

**Non-Domestic Rating (Definition of Domestic Property) (Wales) Order 2022**  
**Consultation Response from Propertymark**  
**April 2022**

**Background**

Propertymark is the UK's leading professional body for estate and letting agents, inventory providers, commercial agents, auctioneers, and valuers, comprising nearly 18,000 members. We are member-led with a Board which is made up of practicing agents and we work closely with our members to set professional standards through regulation, accredited and recognised qualifications, an industry-leading training programme and mandatory Continuing Professional Development.

**Question 1: Does the amending of subsection (2BB) altering reference to '70 days' to now read '182 days', used to define the period a property or aggregated property is required to be actually let, provide clarity? If not, how can it be improved?**

1. Propertymark considers the amendment to replace references of '70 days' with '182 days' within subsection (2BB) to be sufficiently clear.

**Question 2: Does the amending of subsection (2BB) altering reference to '140 days' to now read '252 days', used to define the period a property is required to be intended to be available to let and have been available to let provide clarity? If not, how can it be improved?**

2. Propertymark considers the amendment to replace references of '140 days' with '252 days' within subsection (2BB) to be sufficiently clear.

**Question 3: Does the wording in Article 3 provide clarity that properties assessed prior to 1 April 2023 are treated on the basis of meeting the current thresholds?**

3. Propertymark believes the transitional provision under Article 3 covering properties assessed prior to 1 April 2023 to be sufficiently clear.

**Question 4: Are there any other issues regarding the practical application of the Draft Order?**

4. Propertymark has no additional comments on the Draft Order per se. We do, however, reiterate our concerns that the Small Business Rates Relief (SBRR) for businesses with a rateable value of up to £12,000 provides an incentive to invest in short-term rather than long-term private rented property. We are concerned by the loss of investment in the private rented sector as private landlords seek to capitalise on higher potential revenues, greater flexibility, and less prescriptive regulation. To mitigate this, the Welsh Government might consider whether short-term lettings businesses that meet the criteria and thresholds for non-domestic rates (NDRs) liability should be excluded from SBRR. This would help to level the playing field and make investment in the private rented sector relatively more attractive.
5. Currently, businesses whose premises have a rateable value of up to £6,000 are eligible for one hundred per cent relief on Non-Domestic Rates (NDRs), with relief applied on a tapered

basis thereafter up to a rateable value of £12,000. We feel that this dissuades investment from the long-term private rented sector and would encourage the Welsh Government to assess the SBRR to ensure that it does not have perverse consequences for the private rented sector, those that it houses and that the loss of NDR revenue because of short-term let businesses accessing the SBRR does not outweigh the benefits generated by those businesses.

**Question 5: Do you have any other comments about the drafting of the Draft Order?**

6. We have no further comments on the drafting of the Draft Order.

**Question 6: The Welsh Government would like your views on the effects these proposals would have on the Welsh language, specifically on: opportunities for people to use Welsh; and on treating the Welsh language no less favourably than English. What effects do you think there would be? How could positive effects be increased, or negative effects be mitigated?**

7. Propertymark does not have sufficient expertise to respond to this question.

**Question 7: Please also explain how you believe the proposals could be formulated or changed so as to have: positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language; and no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.**

8. Propertymark does not have sufficient expertise to respond to this question.

**Question 8: We have asked a number of specific questions. If you have any related points which we have not specifically addressed, please use this space to record them.**

9. As outlined in our response to Question 4, we feel that consideration might be given as to whether short-term let businesses eligible for NDRs should be exempt from SBRR. Such an intervention would remove the risk of exploitation of SBRR and help mitigate the erosion of stock from the private rented sector, making more of a level playing field for the two.