

Non-domestic Rating: High-level Estimates of Change in Rateable value of Rating Lists, England and Wales, 2017 Revaluation



Valuation Office
Agency

About this release

This statistical release provides estimates of the change in the Rateable Value (RV) of non-domestic properties, following the recent revaluation, in order to reflect changes in the property market since the previous revaluation in 2010. The revaluation will take effect from 1 April 2017.

The information is presented as part of the wider government picture on changes to business rates. Business rates bills are affected not only by revaluation, but also by the tax rate – known as the multiplier – as well as various reliefs and transitional arrangements. The Department for Local Communities and Government is separately consulting on the transitional arrangements for the 2017 business rates revaluation.

In this publication

The estimated changes in rateable value between the 2010 rating lists and the 2017 draft rating lists are broken down by region and property sector, as well as in relation to the overall percentage change in England (for English regions) and the overall percentage change in Wales.

Note: This release shows the situation as at 1 August 2016. At this date, there were still a small number of properties which had not gone through the full revaluation process, meaning the percentage change in rateable value may change when the 2017 revaluation is complete. For this reason, these statistics are estimates of the change in rateable value.

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Section 1 - Change in rateable value in England and Wales, 2017 Revaluation

The percentage change in total rateable values for the latest 2010 rating lists compared with the revalued rating assessments in the 2017 draft rating lists are shown in the tables below.

Table 1.1 - Change in rateable value of the 2010 Local Rating Lists as a result of the 2017 revaluation of rateable properties in England and Wales

Percentage change in rateable value by Region and Sector					
Area	Retail	Industry	Office	Other	All
England	4.7%	4.0%	11.3%	15.5%	9.1%
North East	-6.8%	0.0%	-12.5%	9.0%	-1.1%
North West	-5.5%	-3.1%	-4.8%	10.2%	-0.2%
Yorkshire and the Humber	-1.9%	0.4%	-13.0%	6.6%	-0.3%
East Midlands	4.7%	3.3%	7.8%	13.7%	7.2%
West Midlands	-1.2%	3.1%	-7.2%	12.0%	2.9%
East	-4.0%	2.3%	2.4%	13.2%	3.9%
London	26.2%	15.1%	21.2%	25.7%	22.8%
South East	1.4%	6.5%	7.7%	17.5%	8.6%
South West	-4.4%	5.4%	-0.7%	12.1%	3.8%
Wales	-8.8%	-4.0%	-7.0%	4.7%	-2.9%

Source: VOA administrative data as at 1 August 2016

Table 1.2 - Change in rateable value of the 2010 Central Rating Lists as a result of the 2017 revaluation of rateable properties in England and Wales

Central List	Change in rateable value
England	41.9%
Wales	29.1%

Source: VOA administrative data as at 1 August 2016

Section 2 - Change in rateable value, relative to national change, 2017 Revaluation

The following charts use information in Table 1.1 to show the percentage change in each region and sector in relation to the overall percentage change for England (Chart 2.1 and Table 2.1) and the overall percentage change for Wales (Chart 2.2 and Table 2.2).

Chart 2.1 Change in rateable value by region and sector, relative to England rateable value change (all sectors)

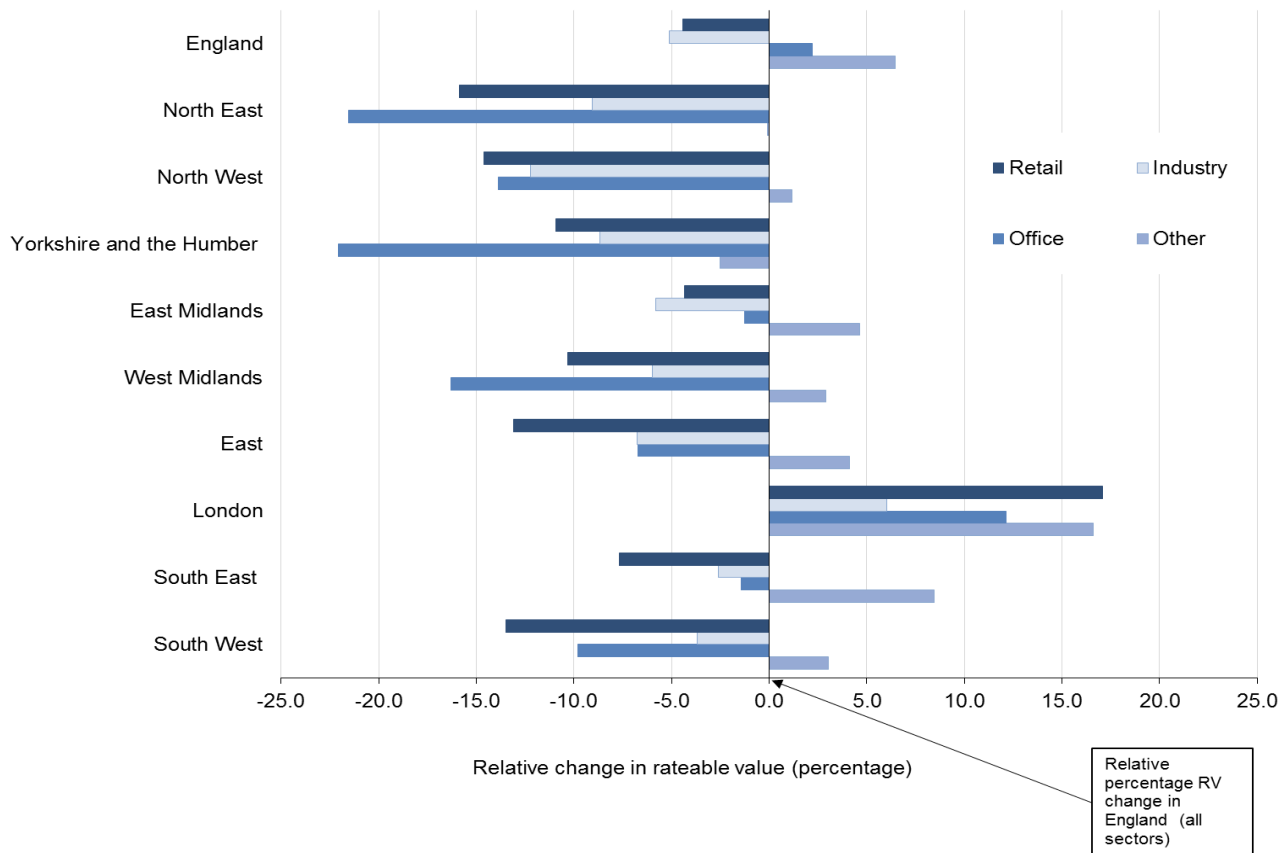
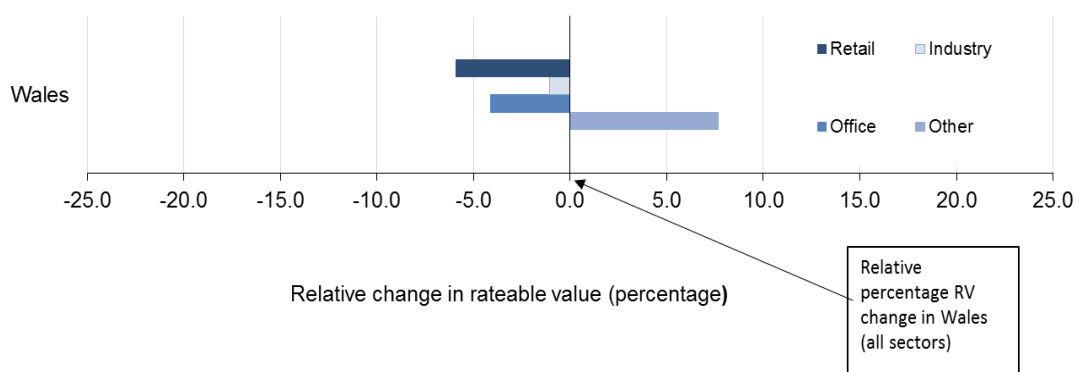


Chart 2.2 Change in rateable value by region and sector, relative to Wales change across all sectors.



Revaluation process

The VOA generally reassesses all rateable values in England and Wales every five years, based on their open market rental value on a fixed date; the last revaluation was carried out in 2010 and the 2017 revaluation will be based on rental values on 1 April 2015. Rateable values in the rating lists are used by the local councils to calculate business rates bills.

Revaluation is done to maintain fairness in the system by redistributing the total amount payable in business rates, reflecting changes in the property market. Revaluation does not raise extra revenue overall.

The VOA uses a wide range of property information, including rental and other evidence, to compare values across similar types of properties in order to set the rateable value.

Definitions

Rating Lists: There are 348 Local Rating Lists in England and Wales, one for each Local Billing Authority. There are two Central Rating Lists, one for England and one for Wales.

Central rating lists: The VOA's lists of rateable values for companies named in the Central Rating List Regulations 2005, primarily for the network property of major transport, utility and telecommunications undertakings and cross country pipelines. These are separate lists for England and Wales.

Local rating lists: The VOA's lists of all the non-domestic rateable properties in for each Billing Authority in England and Wales. Local rating lists include a wide range of rateable properties such as; shops, storage depots, offices and many others. Properties falling into the 'Other' sector are particularly diverse, ranging from Public Houses, Hotels and Cafes to Advertising Rights and ATMs.

Rateable property (also known as hereditament): a unit of property that is, or may become, liable to non-domestic rating and thus appears in a rating list.

Rateable value (RV): The legal term for the notional annual rental value of a rateable property, assessed by the valuation officers of the VOA. Every property has a rateable value that is based broadly on the annual rent for which the property could have been let on the open market at a particular date (this is 1 April 2008 for the 2010 lists and 1 April 2015 for the 2017 lists).

Sector: A breakdown of properties on the local rating lists into the following categories: 'Retail', 'Industrial', 'Office' and 'Other'. The categories are created by mapping the 357 Special Category codes, maintained by the Valuation Officers, to the appropriate sector. The 'Other' Sector comprises all those Special Categories that cannot be assigned to 'Retail', 'Office' or 'Industry' Sectors.

Data quality

The information supplied is based upon administrative data held within the VOA's operational database. All administrative data are subject to processing and system errors. While the VOA has made every effort to ensure accuracy of the data underpinning this publication, it is possible that some errors remain.

Only rateable properties that have been revalued and validated as part of the revaluation process are included in the analysis. At the point at which the data used for this release were extracted there were still a small number of properties which had not been validated; these would not have any significant effect on the statistics released here.

Future releases

The Draft of the 2017 Rating Lists will be publicly available on 30 September 2016. A further statistics release based on the draft list will be published on 6 October 2016.