7.5% Allowance (Article 20)

Under the terms of Article 20 of the Rates (Northern Ireland) Order 1977 landlords (owners) are obliged to pay rates on properties, when occupied, where

(i) the capital value is under £55,001;

(ii) the capital value is under £150,001 and the rent is paid/collected less than quarterly (or the frequency is not stated in the tenancy agreement); or

(iii) it is a house in multiple occupation.

Landlords will have all such properties charged to the same billing address and will have these properties listed under one ratepayer number. This enables LPS to send one schedule of properties for payment each year instead of individual bills for each property.

Key benefit of Article 20

You could receive a 7.5% allowance against the total amount due if LPS receives one single payment for the full amount not later than the date stated on your bill. This single payment can be made by Direct Debit.

Please note: If you decide to pay by Direct Debit instalments you will not be eligible for the allowance.

Conditions

- The deadline for payment is 30th September each year (or one month from the issue of the bill, whichever is later). Payment must be received by LPS on or before this date. You must allow a minimum of five working days for your payment to reach LPS.
- If payment is not received by this date the allowance will not be granted.
- If a property is added to a Schedule after 30th September each year, payment must be received by LPS within 1 month from the date of the revised bill in order to receive the allowance.
- The landlord's residential address and any personal holiday homes/second homes the landlord may own cannot be included on the landlord's schedule, as these properties are not eligible for the 7.5% allowance.
- If your property/properties become vacant, you should notify LPS within 10 working days of the start of this vacant period and you may receive exemption from payment for this period if the property is untenanted and has no furniture. This will no longer apply from 1st October 2011; 100% rates will then be charged (with no allowance awarded) when the property is empty.
- LPS should be notified of any change of ownership of the property/properties as soon as is reasonably possible.

How to apply for the 7.5% allowance

- Complete and return the Article 20 Agreement Form.
- These are available from: www.nidirect.gov.uk/rates or by contacting the Central Landlords Team.

15% Allowance (Article 21)

Under the terms of Article 21 of the Rates (Northern Ireland) Order 1977, landlords (owners) can accept rates liability for rental property/properties. The rent must be paid/collected less than quarterly and rates are paid whether the property is occupied or not.

All properties which meet this criterion will have their accounts charged to the same billing address and will have these properties listed under one ratepayer number. This enables LPS to send one schedule of properties for payment each year instead of individual bills for each property.

Key benefit of Article 21

You could receive a 15% allowance against the total amount due if LPS receives one single payment for the full amount not later than the date stated on your bill. This single payment can be made by Direct Debit.

Please note: If you decide to pay by Direct Debit instalments you will not be eligible for the allowance.

Conditions

- An agreement can only be entered into for a property that is being rented out and has a tenant.
- An Agreement form must be signed and witnessed by another person of eighteen years of age or older.
- This agreement will remain in force until such times as it is terminated. It may be terminated by notice in writing from either party, giving at least six months notice before the end of a rating year.
- All properties must remain on this schedule until the agreement is terminated (or any changes are subject to at least 6 months notice before the end of the rating year).
- The deadline for payment is 30th September each year. Payment must be received by LPS on or before this date. You must allow a minimum of five working days for your payment to reach LPS.
- If payment is not received by this date, the allowance will not be granted.
- If a property is added to the Schedule after 30th September each year, payment must be received by LPS within 1 month from the date of the revised bill in order to receive allowance.
- The landlord's residential address and any personal holiday homes/second homes the landlord may own cannot be included on the schedule, as these properties are not eligible for the 15% allowance.
- No periods of vacancy can be claimed for properties on this type of account. Rates are payable when empty and the 15% allowance is awarded for both occupied and empty periods.
- LPS should be notified in writing of any change of ownership of the property/properties as soon as is reasonably possible.

How to apply for the 15% allowance

- Complete and return the Article 21 Agreement Form (AA10).
- These are available from: www.nidirect.gov.uk/rates or by contacting the Central Landlords Team.

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Land & Property Services

Landlord Allowance Fact Sheet

If you are a landlord and own two or more properties you can apply to Land & Property Services (LPS) to have your properties managed under one account. At the moment there are two types of rate accounts available to landlords with either:

- 7.5% allowance called an Article 20 account; or
- 15%[1] allowance called an Article 21 account.

Which account can I choose?

Is the individual capital value of **all** your rental property/ properties £150,001 or more?	**YES***	You can only apply for the 15% allowance
	NO	You can apply for either a 7.5% or 15% allowance

* Unless the property is classed as a House in Multiple Occupancy (HMO) in which case you can apply for either the 7.5% or 15% allowance (see notes on page 3 for further information)

Understanding the difference between the two accounts

The table below shows the main differences between the two accounts, for a full list of landlord conditions please see page 4.

7.5% Allowance (Article 20)	15% Allowance (Article 21)
Current Position • Receive 7.5% allowance on the rate bill (if you satisfy all the conditions). • Empty[2] property: No rates are charged.	**Current Position** • Receive 15% allowance on the rate bill (if you satisfy all the conditions). • Empty property: Rates are charged but you can receive a 15% allowance on all your properties (if you satisfy all the conditions). • By filling in and signing a Request for 15% Rating Allowance (AA10) form you are agreeing to accept responsibility for rates until at least the end of the current rating year. 15% accounts can only be closed mid year if your property is sold.

[1] Please be aware that from 1st April 2012 it is planned to reduce the 15% allowance to 12.5%. This is subject to Assembly approval.

[2] A property is generally deemed to be empty for rating purposes where it is unoccupied, unfurnished and not used for storage purposes.

From 1st October 2011 Rating of Empty Homes will be introduced and Landlords will be charged rates whether their properties are empty or occupied.

7.5% Allowance (Article 20)

Position from 1st October 2011

- Receive 7.5% allowance on the rate bill (if you satisfy all the conditions).
- Empty property: Rates will be charged at 100%, with no allowance awarded on empty property.
- There are some exclusions to rates being charged on empty properties which may be applicable (see below for details).

15% Allowance (Article 21)

Position from 1st October 2011

- Receive 15% allowance on the rate bill (if you satisfy all the conditions).
- Empty property: Rates are charged but you can receive a 15% allowance (if you satisfy all the conditions).
- The Rating of Empty Homes exclusions do not apply to this type of account.
- Please note should you wish to opt out of the 15% allowance, in order to apply for a specified exclusion from rates on an empty property, it could take up to 18 months.

Understanding exclusions to the new rules on empty properties

There are some exclusions from rates being charged on empty properties. It is important that you understand how these apply. Below is a list of some of the most common rating of empty homes exclusions. To read the full list please visit www.nidirect.gov.uk/emptyhomes.

Exclusion category	Explanation
The owner is a developer of a newly built house that has never been occupied	There are criteria to satisfy, including that the house: 1. is a new building; 2. has never been occupied; 3. has a first owner who is a developer; 4. is in the capital value list (see notes); and 5. it was first entered onto a valuation list, on or after 1st April 2007. A developer means a person carrying out or undertaking building work that results in a new building. The exclusion will only apply once, while all the criteria are met, and is time bound*. It will end where the property becomes occupied, is sold or the time bound period ends.
The empty home cannot be occupied due to the actions of a public body	This refers to homes that are empty because a public body is prohibiting its occupation. Alternatively the public body may intend to acquire (vest) the property to support a public works scheme such as building a new road.
Listed buildings	The empty home is a listed building.
The owner is subject to a bankruptcy order	This means that the owner has been declared bankrupt.

*The developer exclusion will apply as detailed below:

Date property is first shown in a valuation list or completed	Length of exclusion period
1st April 2007–31st March 2012 (inclusive)	18 months
1st April 2012 onwards	12 months

What to do next?

Once you have chosen your account to manage your properties, complete and return the appropriate forms. You can download the forms at:

7.5% discount:
www.nidirect.gov.uk/lps_7-5_landlord_allowance_application_form_web_16.5.11_live.pdf

15% discount:
www.nidirect.gov.uk/lps_15_landlord_allowance_application_form_web_17.5.11_live.pdf

If you are an existing landlord and wish to move your account from the 7.5% allowance to the 15% allowance for this year we must receive your application form by 30th June 2011. By 'this year' we are referring to the period from 1st April 2011 to 31st March 2012.

If you move your account for this year, the 15% allowance will be applied to your account from 1st April 2011. If we receive your application after the 30th June 2011 deadline, you will not receive the higher allowance until 1st April 2012. This means you will have to pay rates for your property if it is vacant after 1st October 2011.

If you want to add a new property to your account after the 30th June 2011 please contact the Central Landlords Team to discuss (contact details below).

If you would like more information or application forms, please find our contact details below:

WRITE TO US AT:

Land & Property Services
Central Landlords Team
Lincoln Building
27–45 Great Victoria Street
Malone Lower
BELFAST, BT2 7SL

VISIT OR TELEPHONE:

Visit www.nidirect.gov.uk/rates
Dial **0300 200 7801**
Textphone **18001101**

Important notes

- You can find the capital value of any domestic property in Northern Ireland at www.nidirect.gov.uk/domestic-valuation
- An HMO is defined as a property which is let to three or more tenants who form two or more households. If a property is classed as an HMO the owner remains liable for the collection and payment of rates and may apply for a Landlord account. N.B. Many properties which are let to students fall into this category.
- You need to understand that if you fail to comply with the terms of the Agreement for the 15% allowance, Land & Property Services may withdraw from the agreement and may change your account back to the lower allowance where you will be charged rates at 100% for vacant properties.