

## GP surgeries notional rents can go down as well as up

Against the backdrop of weakening property markets across the country, the primary healthcare sector is showing that it is not immune to market forces. Mirroring the weakening in rental values across most property types, many GP practices are also experiencing a slowdown in notional rent increases over the past months.

In a small number of cases the District Valuer has actually reduced notional rent figures; one such case relates to a GP practice which suffered a fall in notional rent due to factual errors identified from previous rent assessments; however, other examples exist of practices being offered lower nominal rents by the District Valuer, based on market evidence.

Guy Welfare, partner and valuation expert at Bruton Knowles appraises the market: "This slowdown in notional rent increases and, in rare cases, reductions underlines the fact that GPs can no longer assume that notional rents will continue to increase. It does represent a shift in the market as up till now GPs have only experienced an upward trend. Appealing should not be the automatic course of action as there is also the risk that by alerting the District Valuer to possible over valuation, the practice will inadvertently bring about a reduction in rent figures.

"However, GP practices who are reimbursed on the notional rent basis should not automatically assume that the amount they receive is correct. In many cases, challenging the GPs level of surgery funding with the District Value can result in a valuable increase, above and beyond the initial amount offered by the District Valuer. In some cases, significant errors can be identified from previous notional rent assessments and practices could potentially receive increased levels of reimbursement."

"The key is to take professional advice beforehand. A thorough valuation and close look at the figures will determine whether GP practices should appeal to the District Valuer in the first place."

For further details on this issue, please contact Guy Welfare at Bruton Knowles on 01452 880000 or via email [guy.welfare@brutonknowles.co.uk](mailto:guy.welfare@brutonknowles.co.uk)