

Business rates for container storage

Self storage containers on open land are rateable

Containers used for the purpose of self storage are rateable under rating law as they are 'chattels' enjoyed with the land. The principal case on this was *Storehire v Wojick* (1991). The fact that they may be portable or are not attached to the land is not relevant to this argument or ruling. The law is clear, if you are using a container or portable storage unit for the purpose of outdoor self storage then those containers are rateable.

Method of valuing outdoor containers

The Valuation Officer typically adopts a two-stage process to arrive at the rateable value of storage containers which represents his opinion as to the annual rent value for the whole property, at the relevant valuation date. They will firstly value the land on a price per sqm. **Note that land is rated on a gross area basis** not let area, so all land including driveways and areas yet to have containers are rateable. Only unusable land such as swamps, forest and the like would not be rateable. The rateable value of the land will consider its size, location, surface, fencing and other elements that add value to the land itself.

Generally, they will have several pieces of direct rental evidence for land which they will analyse to produce a local scale. This can be problematic for farm sites which lack direct rental evidence and can be more remote.

The Valuation Officer will then adopt a price per sqm for the containers. Following a ruling in 2023 there is now a set rateable value on the containers based on their cost, not their earning potential.

The 2023 Cost Guide lists the ERC for 20ft containers at £1.829 and £2.715 for a 40-footer. Applying the statutory decapitalisation rate of 4.4% results in an annual equivalent price of £80 per 20ft container and £119 for a 40ft.

Stacking containers outdoors

The common view, in line with how traditional self storage buildings are valued, is that first floor containers should be valued at a lower rate than ground floor containers. However, given containers are now valued based on their cost of acquisition, not earning potential the valuation office does not differentiate between stacked containers. There has been no successful challenge to this to date.

Indoor Container Storage

When storage containers are placed inside a building, for example a farm shed, the position is different. In this case the building itself would have a rateable value and typically for a warehouse or storage shed this is influenced by its eave height. Hence if containers are stacked inside a building this should not impact the rateable value of the building as this was already determined by the eave height and size of the building. However, if you structurally change the building, such as installation of a mezzanine floor then this would impact the valuation.

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