

Property on-costs

In addition to rental or purchase costs, there are a number of costs associated with property occupation which are outlined below.

Mandatory costs

Business rates

Each business has to pay tax based on the value of the premises it occupies calculated as a proportion of the market rental value of a company's premises. Currently, business rates are levied at a standard rate for all businesses of 43.3 per cent of property market value, although there may be reductions for occupiers of smaller premises.

Utility costs

The UK has one of the most liberal utilities sectors in Europe which results in highly competitive prices for business consumers – prices in the UK are some of the lowest in western Europe for both gas and electricity at high and low levels of consumption.

Additional costs

Depending on the conditions and type of occupation, the following may also be payable.

Service charge

A charge levied for a range of services associated with the maintenance and management of the premises. The level of charge and the services this includes will vary for each property but can include such items as the maintenance of common areas, security and services provisions.

Dilapidations

Unless stated, rented accommodation must be maintained in a condition of good repair. Any associated costs would fall to the occupier of those premises.