

Non-domestic Rating: 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 of non-domestic properties, following the recent revaluation in order to reflect changes in the property market since the previous one in 2010. The revaluation will take effect from 1 April 2017.

The information presented is further to that released in the publication on 28 September and includes a measure of the overall rateable value change by sector and geography as well as the distribution of rateable value of properties in the 2017 Local Rating Lists. As part of this release, further information is provided to billing authority level in the form of tables and maps.

Main Findings

- After revaluation, the total rateable value for England increased by 9.6 per cent. In Wales, the total rateable value fell by 2.9 per cent after revaluation.
- London saw a 23.7 per cent increase in rateable value after revaluation, the largest increase of any region.
- The North East saw a 0.9 per cent fall in rateable value after revaluation, the largest fall of any English region.
- London has the largest spread of rateable value in the 2017 Rating Lists, especially in the Office Sector which contributes 14.4 per cent of the total rateable value in England.
- The top 10.9 per cent of rateable properties in England contribute 72.3 per cent of rateable value in the 2017 Rating Lists.

In this publication:

Main Findings	1
Change in rateable value in England and Wales.....	2
Rateable value distribution by sector and region.....	3
Distribution of rateable properties and rateable value by rateable value interval.....	7
Background notes.....	9
Future releases	9

Responsible Statistician:

Paul McReady

Statistical Enquiries:

statistics@voa.gsi.gov.uk

Media Enquiries:

03000 585 015

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

Table 1.1- Change in rateable value of the 2010 Local Rating Lists after the 2017 Revaluation of rateable properties in England and Wales

Area	Percentage change in rateable value by Region and Sector				All
	Retail	Industry	Office	Other	
England	4.8%	4.0%	12.7%	15.9%	9.6%
North East	-6.5%	-0.4%	-12.3%	9.5%	-0.9%
North West	-5.4%	-3.5%	-4.4%	10.7%	0.0%
Yorkshire & Humber	-1.9%	0.7%	-12.4%	7.1%	0.0%
East Midlands	5.6%	3.3%	8.2%	13.4%	7.4%
West Midlands	-0.9%	3.4%	-6.8%	12.3%	3.2%
East	-3.6%	2.3%	2.4%	12.3%	3.7%
London	26.8%	15.5%	22.6%	26.1%	23.7%
South East	1.2%	6.7%	12.9%	17.8%	9.6%
South West	-5.7%	5.4%	-0.4%	13.9%	4.0%
Wales	-8.5%	-4.0%	-6.6%	4.5%	-2.9%

Source: VOA administrative data as at 25th September 2016

In England, after revaluation, the total rateable value increased by 9.6 per cent. The region with the highest increase (23.7 per cent) is London while the largest fall (0.9 per cent) is in the North East.

In Wales, the total rateable value fell by 2.9 per cent after revaluation.

Within each region however, there is significant variation in the percentage change in rateable value which is presented at Billing Authority level in [Table 1.0](#). The percentage change in rateable value by region and billing authority is also illustrated by maps published with this Statistical Release.

Table 1.2- Change in rateable value of the 2010 Central Rating Lists after the 2017 Revaluation of rateable properties in England and Wales

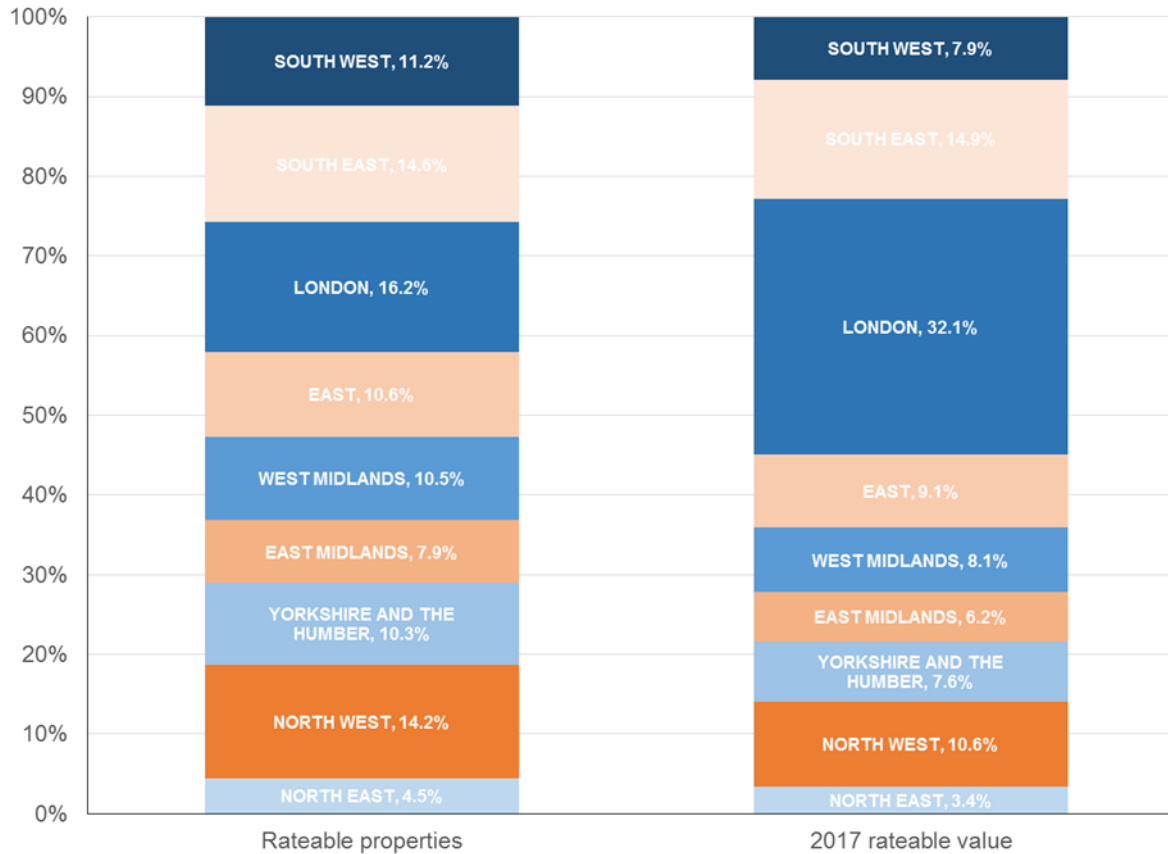
Central List	Percentage change in rateable value
England	40.6%
Wales	25.8%

Source: VOA administrative data as at 25th September 2016

The Central List for England has seen a 40.6 per cent increase in rateable value. The Central List for Wales has seen an increase of 25.8 per cent.

Section 2 - Rateable value distribution by sector and region- 2010 and 2017 Local Rating Lists

Chart 2.1 – Regional distribution of rateable properties and rateable value in England



Source: VOA administrative data as at 25th September 2016

Chart 2.1 shows that almost one third of rateable value in the 2017 Rating List comes from rateable properties in London, even though only one sixth of all rateable properties in England are located in this region.

Definitions

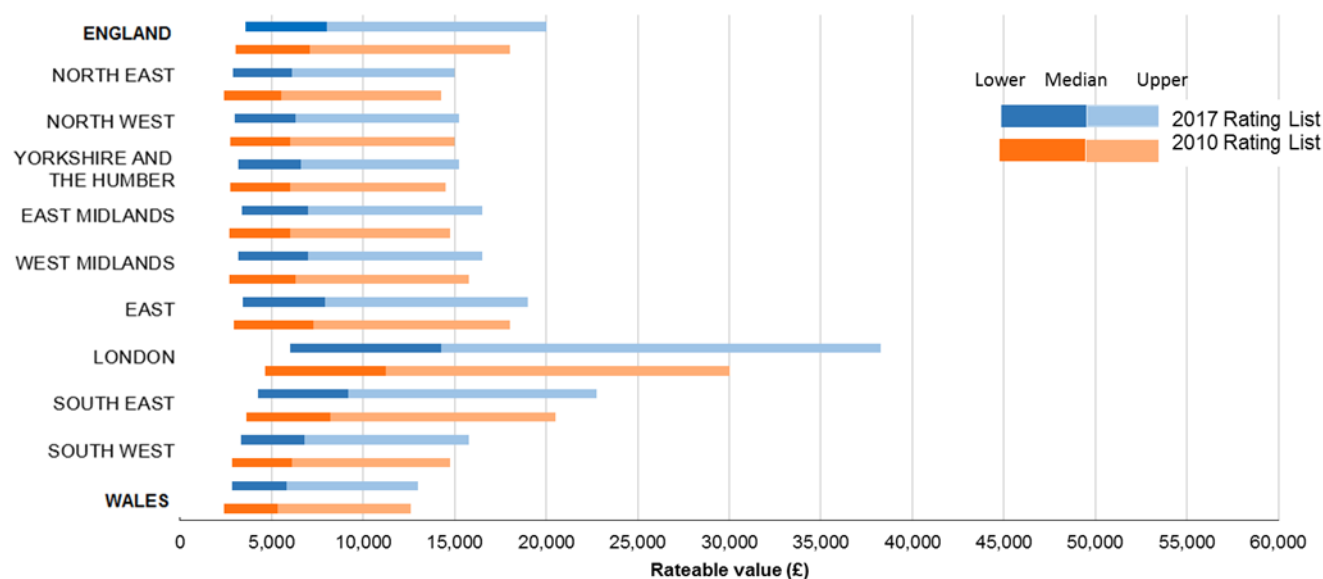
Region: a geographical unit formerly referred to as Government Office Region (GOR). The GOR framework was the primary classification for regional statistics and comprises of nine regions in England, which combined with the devolved administrations collectively, spanned the United Kingdom. From 1 April 2011 the term GOR was dropped in favour of region.

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.

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: 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 in concept 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).

Chart 2.2- Distribution of rateable value within country and region, 2010 and 2017 Local Rating Lists- all sectors



Source: VOA administrative data as at 25th September 2016

Chart 2.2 shows for that in both the 2010 and 2017 Rating Lists, **London** has the highest median, lower quartile and upper quartile. **London** also has the widest interquartile range with the largest variation between the median and upper quartile. For all regions the median is much closer to the lower quartile than the upper quartile. This means that in terms of rateable value, the second 25 per cent of the rateable properties are less spread than the third 25 per cent of rateable properties.

This information is presented at Billing Authority level in [Table 1.0](#).

Definitions

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 369 Special Category (SCat) codes to the appropriate sector. The 'Other' Sector was created where a SCat code could not be assigned to 'Retail', 'Office' or 'Industry' categories.

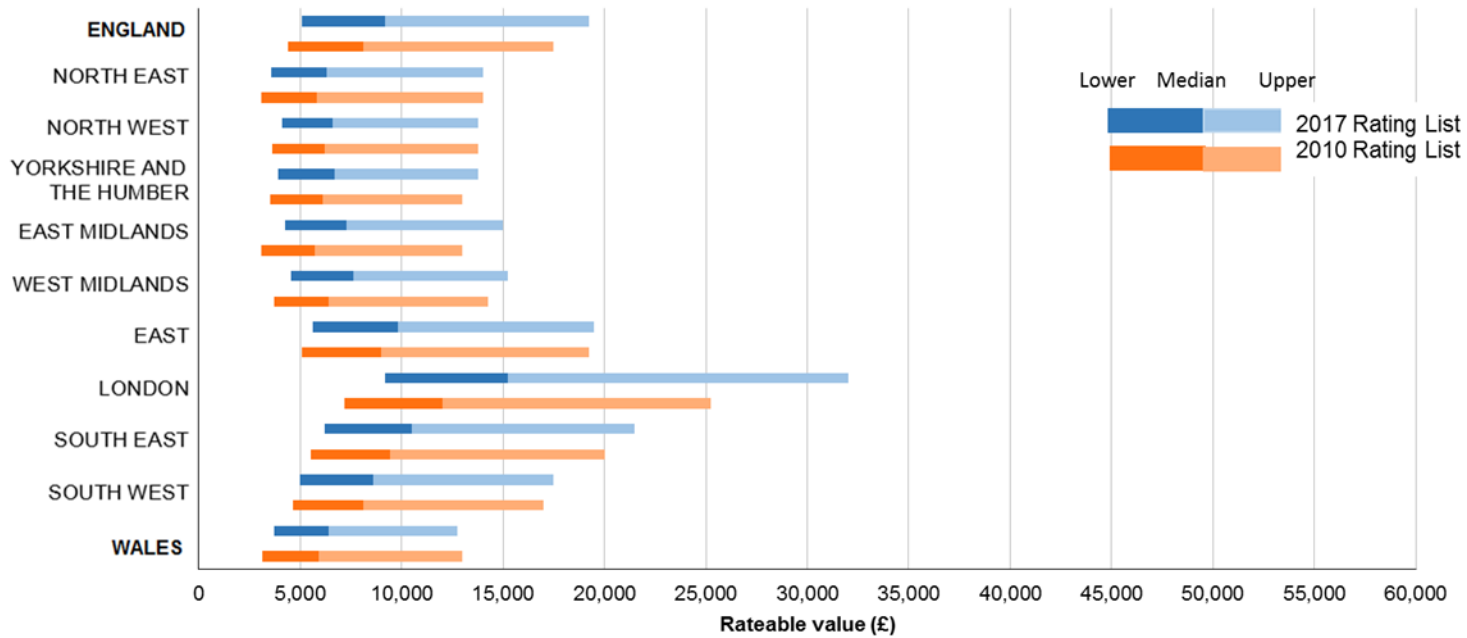
Median: when a series of numbers are arranged by order of magnitude the median represents the middle value.

Lower quartile: when a series of values are arranged by order of magnitude the lower quartile (or 25th percentile) is the value that splits the lowest 25 per cent of the data from the highest 75 per cent.

Upper quartile: when a series of values are arranged by order of magnitude the upper quartile (or 75th percentile) is the value that splits the highest 25 per cent of the data from the lowest 75 per cent.

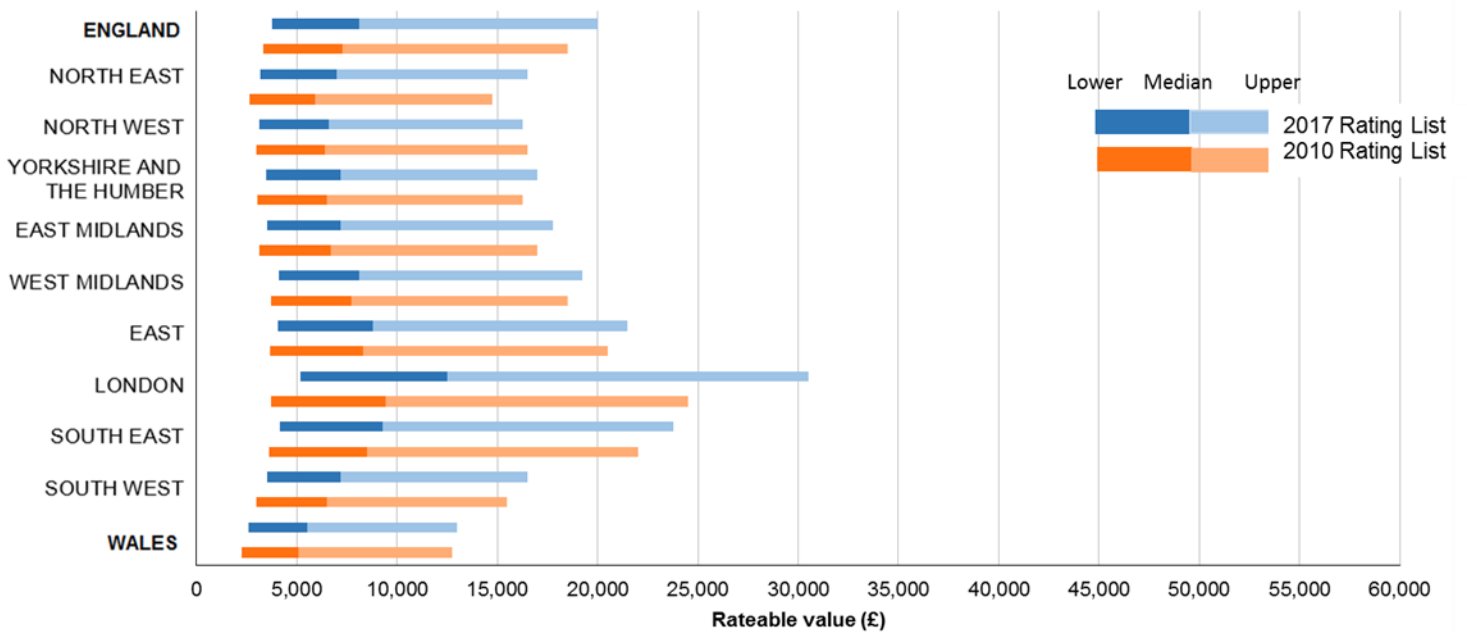
Interquartile range: difference between lower quartile and upper quartile, representing the middle 50 per cent of rateable values.

Chart 2.3- Distribution of rateable value within country and region, 2010 and 2017 Local Rating Lists- retail sector



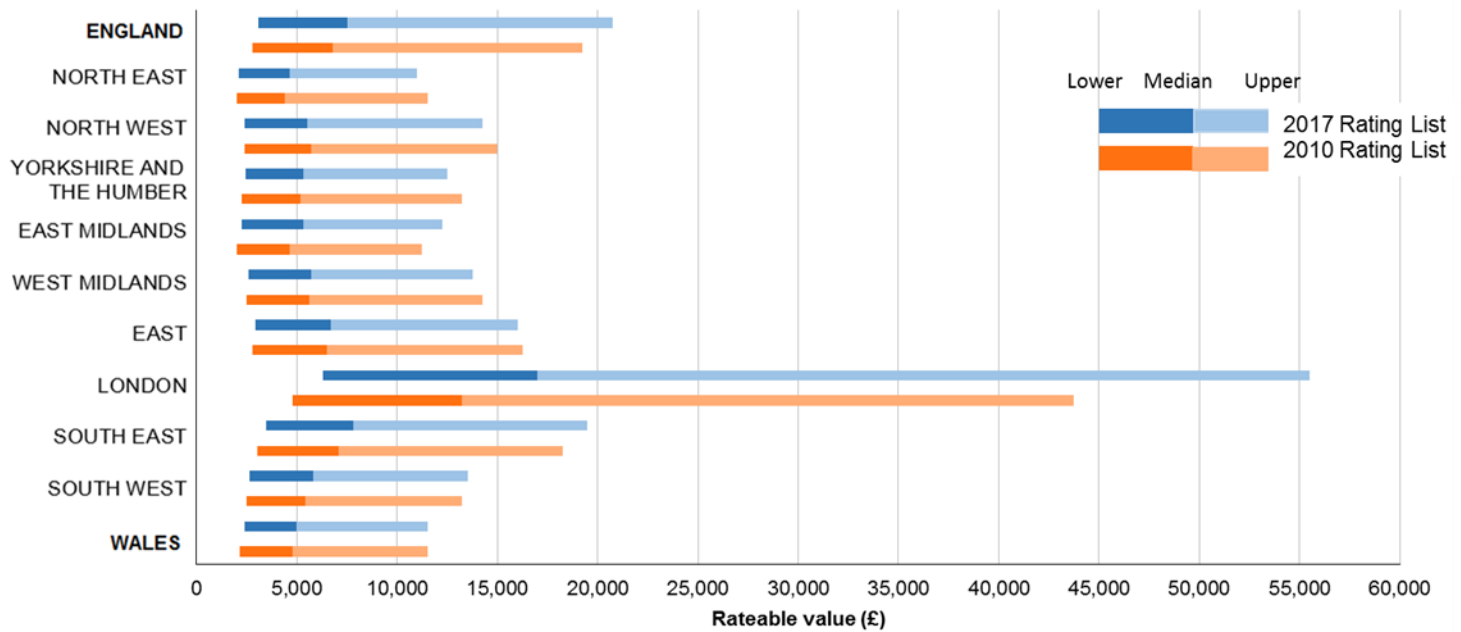
Source: VOA administrative data as at 25th September 2016

Chart 2.4- Distribution of rateable value within country and region, 2010 and 2017 Local Rating Lists- industry sector



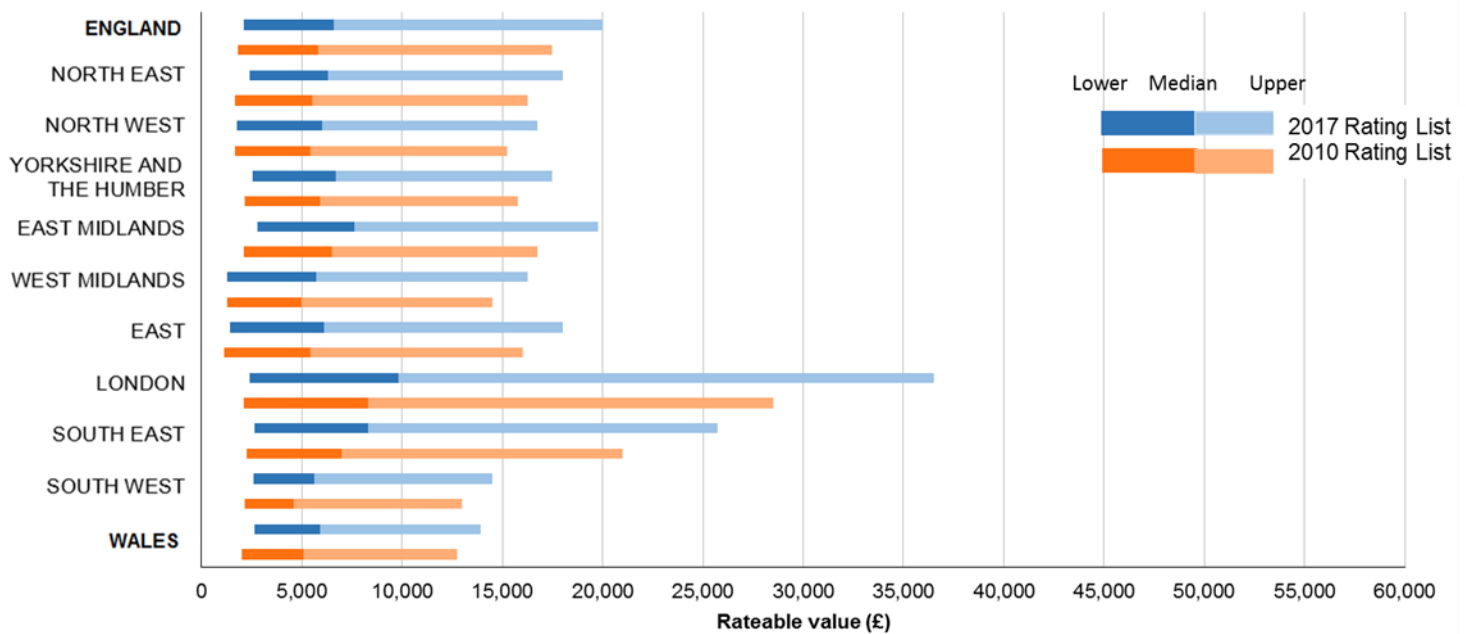
Source: VOA administrative data as at 25th September 2016

Chart 2.5- Distribution of rateable value within country and region, 2010 and 2017 Local Rating Lists- office sector



Source: VOA administrative data as at 25th September 2016

Chart 2.6- Distribution of rateable value within country and region, 2010 and 2017 Local Rating Lists- other sector



Source: VOA administrative data as at 25th September 2016

The Office Sector in London has the largest spread between the median and the upper quartile, especially in the 2017 Rating Lists. The upper quartile value of £55,500 explains why London offices contribute 60.1% of the Office Sector rateable value in England and 14.4% of the total rateable value in England. This information is presented at Billing Authority level in [Table 1.1 to Table 1.4](#).

Section 3 - Distribution of rateable properties and rateable value by rateable value interval - 2017 Local Rating Lists

Chart 3.1- 2017 Local Rating Lists- rateable properties distribution by rateable value interval, all sectors, England

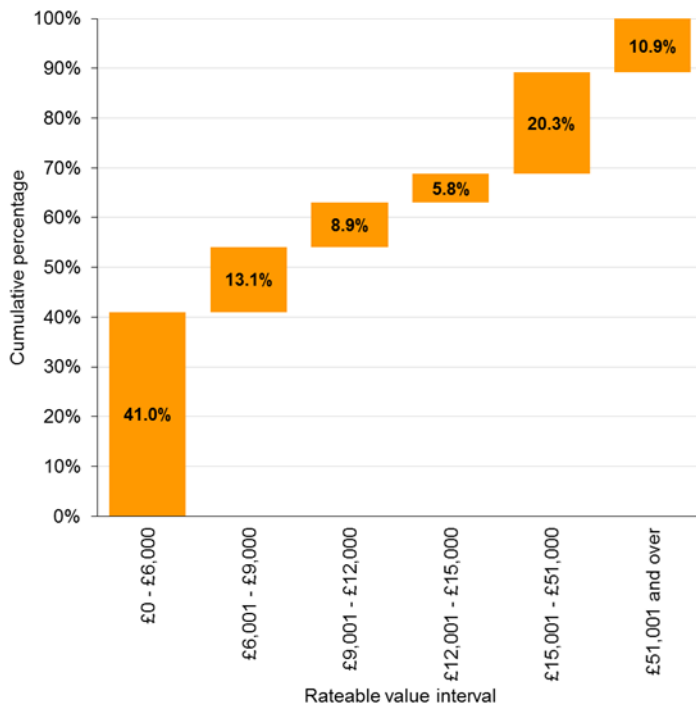
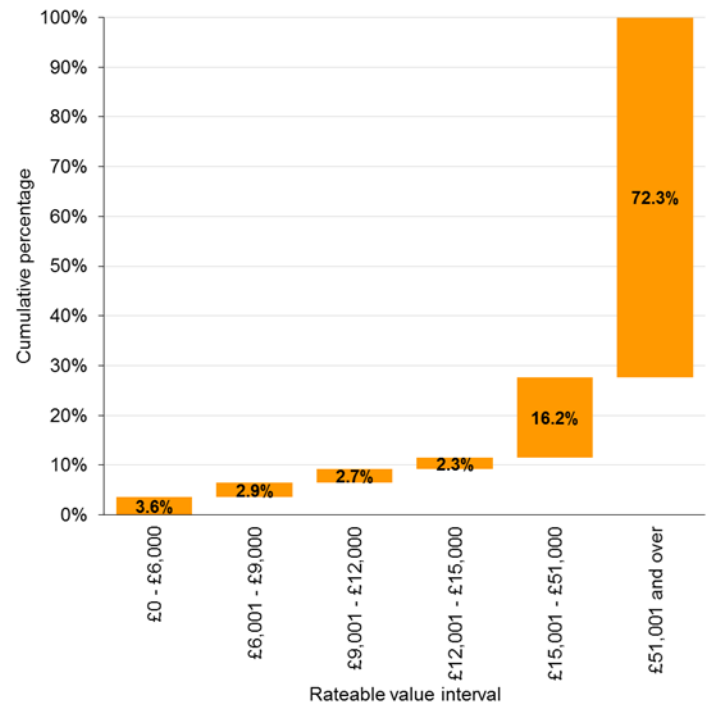


Chart 3.2- 2017 Local Rating Lists- rateable value distribution by rateable value interval, all sectors, England



Source: VOA administrative data as at 25th September 2016

Chart 3.1 shows that after revaluation, 41.0 per cent of rateable properties in England have a rateable value of £0 to £6,000 which means that under current legislation they could be eligible for 100 per cent small business rates relief. An additional 22.0 per cent of properties in England have a rateable value of £6,001 to £12,000 which means they could be eligible for small business rate relief, although the rate of relief will gradually decrease as rateable value increases from £6,001 to £12,000.

The majority of properties in England represent little in terms of the total rateable value. Chart 3.1 shows that in the 2017 Rating Lists, only 10.9 per cent of rateable properties in England have a rateable value of £51,001 and over. However, Chart 3.2 shows that these properties contribute 72.3 per cent of all rateable value in England in the 2017 Rating Lists. Charts 2.1 to 2.6 suggest that the majority of these high rateable value properties are found in London.

Chart 3.3- 2017 Local Rating Lists- rateable properties distribution by rateable value interval, all sectors, Wales

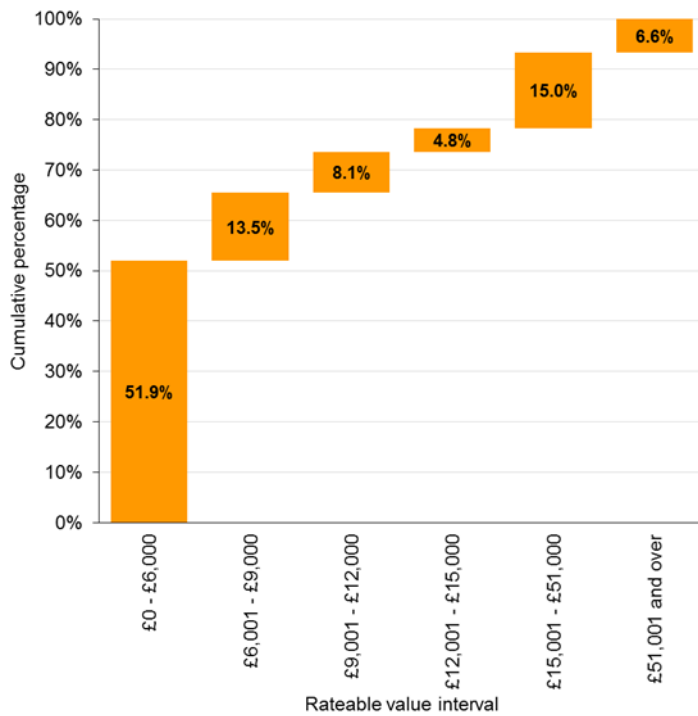
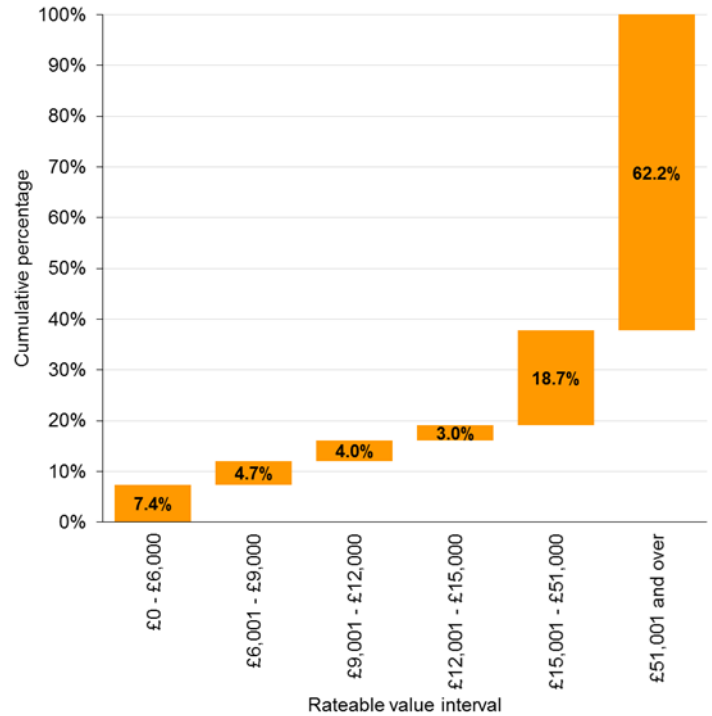


Chart 3.4- 2017 Local Rating Lists- rateable value distribution by rateable value interval, all sectors, Wales



Source: VOA administrative data as at 25th September 2016

Chart 3.3 shows that after revaluation, 51.9 per cent of rateable properties in Wales have a rateable value of £0 to £6,000 which means that under current legislation they could be eligible for 100 per cent small business rates relief. An additional 21.6 per cent of properties in Wales have a rateable value of £6,001 to £12,000 which means they could be eligible for small business rate relief, although the rate of relief will gradually decrease as rateable value increases from £6,001 to £12,000.

The majority of properties in Wales represent little in terms of the total rateable value. Chart 3.4 shows that 62.2 per cent of all rateable value in Wales in the 2017 Rating List are in properties with a rateable value of £51,001 and over. As shown in Chart 3.3, only 6.6 per cent of rateable properties in Wales have a rateable value of £51,001 and over.

Background notes

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 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.

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.

This analysis only includes properties with a rateable value on both the 2010 and 2017 Local Rating Lists that have completed the 2017 revaluation process. This which means that the number of rateable properties on the 2010 and 2017 Rating Lists is the same.

Business rates

Further information on business rates can be found at <https://www.gov.uk/introduction-to-business-rates>.

Future releases

More detailed information on sector broken down by SCat will be made available in October 2016.