continue to push for more frequent revaluations still. Furthermore, the tax rate remains at a staggeringly high 50% - already unprecedentedly high compared to other taxes – and, without Government intervention this Autumn, is at risk of increasing further in line with inflation.

25. By reducing the tax rate and conducting valuations more frequently; the business rates tax system would better ensure that the burden placed on business is fair and manageable – therefore removing the environment that rogue agents thrive in. A responsive and fair tax system should be the Government's number one priority for business rates reform.

Appendix 2: Vacancy period data

1. We have commissioned and collated date on vacancy periods across the three main commercial property asset classes: retail; logistics, and offices – to help guide and support our recommendation on what a fairer and more appropriate tax policy for vacant buildings should look like.

2. As we have already highlighted, the rationale behind Empty Property Relief policy is to *"support a property owner while they market or refit a property before it comes back into use"* (para 2.3 of the consultation). The data shows that the current EPR period of 3 months for retail and offices, and 6 months for logistics is woefully inadequate.

3. While vacancy periods will vary according to a number of factors; we can see from the data that a period of 12 months would represent a more typical vacancy period, and would suggest the EPR should be extended – and not restricted further, as this consultation is seeking to do.

4. We set out the data we have collated for each asset class in turn, with a brief summary of the methodologies. We'd be happy to provide further information, or arrange a meeting to go through any of this in more detail, or provide an opportunity for government officials to ask questions.

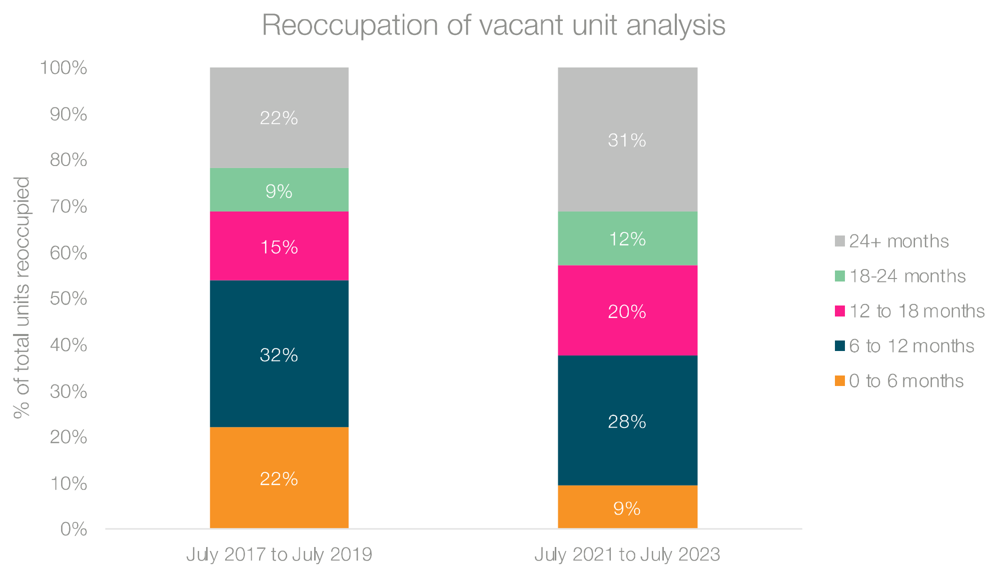
RETAIL:

5. We commissioned the Local Data Company (LDC) to provide data on re-occupancy periods in our retail locations (high streets, retail parks and shopping centres).

Methodology and background

6. The Local Data company visit the larger retail destinations every 6 months and track data on which units are vacant (it's estimated that the larger destinations visited by the LDC capture between 40-50% of the whole UK retail universe). The data looks at vacancy periods in two different time periods – the last two years, and the two years just before Covid, to see how long reoccupied units were vacant for before they became occupied.

	Percentage values	
Period	July 2017 to July 2019	July 2021 to July 2023
0 to 6 months	22%	9%
6 to 12 months	32%	28%
12 to 18 months	15%	20%
18-24 months	9%	12%
24+ months	22%	31%
Total	100%	100%



7. This data shows that in the last 2 years, only 9% of vacant retail units were reoccupied within 6 months – it took 12 months for 37% of units to be reoccupied, and 18 months for 57% of units to be reoccupied.

8. The picture was slightly better before Covid – with the data showing that only 22% of units were reoccupied within 6 months; 54% within 12 months; and almost 70% within 18 months.

9. This data shows that the current 3-month empty rates relief period for retail properties is not sufficient – and period of closer to 12 months would be more appropriate.

10. Further details on this data, which includes some sectoral and geographical analysis, can be found here.

OFFICES

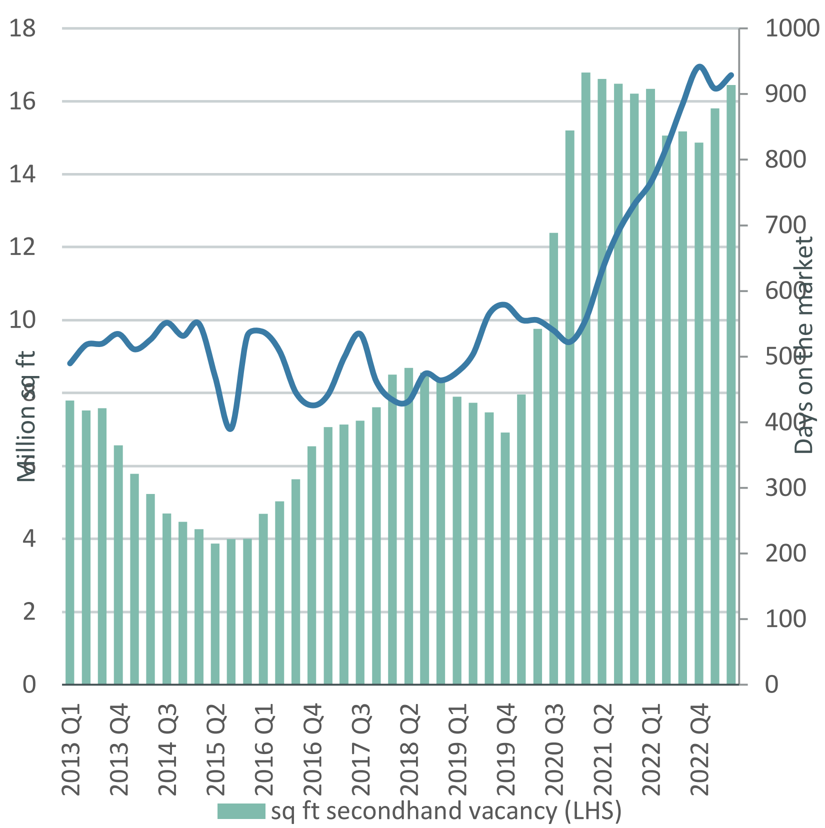
Methodology and background

1. CBRE have collated data on vacancy periods of second hand and new build office developments – based on their data base of central London offices (which is typically in excess of 1,000 units).

2. The 'vacancy period' is measured from when the unit is "materially ready to occupy", which may mean that some works have been done to the property since the previous tenant – so these vacancy statistics will slightly under-represent true vacancy periods. It is important to note that this data set does include currently vacant units, so the average vacancy periods will reflect the whole range of units on the market – including those struggling with market challenges, like the increasing supply demand imbalance – which is relevant for the second-hand market in particular.

3. The first graph shows that vacancy periods for second hand offices have shot up significantly since Covid – with second hand offices on the market for 900 days on average (2.5 years). However, even before Covid, it was taking over a year (400-500 days) to reoccupy a second-hand office property.

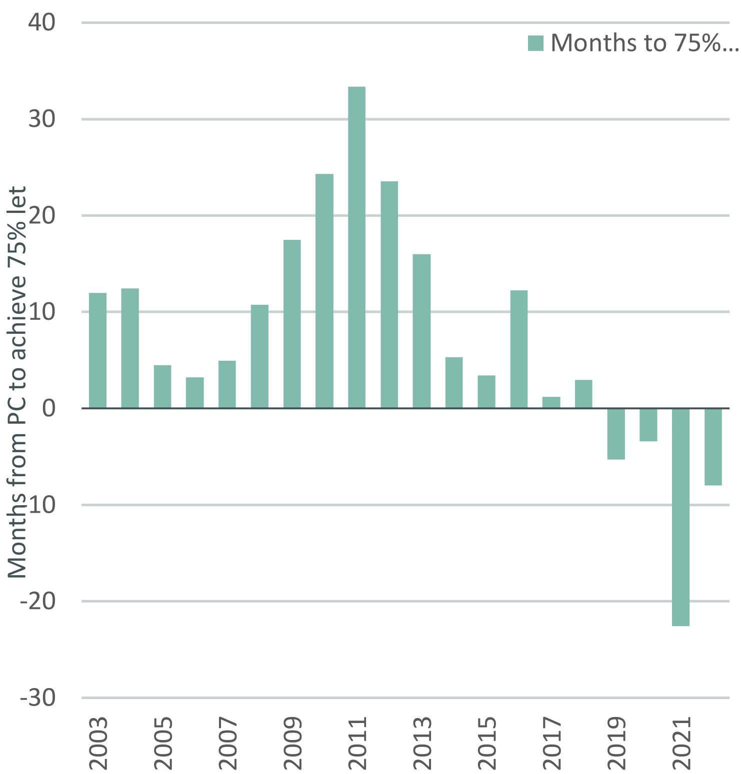
Central London second hand office vacancy



OFFICES - continued

4. The second graph shows vacancy periods on new office developments. Many new office developments currently have a 'pre-let' in place – i.e. a tenant has already agreed to a lease contract before construction has finished. This explains why the 'vacancy period' for new office developments is 'negative' on the graph. This data only shows developments that are 75% let (i.e. there could still be a minority of units within the development which are yet to be let); this indicates that Empty Property Relief policy will be less relevant for new office developments at the moment because so many of them are pre-let. But we have included them to provide some wider context on the office market at the moment.

Central London development office leasing activity (time to 75% let)



5. We would reiterate that this data represents Central London offices. We would expect that the central London office market would perform slightly better that the rest of the UK, given we know that vacancy rates in central London tend to be slightly lower compared to the rest of the UK. However, this data still gives a helpful indication of office vacancy periods – and certainly supports the need for greater Empty Property Relief.

Logistics

Methodology and background:

6. Savills analysed their logistics deals database from 2015 and averaged out the void period to when the deal took place. It's based on their national database of deals for units over 100,000 sq ft – given the nature of the logistics market, the majority of the deals will be in the core markets of the Midlands, Yorkshire, NW and SE (around the core motorway network). This data covers 1,275 separate transactions since 2015.

7. For new builds the long-term average vacancy period is 12 months and for second hand it's 16 months, based on deals since 2015.

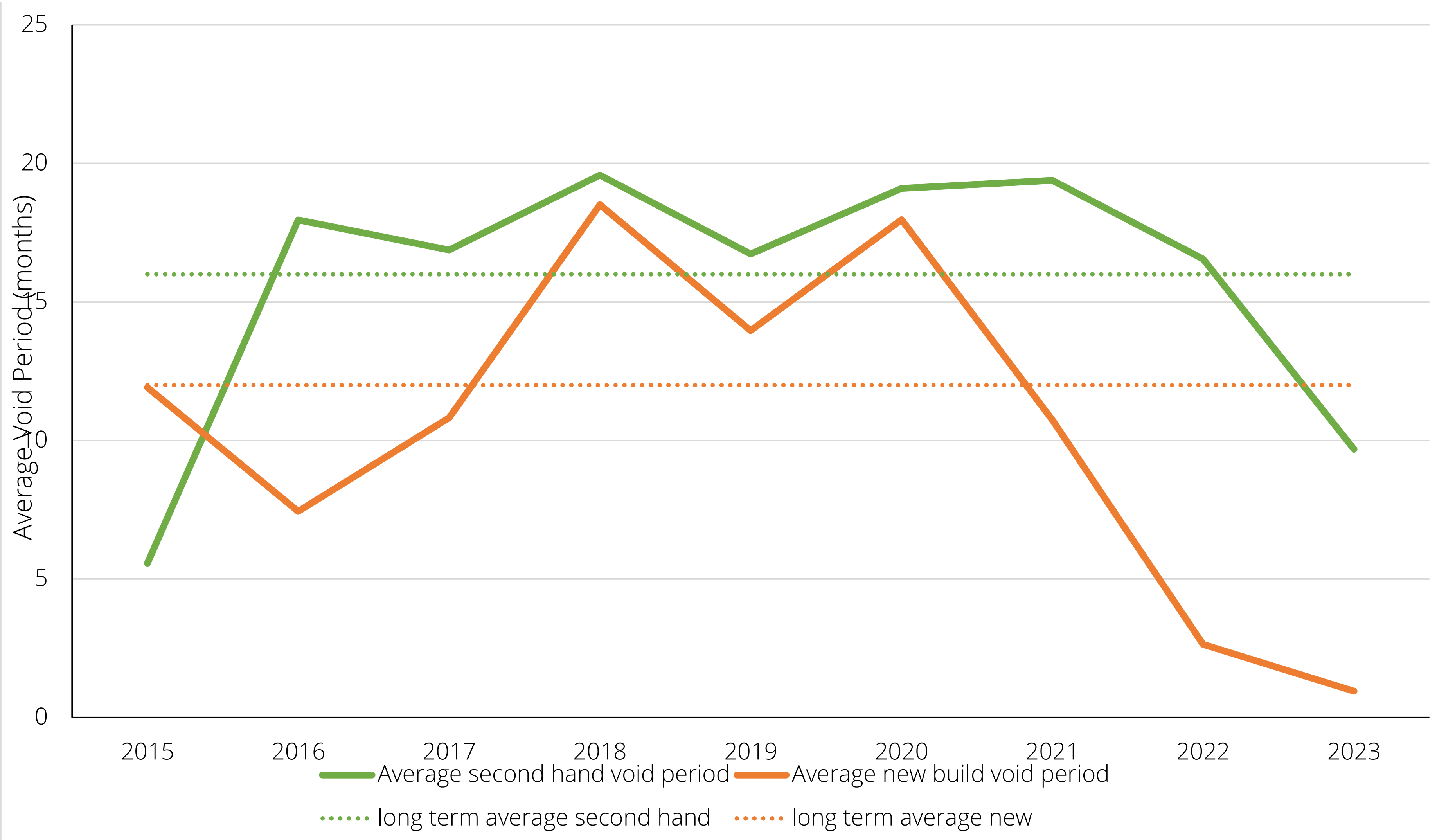
8. The void is calculated from when the units were practically complete (PC'd) for new buildings, and when marketing starts for a second-hand units. For a second-hand unit, the actual void may be much longer as the property owner may refurbish the unit after it becomes vacant and they don't typically start marketing until the refurbishment is complete.

9. For new units it's also possible that deals are signed during the construction phase, and they lease before PC, thereby having a negative void. This was almost unprecedented pre-covid - during Covid it became common and now its drifting back out again – but this explains why the vacancy periods in the years since Covid have been much shorter.

10. This data doesn't take into account units that are currently being marketed. There will be many buildings now that have been vacant for 2 even 3 years – and when they do finally lease that will increase the average vacancy peirod.

11. A graph illustrating the average vacancy periods over time for new builds and second-hand logistics properties, along with a long-term average line, is set out on the following page.

Logistics - continued



Investor data - a mixed portfolio

1. A member that invests in a diverse portfolio of commercial real estate across the UK analysed their average vacancy periods of units which were vacant or became vacant in the period from 30 June 2021 to 30 June 2023. The data covers approximately 700 units in total – fairly well balanced between the main asset classes.

2. This data starts from the sample of vacant units - however, because the sample period is capped at 2 years, the data is not disproportionately impacted by any very long-term vacant units. If these longer-term vacant units were included, the average vacancy period would be higher.

3. The average vacancy period for all property across this sample of vacant units is 8.6 months. This is split out by asset class below:

Sector	Vacancy (months)
Retail	8.0
Office	9.4
Industrial	8.8
Hotel	12.2
Other	7.5
All property	8.6

4. This investor performs slightly better than the average industry data we have collated for the separate asset classes – this may be partly attributed to their slightly different methodology, which excludes vacancies of greater than 2 years.

5. It is interesting to include an example of the vacancy periods across a whole UK wide portfolio, managed by the same professional investor - and with the data all subject to a consistent methodology. In particular, while hotels are a slight outlier, it is interesting to note that the average vacancy periods of the other main commercial asset classes (retail, logistics and offices) are all quite similar .

Further details on the data:

We would be happy to provide further details on any of the data in this appendix, or arrange a meeting to allow time to ask further questions on the methodologies or results. Please don’t hesitate to get in touch and we’d be happy to arrange this.