



Courts and Tribunals Judiciary

SUMMARY

NOTE: This summary is provided to help in understanding the Court's decision. It does not form part of the reasons for the decision. The full judgment of the Court is the only authoritative document. Judgments are public documents and are available at: www.judiciary.uk and <http://caselaw.nationalarchives.gov.uk/>

29 July 2026

**The Mayor and Commonalty and Citizens of the City of London v 48th Street Holdings Ltd and Principled Offsite Logistics Ltd
Neutral Citation Number: [2026] EWCA Civ 970**

Introduction

This appeal concerned a non-domestic rates mitigation scheme promoted by Principled Offsite Logistics Ltd (“POLL”). The scheme involved POLL placing boxes containing redundant contents in otherwise empty commercial premises for periods of six weeks, during which time the premises were leased to POLL. It was claimed that this activity amounted to occupation by POLL for rating purposes. The purpose was to trigger a statutory “reset” period, enabling the owner to obtain repeated periods of empty property relief and thereby reduce liability for business rates by approximately two thirds. (See para 19 of the judgment for a description of the scheme.)

The City of London (“CoL”) challenged the scheme in relation to office premises at 2 America Square, London EC3. At first instance, the High Court held that the scheme was effective and dismissed CoL’s claim. In reaching that conclusion the judge followed earlier High Court authority, particularly *R (Principled Offsite Logistics Ltd) v Trafford Council* [2018] EWHC 1687 (Admin) (“*POLL v Trafford*”). CoL appealed.

The Issue

The issue was whether the temporary placement of boxes in otherwise empty premises, solely to obtain a rates advantage, amounted to “occupation” for the purposes of the non-domestic rating legislation.

It was common ground that the boxes were placed in the premises solely to generate “occupation” for rating purposes, that the arrangement served no commercial or business purpose apart from rate mitigation and that the only benefit sought was the resulting reduction in business rates liability. However, it was also accepted that the leases were genuine and not shams. (See para 21 of the judgment.)

The Court's decision

The Court of Appeal unanimously allowed the appeal. Lady Justice Falk gave the leading judgment. Lord Justice Bean, the Vice-President of the Court of Appeal (Civil Division), and Lord Justice Holgate agreed.

The Court held that POLL's activity did not amount to occupation for the purposes of the statutory regime governing business rates. Accordingly, the six-week periods for which POLL moved boxes into the premises did not trigger fresh periods of empty property relief. The Court overruled *POLL v Trafford*.

The Court applied the purposive approach to statutory interpretation explained by the Supreme Court in *Rossendale Borough Council v Hurstwood Properties* [2021] UKSC 16 and concluded that the arrangements failed to satisfy the requirement that occupation be beneficial.

The purpose of the legislation imposing rates on empty properties is to discourage owners from leaving premises vacant and to encourage them to bring those premises back into genuine use.

It could not sensibly be taken to have been intended that the legislation should have the effect that the temporary placement of items in otherwise unoccupied premises amounts to occupation where the sole aim of doing so is to generate occupation for the purposes of those provisions, there is no commercial or business purpose save for rate mitigation, and the putative occupation is "beneficial" only due to the claimed rate mitigation benefits. Rather, such schemes falls outside the class of facts intended by the legislation to constitute occupation. (See in particular paras 56, 62 and 63 of the judgment.)