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[BBC 6 O'Clock News](#), [BBC Breakfast TV](#), [Daily Mail \(big feature\)](#), [Today Programme](#) (1), [BBC Online News](#), [Today Programme](#) (2) [The Times](#), [Financial Times](#), [Guardian](#), [Bloomberg TV](#), [Independent](#), [Telegraph](#)

British Property Federation press release – EMBARGOED 0.01h Mon 27 Oct

Brands unite over bombsite Britain tax

British Airways, Tesco, McDonalds and Nokia are some of the big brands backing a British Property Federation (BPF) call for the scrapping of empty rates in an open letter being sent to the prime minister by Property Week today.

View the cover [here](#) and the letter [here](#).

Household names like B&Q, British Airways, Next and Legal & General have joined property heavyweights like Brixton, Canary Wharf and Land Securities to get business rate relief on empty buildings to be reapplied immediately to stop the chaos of demolitions and bankruptcy for large and small firms.

BPF chief executive Liz Peace said: "It's like making the unemployed pay income tax. Taxing hardship and business failure is a ludicrous way to help people through the hard times. Brown must act now to undo this mess."

Asda, which has admitted flattening a call centre to avoid empty rates, said: "Just as things have become more difficult economically, the government has imposed an ill-timed tax on empty properties which has had a number of unintended consequences."

The supermarket had planned a £100 million redevelopment of a 6-acre site in New Barnet, Hertfordshire, but decided instead to demolish the building

Rate relief was scrapped this April in a bid to raise £1.3bn. Now some property experts believe the figure could rise to £2bn due to so many firms having vacant space.

And as recession sweeps Britain, firms laying people off as they fight to survive will find themselves hit for tax on the empty space if the government continues to ignore common sense.

Dubbed the 'bombsite Britain' tax over the way it has caused landlords to demolish buildings rather than go bust paying rates, the British Property Federation (BPF), trade body for property, has led a year-long campaign backed by dozens of MPs.

Support for a Commons motion against the tax, placed by Halifax MP Linda Riordan, has doubled in the last week to over 70 MPs. [Click to see the full list](#).

The tax has hit small businesses hard, especially pensioners and other individuals who have invested in a shop or office to fund retirement. Many now see their investments costing thousands of pounds a month in rates.

Riordan said: "Far from being an issue that will just affect jobs and regeneration in Halifax, empty rates will hurt all areas of the country, irrespective of what industry or political alignment they have."

Today's letter will heap embarrassment on the government after it set out measures last week to help businesses affected by the downturn.

In Parliament last Thursday to jeers from both benches, Gordon Brown even refused to help a 70-year-old Essex pensioner paying £500 of empty rates a month out of a £700 pension. The extraordinary exchange can be viewed here at 19m41s: http://news.bbc.co.uk/1/hi/uk_politics/7684493.stm. It highlights just how ignorant the government have been over the issue.

Shadow business minister Alan Duncan called the tax 'immoral', saying: "Taxing something that generates no revenue does enormous damage. Removing the tax relief for empty property rates is bringing to a grinding halt any kind of activity for preparing business premises or developing wrecked premises for future use. It is taking money from people who have not got it to the point where they have to take the roof off or demolish what they have just built."

NOTES FOR EDITORS

Hi res image:

<http://www.bpf.org.uk/pdf/21223/No%20Empty%20Rates%20here%20Mr%20Brown%20NE2Q8605.jpg>

Text of the open letter is below along with quotes from various organizations and politicians who have spoken out against this tax.

Dear Prime Minister,

Scrapping relief on empty property is having a crippling effect on the UK economy, and particularly the property, retailing and manufacturing sectors.

In addition, it is also hampering regeneration by preventing development and will have a damaging effect on pension fund holdings in property which have already been hit hard by the current economic downturn.

We, the under-signed, therefore urge you to:

Restore the empty rate relief that existed before 1 April 2008 so that all unoccupied properties receive full relief for the first 3 months; shops and offices pay 50% subsequently; and industrial premises receive full relief indefinitely.

We are united in calling for this, and support Property Week wholeheartedly in its 'Empty Threat' campaign to secure these aims.

Yours sincerely

--ENDS--

MPs signed up to petitions against empty rates

<http://edmi.parliament.uk/EDMi/EDMDetails.aspx?EDMID=36387&SESSION=891>

Selection of those speaking out

The 19 government funded not-for-profit urban regeneration companies are also united against the tax. John Nicholls, chairman of the group, said: "There is a lot of pre-emptive demolition going on. This is already having a visual impact - cities are beginning to look like broken teeth."

Local councils have also been outraged by the tax, as they are being forced to spend local council tax cash on paying rates on empty council-owned property.

Derby council has 54 empty properties which amount to a rates bill of £112,030, to be paid by the council.

Bob Laxton, MP for Derby, said: "For the sake of regeneration and development the Government needs to think twice about this ill conceived tax."

Bristol council has 56 empty properties, amounting to a rates bill of £381,346, while neighbouring Swindon has 24 vacant buildings costing £169,051.45.

Swindon councilor Nick Martin said: "This new tax picks the pockets of Swindon's local council tax payers."

Scottish Widows brought forward the demolition of the Octagon office building in Slough, partly as a result of empty property rates.

Ian Coull, chief executive of Slough-based industrial giant Segro Plc, said:

"This outrageous piece of taxation is hitting the whole of the British economy at a time of severe downturn. It is an iniquitous tax at the best of times but to impose it on the market when we are fighting for our lives is just madness."

Segro has said that the tax has cost the company about £2 million to date, following the admission that it has cost Brixton, Segro's main rival, £1.5million. Brixton said almost 20 per cent of its £2.2 billion property portfolio was vacant.

Steven Owen, deputy chief executive, Brixton plc said: "At a time when business is struggling in a severe economic downturn, imposing this 'tax on hardship' is entirely counter-productive and will endanger jobs. The detrimental effects of this tax burden need to be addressed immediately before it continues to damage the productivity of business, deter inward investment from overseas and act as a disincentive to regeneration."