



## **New standard on conflicts of interest**

The Royal Institution of Chartered Surveyors (RICS) has published further details about a new global standard for the property, land, construction and infrastructure sectors. The standard sets out new conflicts of interest requirements and will apply to all RICS professionals and regulated firms from January 2018. It was developed to help avoid conflicts of interest in the sector, and to clarify the steps that should be taken if a conflict of interest arises. The standard will improve transparency between commercial property agents, investors, property owners and developers, as well as provide clearer guidance about confidentiality. It will also introduce stricter rules around multiple agency relationships. RICS has also confirmed that a new standard for the UK commercial property investment market will come into force from January 2018. The standard will ban the practice of dual agency in the UK, whereby an agent acts on behalf of both the seller and the buyer in the same transaction.

[Click here](#) to read more about the standards

## **Construction sector fined £5 million for health and safety offences**

Research by health and safety consultancy Arnite has revealed that the construction industry paid out a total of £4.8 million in fines for health and safety offences in 2016. Overall, only the manufacturing and utility supply sectors paid more in fines. The research has also indicated that the Health and Safety Executive issued 65 fines to construction firms in 2016, with fines costing an average of £74,231. Nevertheless, this was lower than the average fine across all sectors, which was £115,440 in 2016. Arnite has claimed that the introduction of tougher sentencing guidelines has been a key factor in the rise in fines.

For more about the figures [Click here](#)

## **Reduced business rates for property developers**

A Supreme Court ruling is expected to lead to reduced business rates for property developers that carry out major renovation and refurbishment projects on commercial buildings. In 2012, a property developer argued that a property should be classed as a 'building undergoing reconstruction' and the rateable value reduced to £1. This was because the property was undergoing a major renovation and could not be occupied due to the building works. However, a valuation officer decided that the property should continue to be listed as 'offices and premises' with a rateable value of £102,000. The Supreme Court ruled in March 2017 that the property developer should not have been liable for business rates during the period when the property was undergoing renovation. Chris Perrin, Head of Real Estate Litigation at Irwin Mitchell, said: "There

are a significant number of cases involving valuation officers and developers that have been awaiting the outcome of this dispute and I expect that they will be settled quickly now that there's greater clarity on the issue".

To read more about the ruling [click here](#)

## **Brownfield values outperforming greenfield values**

While average values for greenfield residential development land sites across England fell sharply in 2016, urban brownfield land values have continued to grow. This is according to the latest 'Residential Development Land Index' published by Knight Frank. The index has revealed that greenfield land values fell by 4.1% from December 2015 to December 2016, while brownfield land values increased by 5.5% over the same period. Overall, greenfield land values have fallen every quarter since March 2015. In contrast, brownfield land values in urban areas have continued to go up, with growth of 18% between 2014 and 2016 alone. The index has indicated that residential development land sites in central London have also fallen in value. Land values in central London fell by 11.5% from December 2015 to December 2016, in comparison to growth of 24% in the 12 months to December 2014.

[Click here](#) to read more on the figures

## **CITB consults on new Levy proposal**

CITB (the Construction Industry Training Board) is consulting on the Levy that provides funding for training and development in the construction industry. The Levy is paid by all employers in the construction industry with a wage bill of £80,000 or more. Under the proposal, the PAYE Levy on the direct workforce would be reduced from 0.5% to 0.35%. However, the Levy on net payments to Construction Industry Scheme (CIS) sub-contractors will remain at 1.25%. The proposal has been introduced to help reduce the Levy for all construction firms and deliver better value for money. CITB is consulting with the industry on the proposal, which is expected to come into effect from April 2018.

[Click here](#) to read more about the consultation

## **Political uncertainty hits commercial development**

Commercial property development activity is expected to fall by up to 40% between 2017 and 2021 due to political and economic uncertainty, according to the latest report by Savills. The 'Key Themes in UK Real Estate 2016/17' report has revealed that uncertainty following the Brexit vote is stalling development plans as well as stifling demand for commercial property, particularly in central London. Overall, average office prices across the UK are expected to fall by 4% from 2016 to 2017 and growth projections have been revised down. Office prices are now expected to grow by just 1.6% from 2017 to 2021.

To read more on the report [click here](#)

## ATED penalties incorrect - Success in the tax tribunal

ATED stands for Annual Tax on Enveloped Dwellings. It is an annual tax charge paid by corporate entities that hold UK residential properties over a certain value.

Those affected must file an ATED return and make any payments due by 30 April each year. There are penalties for non compliance, however, and our members have found that some penalty notices have been issued incorrectly.

A recently represented client in the tax tribunal against HMRC, to dispute ATED penalties that they believed were incorrect. The tribunal found in favour of the client, meaning the client has saved more than £6000 in penalty payments.

If you have been issued with an ATED penalty, it is possible that the same error has been applied and we therefore recommend that you do not pay this and contact one of our members listed below who can review your penalty to assess its validity and then make a representation to HMRC on your behalf.

If you have already paid the penalty, you may be eligible for a refund.

We are a specialist body of independent chartered accountancy and law firms providing accounting, business advisory and legal services for clients in the property & construction sector. Our members have a wealth of knowledge and experience of the sector, providing advice and support on key issues such as CIS, VAT, general tax planning, sourcing finance and business planning. Our clients range from sole traders, large construction companies, builders, contractors, property developers, investors and estate agents.

[Property & Construction](#) Group member listing

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