



Business Rates

2026 Rating List

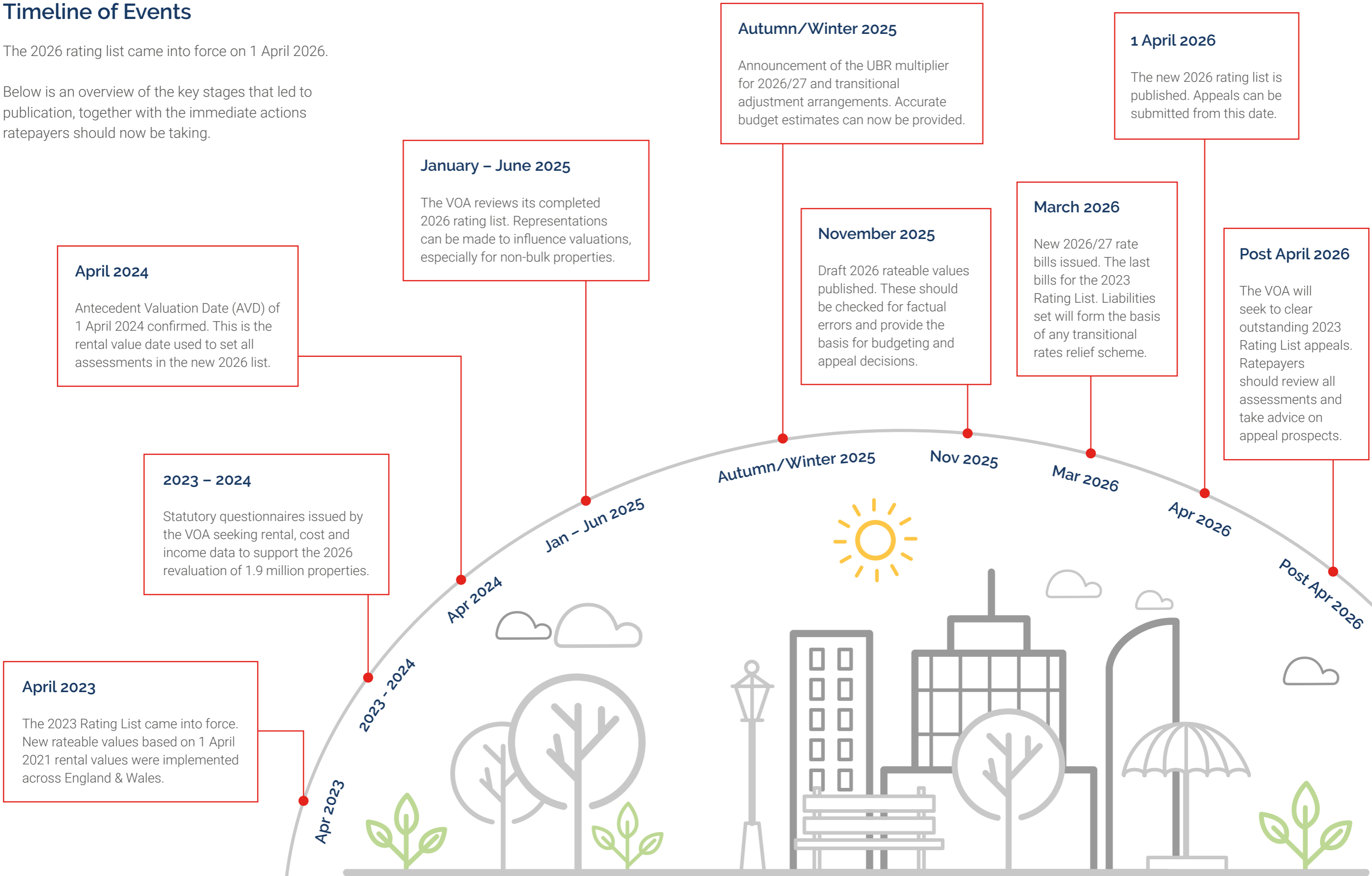


0161 817 4840
info@dunloph Heywood.com
www.dunloph Heywood.com

Timeline of Events

The 2026 rating list came into force on 1 April 2026.

Below is an overview of the key stages that led to publication, together with the immediate actions ratepayers should now be taking.





Contents

01	Non-Domestic Rates – The Current Situation	Page 4
02	Retailers – New Regime	Page 5
03	Sectors Under Pressure – Significant Increases	Page 8
04	Receipts and Expenditure Valuations – A Specialist Discipline	Page 11
05	Duty to Notify – A New Compliance Obligation	Page 13
06	Contact Details	Page 15



Non-Domestic Rates - England and Wales

The 2026 rating revaluation is now in force across England and Wales, with rateable values based on rents as at 1 April 2024. Although the revaluation is a shared process, the rating systems in England and Wales have diverged significantly and ratepayers with properties in both jurisdictions must understand how each operates.

After three years of the 2023 Rating List, the non-domestic rating revaluation came into effect on 1 April 2026. The new rateable values reflect market rental conditions as at the antecedent valuation date of 1 April 2024 – a period of significant economic adjustment following the post-pandemic recovery, sustained inflationary pressures and continued structural change across most property sectors. Business rates in Wales were fully devolved in April 2015. The Welsh Government sets its own multipliers, designs its own relief schemes and legislates separately through the Senedd. This means that ratepayers with properties in both England and Wales are operating under two materially different rate-setting regimes – one set by Westminster, the other by Cardiff Bay.

- The more frequent revaluation cycle – now three-yearly in both jurisdictions – means assessments more closely reflect current market conditions, but also that upward pressures are felt sooner.
- Sustained cost inflation since 2021 has driven significant increases in rateable values for industrial and logistics properties, and those valued on the Contractors' Basis, in both England and Wales.

- Office and retail rateable values show highly polarised outcomes – significant rises in prime locations, continued softening in secondary and regional markets.
- Successful appeals under the 2023 Rating List may have impacted how the VOA has approached 2026 assessments across both jurisdictions.

Although England and Wales share the same VOA-assessed rateable values, they operate under distinct multiplier systems, relief structures and compliance regimes from 1 April 2026. Ratepayers with cross-border portfolios must manage both.

A ratepayer's liability arises by multiplying their rateable value (RV) by the applicable multiplier – known as the Uniform Business Rate (UBR) in England and the NDR multiplier (or 'poundage') in Wales. In both cases the multiplier is set annually by the relevant government, but the rates, structure and thresholds differ markedly between the two jurisdictions from 2026/27 onwards.

The compounding effect of CPI uplifts over the 2023 list period means that for some ratepayers the multipliers for 2026/27 feel high even where rateable values have not risen significantly. In Wales, however, the standard multiplier has been reduced – from 0.568 to 0.502 – the first reduction since 2010, a function of the broader RV base expanding through revaluation.



Retailers - New Regime

Both England and Wales have introduced lower multipliers for parts of the retail sector from 1 April 2026 – but the two schemes differ fundamentally in scope, thresholds and the sectors they benefit. Retailers with properties in both jurisdictions need to understand both regimes.

The retail sector's call for a fundamental rebalancing of the business rates burden has been heard by both the UK and Welsh Governments, but the structural shift away from physical retail remains the dominant challenge. The online retail sector has continued to grow its market share, and while footfall has recovered somewhat from pandemic lows, many high streets and secondary shopping centres remain fragile.

England: The retail, hospitality and leisure multiplier

A permanent lower multiplier for retail, hospitality and leisure

– the most significant structural change to business rates in England in a generation.

From 1 April 2026, the UK Government has introduced a lower multiplier specifically for qualifying retail, hospitality and leisure (RHL) properties in England. This is a permanent structural feature of the rating system rather than a temporary relief measure, and represents a long-overdue recognition of the disproportionate rates burden carried by the high street.

For 2026/27, eligible RHL properties in England with a rateable value below £500,000 are charged at a reduced multiplier of 38.2p or 43.0p in the pound, replacing the patchwork of annual relief schemes that have characterised Government support for the sector since 2020. Crucially, the scheme is broad in its sectoral coverage – encompassing not just retail shops but hospitality and leisure operators.

ENGLAND – 2026/27 MULTIPLIER STRUCTURE		
PROPERTY TYPE / BAND	MULTIPLIER	NOTES
RHL – small (RV < £51k)	38.2p	RHL lower multiplier; applies to qualifying retail, hospitality & leisure
RHL – standard (RV ≥ £51k)	43.0p	RHL standard multiplier; applies to qualifying retail, hospitality & leisure
Small (RV < £51k)	43.2p	Small business multiplier for non-RHL properties below the threshold
Standard (RV ≥ £51k)	48.0p	Baseline for all other occupied properties
Higher (RV ≥ £500k)	50.8p	New premium multiplier; funds the lower RHL rate; applies across all sectors

- The lower RHL multipliers in England apply to retail, hospitality and leisure properties with an RV below £500,000 – capturing the vast majority of high street operators across all three sectors.
- Large RHL properties with an RV of £500,000 or above are subject to the higher multiplier, not the lower rate – a significant burden for department stores, large food stores and major leisure destinations.
- A new higher multiplier of 50.8p applies across all sectors to properties with an RV of £500,000 or above, funding the lower RHL rate.
- Ratepayers should verify that their property is correctly classified to ensure they are receiving the benefit of the lower multiplier – misclassification by the billing authority could result in overpayment.

Wales: A different approach

Wales has introduced its own differential multiplier system from 1 April 2026 – structurally similar in intent but

significantly different in scope, thresholds and the sectors it covers. Welsh retailers cannot assume England's rules apply to them.

The Welsh Government has introduced three multipliers from 1 April, 2026, replacing the single multiplier that previously applied to all non-domestic properties in Wales. This represents the first differentiated multiplier structure in Wales and is the product of separate Welsh Government legislation – the Local Government Finance (Wales) Act 2024 – and a distinct budget-setting process by the Senedd.

The headline difference from England is stark: Wales' lower multiplier applies only to retail shops with a rateable value below £51,000 – not to hospitality or leisure operators. Hotels, pubs, restaurants, gyms and leisure venues in Wales do not benefit from the lower multiplier, and must instead look to separate, time-limited relief schemes for support.



WALES – 2026/27 MULTIPLIER STRUCTURE		
PROPERTY TYPE / BAND	MULTIPLIER	NOTES
Retail (RV < £51,000)	35.0p	Permanent lower multiplier for small/medium retail shops only – narrower scope than England's RHL multiplier
Standard (all other)	50.2p	Applies to the majority of Welsh non-domestic properties; first reduction since 2010
Higher (RV ≥ £100,000)	51.5p	Threshold significantly lower than England's £500k; funds the retail multiplier

- The Welsh retail multiplier of 35.0p applies only to properties classified as retail shops with an RV below £51,000 – far narrower than England's £500,000 RHL threshold.
- Hospitality and leisure operators in Wales do not benefit from the lower multiplier. Pubs, restaurants, cafés, bars and live music venues in Wales can apply for a separate Food and Drink Hospitality Rates Relief of 15% for 2026-27 only, capped at £110,000 per business. This relief does not extend beyond 2026-27.
- The higher multiplier threshold in Wales is £100,000 – significantly lower than England's £500,000 – meaning a far wider range of Welsh businesses are subject to the premium rate.
- The Welsh standard multiplier has reduced from 56.8p to 50.2p – the first reduction since 2010 – providing a broad base of relief that partially offsets the impact of rising rateable values.

- Welsh small business rates relief operates independently of England's scheme: in Wales, 100% relief applies to properties with an RV up to £6,000 (compared to £12,000 in England), with tapered relief up to £12,000 (compared to £15,000 in England).

Transitional relief: Different rules either side of the border

Transitional relief – which phases in increases in liability following revaluation – also operates differently in England and Wales. In England, the UK Government operates a transitional relief scheme and a Supporting Small Business scheme, with upward caps linked to rateable value bands. In Wales, the Welsh Government's scheme is simpler in structure but broadly generous: any ratepayer whose liability increases by more than £300 as a result of revaluation pays only 33% of the additional liability in 2026-27 and 66% in 2027-28, reaching full liability in 2028-29. The Welsh scheme is funded by the Welsh Government at a cost of £116m over two years and applies consistently across all sectors and property types – unlike England's more complex banded approach.

The multiplier systems in England and Wales diverged materially on 1 April, 2026. Retailers, hospitality and leisure operators with cross-border property portfolios must understand both regimes – and cannot assume that the rules in one jurisdiction mirror the other.



Sectors Under Pressure – Significant Increases

The 2026 revaluation has produced some of the most dramatic rateable value increases seen in a generation for several key sectors.

The published 2026 Rating List has produced clear winners and losers across the board, with certain sectors disproportionately affected by upward movements in rateable value. These increases reflect genuine rental growth and strong trading performance in the period leading up to the April 2024 antecedent valuation date.

Hotels and Hospitality

One of the most significant upward movements of any sector in the 2026 list.

The hotel sector has experienced exceptional trading recovery since the post-pandemic reopening. Average Daily Room rates (ADR) and revenue per available room (RevPAR) surged from 2022 onwards as pent-up leisure and business travel demand was released into a constrained supply environment. By April 2024, many hotels – particularly in London, major regional cities and popular leisure destinations – were recording revenues comfortably ahead of pre-pandemic highs.

The VOA values hotels primarily using the receipts and expenditure method, taking a percentage of estimated Fair Maintainable Trade (FMT). The strong trading performance to the AVD has fed directly into higher FMT estimates and, consequently, substantially increased rateable values. London hotels are facing some of the steepest increases, with a number of prime properties seeing rateable values rise by 40% or more compared to the 2023 list.

- London luxury and upper-upscale hotels face the largest absolute increases, driven by strong RevPAR recovery and limited supply growth.
- Regional city centre hotels in Manchester, Edinburgh, Birmingham and Bristol have also seen significant upward movement reflecting strong leisure and corporate demand.
- Budget and economy hotels face mixed outcomes – those in prime locations have seen increases; those relying on distressed demand face more modest adjustments.
- Serviced apartments and aparthotels are subject to increased scrutiny, with the VOA reviewing the appropriate basis of assessment for this growing sector.
- Holiday parks, guest houses and boutique operators should review their assessments carefully, particularly where trading has recovered unevenly.

Hotel operators should act immediately to review new assessments and instruct specialist rating surveyors with sector-specific expertise. In Wales, where the lower multiplier does not apply to hotels, the rateable value itself becomes even more critical to managing overall liability.

Licensed Leisure and Pubs

A sector of stark contrasts – destination venues thriving, community pubs under pressure. The picture is further complicated in Wales, where hospitality operators do not benefit from the lower multiplier available to their counterparts in England.

The licensed leisure sector presents a highly polarised picture in the published 2026 list. Destination bars, premium cocktail venues, late-night leisure operators and experiential hospitality concepts that benefited from the shift in consumer spending towards experiences have seen rateable values rise in line with strong trading. By contrast, the traditional community pub continues to face structural decline, and many operators are already pursuing the appeals process to secure reductions.

In Wales, the position for pubs and hospitality venues is particularly acute. The Welsh lower multiplier applies only to retail shops with an RV below £51,000 – it does not extend to pubs, bars, restaurants or leisure venues. Welsh hospitality operators must instead rely on the separate Food and Drink Hospitality Rates Relief for 2026-27 (15% off liability, capped at £110,000 per business), a one-year measure only. This relief does not carry over into 2027-28, making it essential that Welsh operators plan now for full liability from that point. Welsh pub operators facing viability concerns should take advice on both their rateable value and their eligibility for the transitional phasing scheme.

- Wet-led community pubs in secondary locations – in both England and Wales – face continued viability challenges and may have grounds for reduced assessments.
- Food-led gastro-pubs and managed house operators in prime locations face upward pressure reflecting strong food and beverage revenues.
- In England, qualifying pubs and hospitality venues with an RV below £500,000 benefit from the permanent RHL lower multiplier – a material structural advantage over their Welsh counterparts.
- Late-night leisure venues, escape rooms, bowling alleys and other experiential operators have seen rateable values recalibrated upwards in both jurisdictions.

- In Wales, the time-limited 15% Food and Drink Hospitality Rates Relief provides some mitigation for 2026-27 only – Welsh operators should plan ahead for full liability from 2027-28 onwards.

Airports

Among the largest increases of any sector in the 2026 Rating List.

The airport sector has experienced one of the most dramatic increases arising from the 2026 Revaluation.

Valuation Office Agency statistics show that the aggregate rateable value of Civil Airports has increased from £402.5 million in the 2023 Rating List to £1.589 billion in the 2026 List – an increase of almost 295%.

The scale of the increase reflects the move away from the pandemic-affected values that underpinned the 2023 Rating List and the recovery in passenger numbers, airline activity and commercial revenues seen across much of the aviation sector. However, the resulting uplift in assessments has generated significant concern amongst airport operators, particularly at a time when many airports continue to invest heavily in infrastructure, connectivity and capacity.

Airport assessments remain amongst the most complex in the rating system. Most major airports are valued using the Receipts and Expenditure method, requiring assumptions regarding maintainable trade, tenant's share and rates of return. Given the scale of many assessments, even relatively small changes in valuation assumptions can have a significant impact on rateable value and business rates liability.

The airport sector is also highly diverse, ranging from major international gateways to regional airports and general aviation facilities. As operators begin to review their 2026 assessments, many will be considering whether broad valuation assumptions adequately reflect the circumstances of individual airports and aviation businesses.

- VOA statistics show the aggregate rateable value of Civil Airports increasing by almost 295% between the 2023 and 2026 Rating Lists.

- Regional airports are facing some of the most significant increases in rateable value of any property class in the 2026 Revaluation.
- Major airport assessments have been driven upwards by the recovery in passenger demand and commercial activity since the pandemic.
- Airports remain amongst the most complex hereditaments in the rating system, with specialist

valuation methodologies playing a central role in determining assessments.

- Airport operators should review assessments carefully, particularly where assumptions relating to maintainable trade, tenant's share or operational performance and expenditure may not accurately reflect the hypothetical tenancy.





Receipts and Expenditure Valuations – A Specialist Discipline

For many of the most complex and high-value properties in the rating list, the receipts and expenditure method is the primary tool of valuation – and getting it right demands deep specialist expertise.

The vast majority of commercial properties are valued for rating purposes by reference to rental evidence – comparing the subject property to lettings of similar properties in the market. However, for a significant category of properties, there is no meaningful rental market. These are properties whose value derives entirely from the trading potential of the business carried on within them, or whose specialist nature means that no open market rent can readily be established. For such properties, the Valuation Office Agency applies the receipts and expenditure method of valuation.

Understanding the receipts and expenditure approach – and knowing how to challenge it effectively – is one of the most technically demanding areas of rating practice. It requires not only rating expertise but a thorough understanding of the relevant industry, its economics, its cost structures and its trading characteristics.

The full receipts and expenditure approach

A detailed reconstruction of the hypothetical tenant's profit – applied to the most complex trading properties.

The full receipts and expenditure approach involves a comprehensive analysis of the actual or estimated trading accounts of the property, adjusted to reflect the performance of a reasonably efficient operator (REO) rather

than the specific business in occupation. The process works through a structured cascade:

- Gross receipts are established, representing the total income achievable by the REO from all revenue streams at the property – ticket sales, concessions, catering, parking, broadcasting rights and other ancillary income where relevant.
- Working expenses are deducted to arrive at the divisible balance. These include the costs of running the property as a going concern – staffing, utilities, maintenance, repairs, insurance and other operational costs – but exclude financing costs, depreciation and the tenant's share of profit.
- From the divisible balance, a tenant's share is deducted. This represents the return required by the hypothetical tenant for the risk of operating the business and for the use of their own capital, goodwill and expertise.
- The residual, after deduction of the tenant's share, represents the rent the hypothetical tenant could reasonably afford to pay – and therefore the rateable value.

The full approach is applied to properties including airports, ports and harbours, stadia and arenas, racecourses, theme parks, major leisure attractions and other large-scale trading venues.

The shortened receipts and expenditure approach

A more streamlined method – but no less demanding in terms of the underlying judgements required.

For properties where a full account-by-account analysis is disproportionate, the VOA may apply a shortened receipts and expenditure approach. This method typically works from a single key receipts figure – such as annual turnover or gross receipts per unit of capacity – and applies an industry-derived percentage to arrive directly at rateable value.

The shortened approach is commonly applied to properties including hotels, public houses, petrol filling stations, car parks, care homes and certain leisure facilities. Whilst simpler in structure than the full approach, the shortened method relies heavily on the accuracy of the underlying receipts figure and the appropriateness of the applied percentage. Both are fertile ground for challenge.

- The choice of percentage applied to gross receipts is critical – small variations can produce large differences in rateable value, particularly for high-turnover properties.
- The estimated Fair Maintainable Trade (FMT) figure itself is open to challenge where the VOA has relied on industry averages that do not reflect the specific characteristics of the property in question.
- Seasonal trading patterns, location-specific factors, capital investment and changes in competitive environment can all justify a departure from industry norms.

Whether full or shortened, receipts and expenditure valuations require specialist expertise. The stakes are high and the margins for error significant.

The Dunlop Heywood specialist team

One of the most experienced receipts and expenditure rating teams in the UK, with a proven track record across the full

spectrum of specialist property types.

Dunlop Heywood has built one of the UK's most respected specialist rating teams with extensive experience in receipts and expenditure valuations across a wide range of complex and high-value property types. Our surveyors combine technical rating expertise with genuine sector knowledge – understanding not just the mechanics of the valuation method but the commercial realities of the industries in which our clients operate.

We regularly act for ratepayers across the following specialist sectors, amongst many others:

- Airports
- Crematoria and Cemeteries
- Stadia and Racecourses
- Railway and Metro Infrastructure
- Hotels and Serviced Apartments
- Car Parks and Parking Structures
- Ports and Harbours
- Renewable Energy Installations
- Arenas and Entertainment Venues
- Theme Parks and Attractions
- Hospitals and Healthcare Facilities
- Marinas and Leisure Harbours

In each of these sectors our team has extensive experience of reviewing VOA valuation schemes, identifying errors in the underlying assumptions, negotiating with VOA caseworkers and, where necessary, presenting expert evidence before the Valuation Tribunal for England, the Valuation Tribunal for Wales (a separate independent body), and the Upper Tribunal (Lands Chamber). Our approach is always to combine rigorous technical analysis with a pragmatic understanding of what can be achieved in negotiation.

If your property is valued using the receipts and expenditure method – whether full or shortened – we strongly recommend a review of your 2026 assessment. In our experience, this is one of the areas of rating practice where the effort invested in a thorough review most consistently delivers material savings for our clients.



Duty to Notify – A New Compliance Obligation

A Duty to Notify is now in force in Wales and being piloted in England. The two regimes are materially different in their legal status, penalties and administration – ratepayers with properties in both jurisdictions face distinct compliance requirements from 1 April 2026.

From 1 April 2026, ratepayers in both England and Wales face new obligations to proactively report changes to their properties that may affect rateable value. However, the status and mechanics of those obligations differ significantly depending on jurisdiction. In Wales, the Duty to Notify is already a statutory requirement, fully in force. In England, it remains in a pilot phase, with mandatory legislation anticipated during the life of the 2026 Rating List.

Wales: Duty to notify is already law

In Wales, the Duty to Notify came into force on 1 April 2026 and is a live statutory obligation – not a pilot. Welsh ratepayers must notify their local authority (not the VOA, as in the English model) of specified changes within 60 days of those changes occurring. The duty was introduced under Welsh Government legislation and is administered through billing authorities – the Welsh unitary councils.

- In Wales, the notification is made to the local authority billing authority, not directly to the VOA.
- Failure to notify within 60 days in Wales may result in a fixed penalty fine of £500; providing false information may result in a summary conviction fine of up to level 3 on the standard scale (currently £1,000).

- Notifiable changes in Wales include physical alterations, changes of use, subdivision or merger of hereditaments, and commencement or cessation of occupation.
- The Welsh penalty regime is already confirmed and enforceable from 1 April 2026 – Welsh ratepayers face real compliance risk now, not at some future date.

England: Pilot phase underway

In England, the Government launched a Duty to Notify pilot in a limited number of billing authority areas ahead of the 2026 revaluation. The pilot is designed to test the systems, processes and ratepayer behaviours required to make a mandatory notification regime workable at scale. Participating ratepayers are required to report specified changes to their property – including physical alterations, changes in use, subdivision or merger of assessments, and the commencement or cessation of occupation – within a defined timeframe.

Findings from the pilot have informed the VOA's position on the scope of the duty, the notification triggers, the timeframes involved and the penalties for non-compliance. The Government has confirmed its intention to introduce a formal legislative framework for Duty to Notify during the life of the 2026 Rating List, with the obligation targeted to be fully operational before the 2029 revaluation.



What ratepayers in both jurisdictions need to know

- In Wales, the obligation is live. Notify your local authority within 60 days of any notifiable change – penalties apply now.
- In England, mandatory Duty to Notify legislation is not yet in force, but the pilot is live and the framework is being actively developed. Ratepayers in pilot areas should be engaging with the process; all English ratepayers should be building internal compliance frameworks now ahead of full roll-out.
- The English model, when enacted, is intended to require notification to the VOA within approximately 60 days of the change occurring; the Welsh model already requires notification to the local authority within the same period.
- In both jurisdictions, where a notifiable change results in a reduction in rateable value, prompt notification is directly in the ratepayer's financial interest. Where a

change may increase the assessment, the obligation to notify is equally binding.

- Multi-site occupiers with properties in both England and Wales face a dual compliance challenge: the Welsh duty requires immediate action; the English system requires advance preparation.
- The obligation will sit with the ratepayer – not the landlord or agent – though in practice many occupiers will wish to ensure their managing agents and property advisers are monitoring compliance on their behalf.

In Wales, Duty to Notify is not a future obligation – it is the law now. English ratepayers should not be complacent: mandatory legislation is coming, and the systems and processes required to comply should be in place before it arrives.



Looking ahead to 2029

The introduction of Duty to Notify in Wales, and its anticipated extension to England, combined with the move to three-yearly revaluations in both jurisdictions, represents a fundamental shift towards a more dynamic and responsive rating system. The ambition – articulated by both the UK Government and the Welsh Government – is for rateable values to more closely track market conditions in real time, reducing the distortions that build up over long rating list cycles.

In practice, this means ratepayers must be far more actively engaged in the management of their assessments than has

historically been the case. The days of receiving a rates bill and filing it away are over. The 2026 Rating List is, in many respects, a transitional period – by the time the 2029 list is introduced, the compliance and reporting expectations on ratepayers in both England and Wales are set to be materially higher.

Dunlop Heywood is closely monitoring the development of Duty to Notify legislation in England and advising Welsh clients on compliance with the existing statutory obligation. Ratepayers with large or complex portfolios – particularly those spanning both jurisdictions – are encouraged to contact us now to discuss how to prepare for the new compliance environment.



Contact Details

Operations Director

Aaron McLeod *BSc (Hons) IRRV (Dip)*
 aaron.mcleod@dunlophewood.com
 07789 764 344 / 0161 817 4856

Head of Rates Liability Management

Christine Banks *IRRV (Tech)*
 christine.banks@dunlophewood.com
 07990 638 099

Head of Rating

Stuart Hicks *FRICS Dip Rating IRRV (Hons)*
 stuart.hicks@dunlophewood.com
 07756 209 153

Head of Infrastructure Team

Demetri Papaioannou *MRICS Dip Rating (Director)*
 demetri.p@dunlophewood.com
 07711 964 454

Head of General Surveying & Valuation Team

Andrew Chandler *MRICS (Director)*
 andrew.chandler@dunlophewood.com
 01912 299 714

Head of Retail, Hospitality & Leisure Team

Adam Brooke *MRICS Dip Rating (Director)*
 adam.brooke@dunlophewood.com
 07460 900 030

Head of Special Projects Team

Richard Scott *MRICS (Director)*
 richard.scott@dunlophewood.com
 07584 055 991

Head of Rating Audit Team

Rob Madden *IRRV (Dip) (Director)*
 rob.madden@dunlophewood.com
 01618 174 897

YORK	LONDON	MANCHESTER	NEWCASTLE	BELFAST
Tower House Business Centre Fishergate York, YO10 4UA	120 Bermondsey Street London, SE1 3TX	Third Floor The Chambers 13 Police Street Manchester, M2 7LQ	Collingwood Buildings 38 Collingwood Street Newcastle Upon Tyne NE1 1JF	Scottish Provident Building 7 Donegall Square West Belfast, BT1 6JH