



## Retail Property Bulletin – September 2005

Welcome to the latest edition of the Anderson Strathern Retail Property Bulletin. The Retail Bulletin is designed to be of interest to the retail property and landlord and tenant sectors. Our aim is to highlight current issues.

Anderson Strathern seeks to adopt a concise, no nonsense approach to providing topical information. This information is sent to key players in the retail property sector.

This edition of the Retail Property Bulletin contains information on:-

- Rating Revaluation
- Changes in the VAT treatment of landlords' inducements paid to tenants
- The proposed extension of the Almondvale Centre, Livingston

If you would like more information or if you know of any who would be interested to receive our Retail Property Bulletin please contact us at [retail@andersonstrathern.co.uk](mailto:retail@andersonstrathern.co.uk)

### Rating Revaluation: Scotland – Time limit 30 September 2005

All business properties in Scotland have been subject to revaluation for rating purposes with effect from 1 April 2005. Valuation Notices were posted out in March. Proprietors/tenants have until 30 September 2005 to submit an appeal.

Information is available on the Scottish Assessors' Association's website at [www.saa.gov.uk](http://www.saa.gov.uk) The Assessors offices are subject to the Freedom of Information legislation and more information may be available by individual applications.

Where appropriate proprietors/tenants should consider taking specialist valuation advice and lodge any appeal by 30 September at the latest.

### Landlord's Inducements: Changes in VAT treatment by HM Customs & Excise

Previously where a VAT registered incoming tenant received payment of an inducement from its landlord the tenant was treated as having made a taxable supply of services to the landlord. HM Customs & Excise have now published a business briefing confirming that they have now changed the treatment of inducements for VAT purposes. Details of briefing note.

Where a landlord has paid an inducement to a tenant to enter into a straight forward lease, bound by the normal obligations under the lease the receipt by the tenant of the money is outwith the scope of VAT. However, where an inducement is paid to the tenant and there is an obligation outwith the normal scope of a lease the tenant is treated as having made a standard rated supply of service to the landlord.

The following may be examples of obligations outwith the normal scope of a lease:

Carrying out works to improve the property by undertaking necessary repairs or upgrading  
Carrying out fitting out or refurbishment for which the landlord has responsibility  
Acting as an anchor tenant

If VAT has been paid in respect of an inducement from a landlord if appropriate it may be reclaimed subject to the normal three year cap.

Did you know?

The Almondvale Centre in Livingston is set to more than double in size by linking up with the neighbouring MacArthur Glen. This would see an expansion of almost 350,000 sq ft. making the new look centre almost as large as the Metro Centre.

Large retailers have been linked with the Centre including Mango, Zara, Office, Nine West, Jack & Jones, Ravel and Primark.

The impact of the enlarged Almondvale Centre (with ample parking) on high street retailers in Edinburgh and Glasgow remains to be seen.

While the proposed extension of the Almondvale Centre has drawn considerable press attention it is not all good news for out of town retailers/developers. The Herald's Scottish Political Editor, Douglas Fraser, on 29 August reviewed the recent rules laid down by the Scottish Executive in respect of out-of-town retailing. In short, the new rules are designed to force retailers back to city and town centres by restricting out-of-town development. Out-of-town retail developers will now have to justify not only their plans and extra traffic congestion created but also demonstrate that they could not achieve the same result within towns.

For further information please email [retail@andersonstrathern.co.uk](mailto:retail@andersonstrathern.co.uk)