

Non-domestic rating: Stock of Properties England and Wales



Valuation Office
Agency

Main Findings

Local Rating List:

- There were 1.94 million rateable properties in England and Wales on the Local Rating List, as at 31 March 2015. This represents a year-on-year increase of just over 1 per cent since March 2014 when the total stood at 1.92 million.
- The total rateable value of the rateable properties in England and Wales, as at 31 March 2015, was £59.72 billion. This represents an increase of less than 0.1 per cent since 31 March 2014 when the total rateable value stood at £59.69 billion.
- Between 1 April 2014 and 31 March 2015, 111 thousand rateable properties were added to the rating list and 88 thousand were removed.
- 94 per cent (1.83 million) of rateable properties are in England and 6 per cent (0.11 million) are in Wales.
- London region had the highest number of rateable properties in England (298 thousand) followed by the South East (267 thousand) and the North West (259 thousand).
- 60 per cent (1.2 million) of the total rateable properties have a rateable value below £10,000.
- 38 per cent of (741 thousand) rateable properties have a rateable value between £0 and £4,999.

Central Rating List:

- The total rateable value of central rating list property in England and Wales as at 31 March 2015 was £2.9 billion.
- Property in England accounted for 94 per cent (£2.7 billion) of this total and property in Wales accounted for the remaining 6 per cent (£0.2 billion).

About this release

This release is a new publication that combines aspects of two existing releases: 'Central & local rating lists: Non-domestic rating in England & Wales' (last published on 11 December 2014); and 'Central and local rating lists: summary (England and Wales)' (last published 30 October 2014). The statistics provide information on the number and value of the stock of rateable properties (known as "hereditaments"), broken down by property type, sector and geographic location.

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Rateable Properties and Rateable Values

The figures on pages 2 to 8 contain details of properties on the **Local Rating List only**, which make up around 95% of the rateable value of all rateable properties. The remaining 5% of value is in the Central Rating List and covers specific kinds of rateable property (e.g. pipelines). Statistics on the Central Rating List can be found on page 9. Further Detail about what is included on the Local Rating List and the Central Rating list can be found in the [Data Information and Methodology document](#).

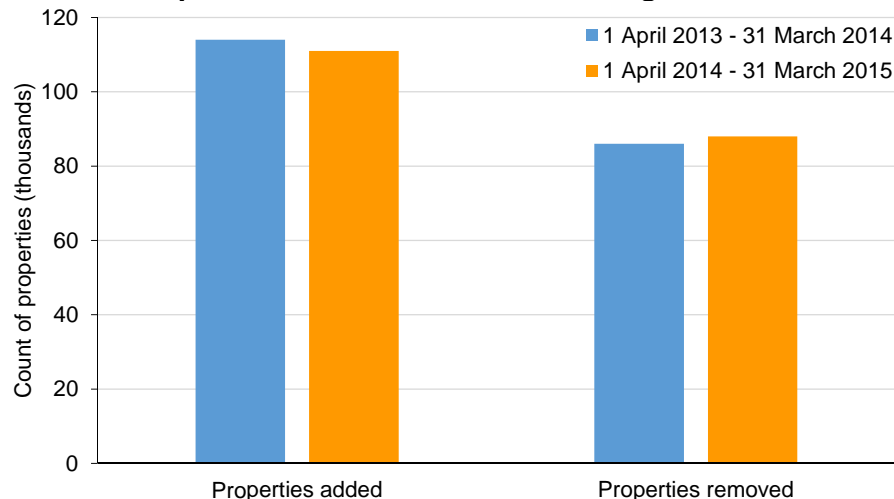
There were 1.94 million rateable properties in England and Wales as at 31 March 2015, with a total rateable value of £59.7 billion. Of these properties, 1.83 million (94 per cent) were in England and 0.11 million (6 per cent) were in Wales.

Changes in the 2010 Local Rating List (England and Wales)

A rating list can be changed for a variety of reasons, some of which will have a material effect on the property's rateable value (for example demolition of a building), and others which will not (for example the change in name of a property).

Between 1 April 2014 and 31 March 2015 111 thousand properties were added to the Local Rating List and 88 thousand properties were removed. This compares with 114 thousand properties being added and 86 thousand being removed between 1 April 2013 and 31 March 2014. This can be seen in Chart 1.

Chart 1: Properties added and removed in England and Wales



Source: Table CL6

Of the properties that existed on the Local Rating List at both 31 March 2014 and 31 March 2015, 19 thousand (1 per cent) saw their rateable values increase, 59 thousand (3 per cent) saw a reduction of their rateable values and 1,750 thousand (96 per cent) had rateable values that were unchanged. Changes could be due to a challenge lodged against the value of that rateable property (an Interested Persons Proposal - IPP), or because of a separate material change to the property or its locality that the VOA or Billing Authority have been made aware of (assessment review).

Definitions

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.)

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.

Assessment Reviews: these are generally referred to as "reports", and relate to instances where the VOA will review the entry in the rating list when new information becomes available (either from within the VOA, or from the relevant Billing Authority).

IPP: a proposal by the ratepayer or agent acting on their behalf to alter the local rating list entry.

More Detailed Statistics... On the number of rateable properties added and removed and their total rateable values can be found in [Table CL6 within NDR stock of properties](#).

Breakdown by Country and Region

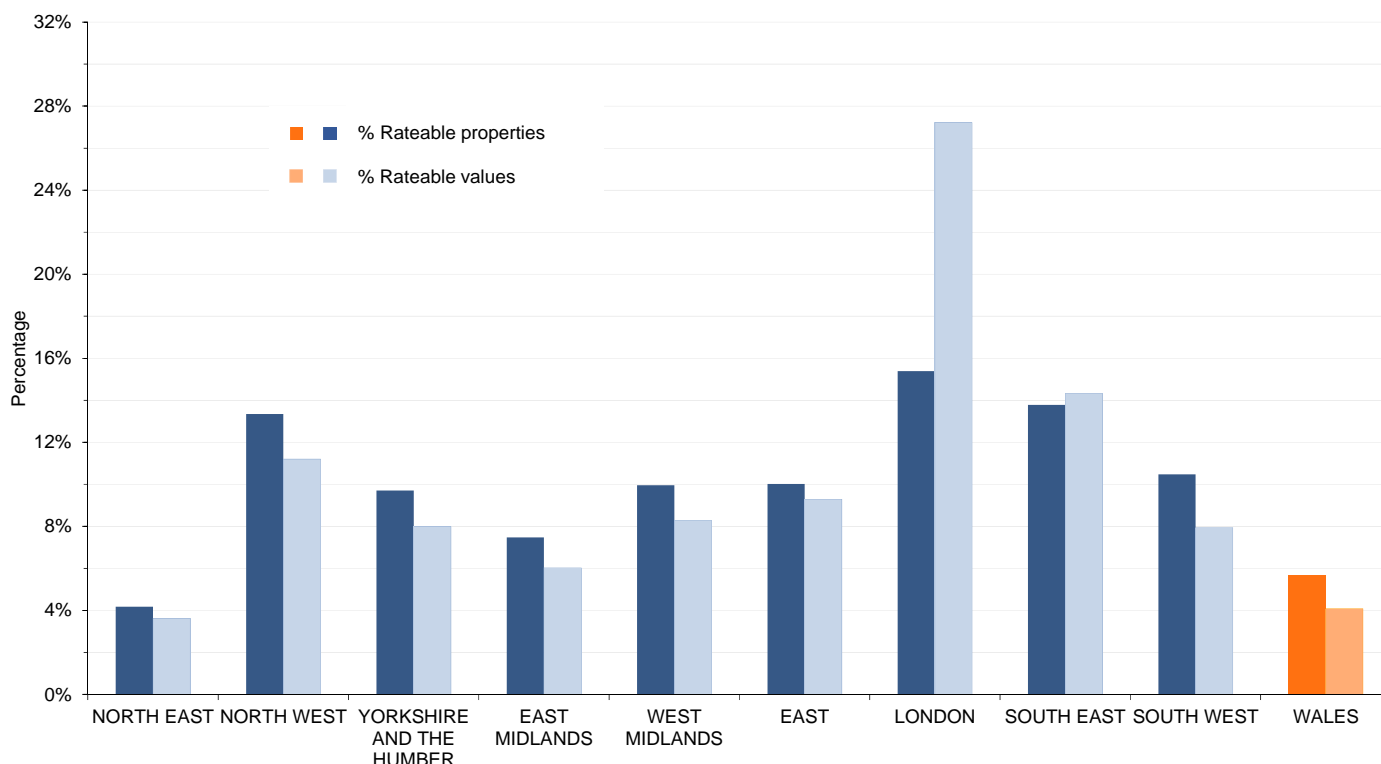
The total rateable value of the properties in England was £57.3 billion, accounting for 96 per cent of the total for England and Wales. Properties in Wales accounted for the remaining £2.4 billion (4 per cent) of the total.

Within England, London has the largest proportion of rateable properties (15 per cent of the total in England and Wales), and an even higher share of the rateable value (27 per cent of the total rateable value in England and Wales).

The North East has the smallest number of rateable properties (81 thousand, or 4 per cent of the total in England and Wales), and accounts for only 4 per cent (£2.2 billion) of the total rateable value for England and Wales. This can be seen in Chart 2 together with the breakdown for other regions.

More Detailed Statistics... On the number of rateable properties and total rateable values can be found in [Table CL1 within NDR stock of properties](#).

Chart 2: Percentage of Rateable Properties and Total Rateable Value, split by English Region and Wales, as at 31 March 2015



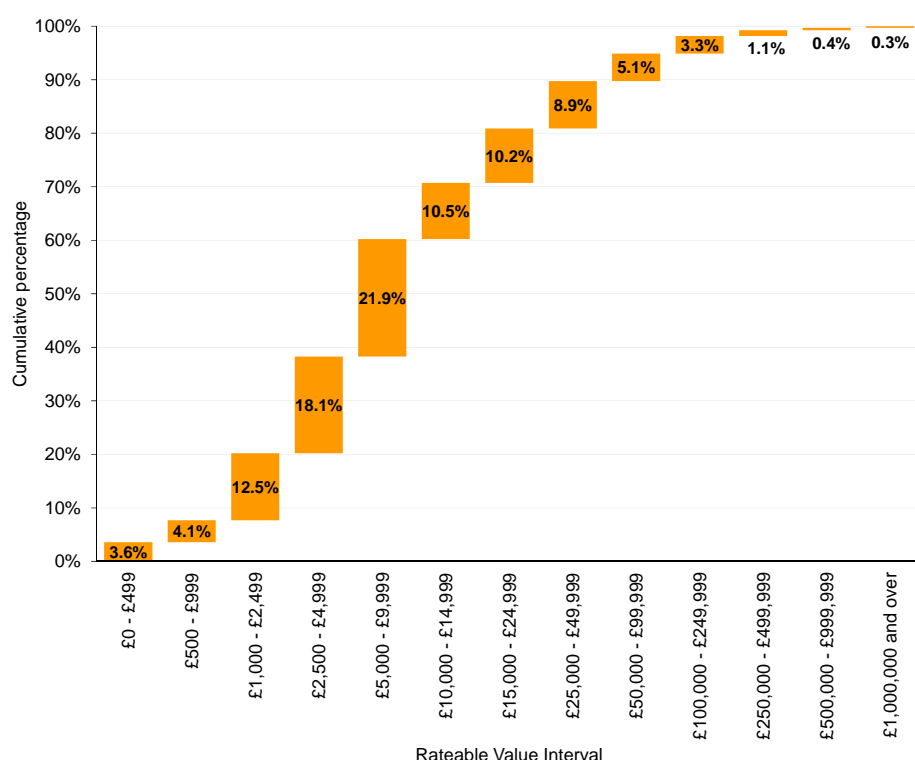
Source: Table CL1

Breakdown by Rateable Value

A significant proportion (60 per cent) of properties in England and Wales have a rateable value below £10,000. This means that they may be affected by Small Business Rates Relief (which reduces the amount of Non-Domestic Rates the business will need to pay on that property). Furthermore 38 per cent of rateable properties have a value between £0 and £4,999, and so – if eligible – could be in receipt of 100 per cent Small Business Rates Relief.

At the other end of the distribution, only 5 per cent of the rateable properties in England and Wales have a rateable value of £100,000 or more. This can be seen in Chart 3.

Chart 3: Percentage and Cumulative Percentage of Rateable Properties in England in Wales within each Rateable Value Interval as at 31 March 2015



Source: Table CL4

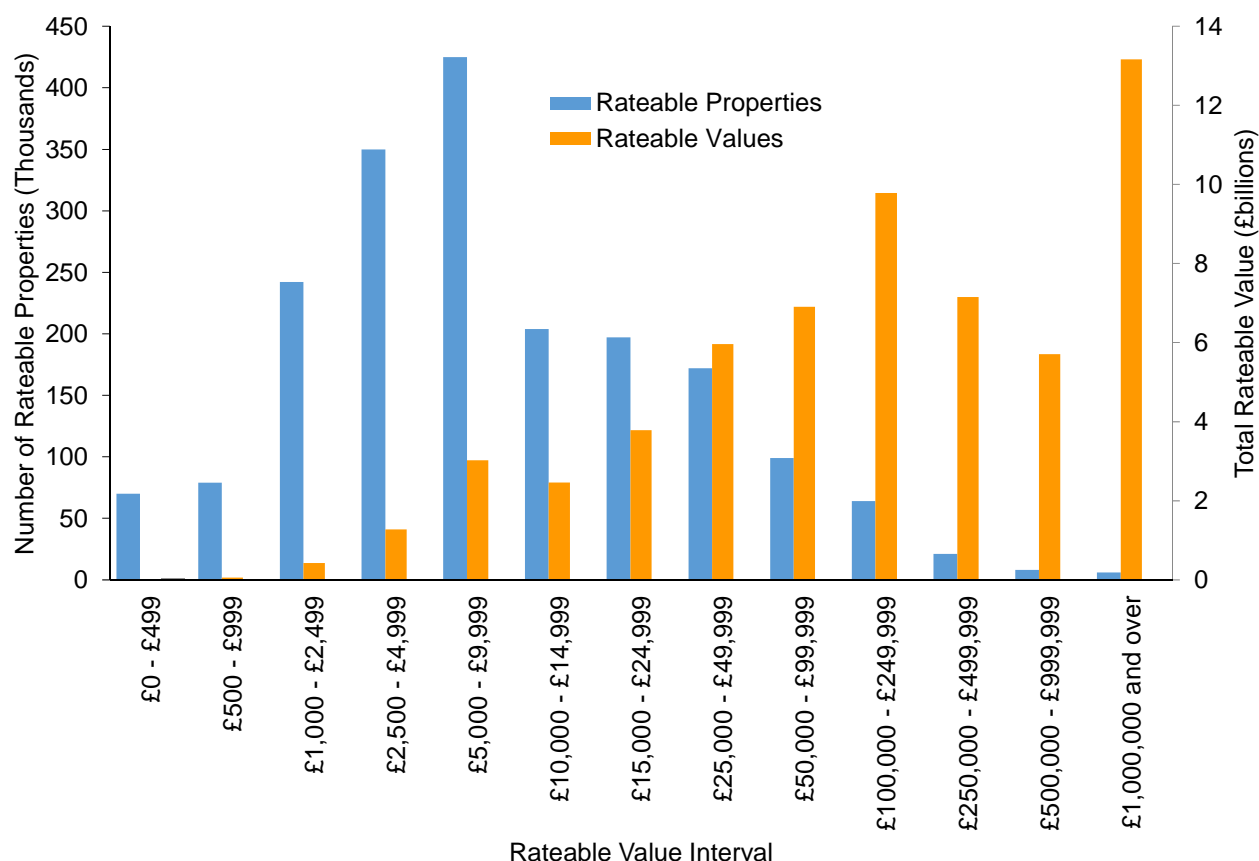
Although only 5 per cent of properties have a rateable value of £100,000 or more, they represent a very large share (60 per cent) of total rateable value for England and Wales. At the other end of the distribution, those properties with a rateable value below £10,000 (60 per cent of all rateable properties) represent only 8 per cent of the total rateable value for England and Wales.

Further breakdowns for the number of rateable properties and the total rateable value can be seen in Chart 4.

Definitions

Small Business Rates relief - reduces the amount of Non-Domestic Rates the business will need to pay on that property

More Detailed Statistics... On the breakdown of rateable properties by rateable value interval can be found in [Table CL4 within NDR stock of properties](#).

Chart 4: Number of Rateable Properties and Total Rateable Values by Rateable Value Interval as at 31 March 2015

Source: Table CL4

Rateable Properties and Rateable Values by Sector

For the purpose of this publication, 'Sector' consists of the following categories: Retail, Industrial, Office and Other (RIO), which is a categorisation commonly used by those in the surveying profession. RIO was created using the 369 Special Category (SCat) codes, which are the operational codes used by the VOA to classify a property's use. VOA statisticians have, in conjunction with operational colleagues, mapped each SCat code to one of the four categories. The 'Other' category was created to cover SCat codes which could not be readily assigned to 'Retail', 'Office' or 'Industry'. Full details of the SCat codes that make up each sector can be found in Table 7 within NDR stock of properties and the associated regional tables of the main publication.

While the VOA endeavours to keep these codes up-to-date, in some cases there may be a change in a property's use which the VOA is not made immediately aware of. These statistics are based on the data recorded on the VOA's systems at 31 March 2015.

The spread of total rateable value is relatively even across the four sectors, with the 'Other' Sector accounting for the biggest proportion (28 per cent) and 'Industry' contributing the smallest (22 per cent).

Definitions

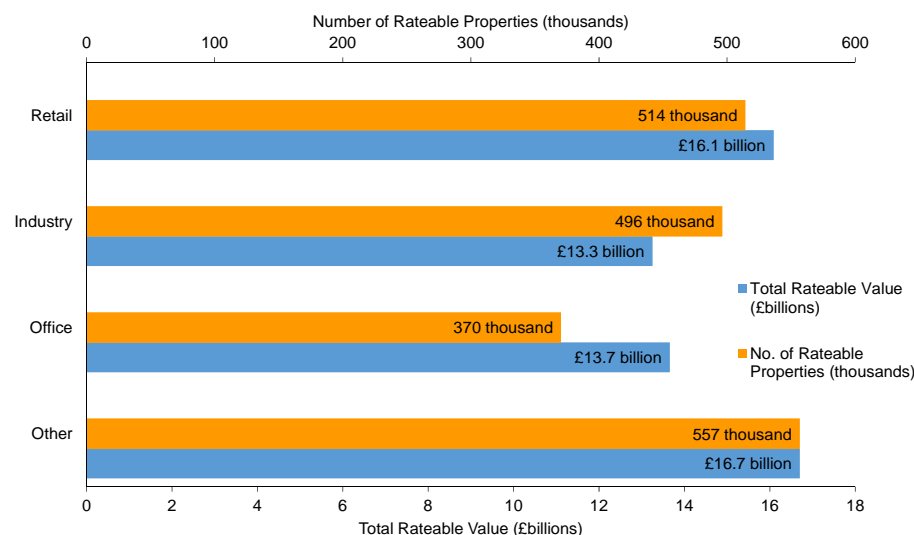
SCat Code: These are the most detailed description of a property and show the nature of the use of the rateable property.

For a more detailed description of how the Sectors are made up follow the link to our [Data Information and Methodology document](#).

Although the 'Office' Sector has the smallest proportion of rateable properties (at 19 per cent), it makes up a disproportionate amount of the rateable value (23 per cent of the total).

A breakdown of the number of rateable properties and total rateable value by Sector can be seen in Chart 5.

Chart 5: Rateable properties and rateable value by Sector for England and Wales as at 31 March 2015



Source: Table CL7

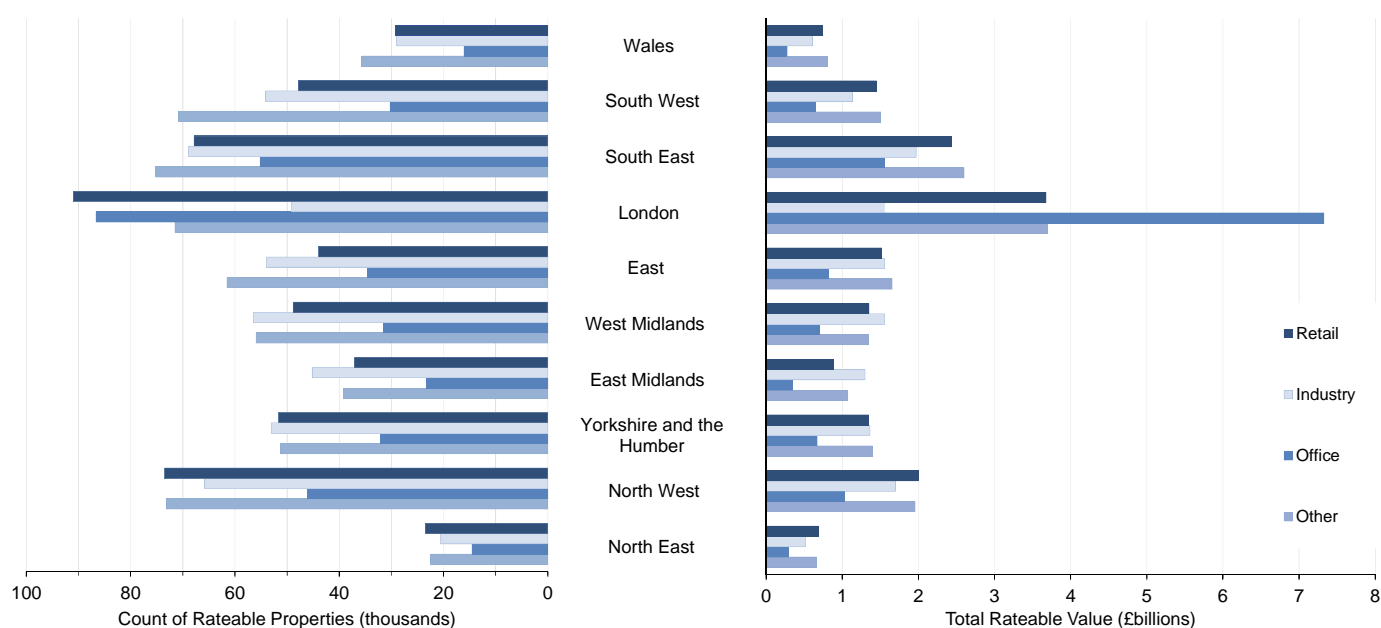
Properties by Sector and Region

In terms of the number of rateable properties, the 'Retail' Sector for London is the largest sector with over 90 thousand properties. This is followed closely by the 'Office' Sector for London (87 thousand) which contributes a disproportionately high amount to the total rateable value (£7.3 billion). This can be seen in Chart 6.

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 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.

More Detailed Statistics... On the number of rateable properties and rateable value by Sector can be found in [Table CL7 within NDR stock of properties](#).

Chart 6: Split of Properties and Rateable Value by Sector and Region as at 31 March 2015

Source: Table CL7

Properties by Sub-sector

In addition to the 4 sectors, the SCat codes have also been mapped to 18 Sub-sectors, within the overall Retail / Industrial / Office / Other categories. In some cases – particularly Offices – we have not been able to identify a more detailed breakdown of the Office Category. This is shown in Table 1:

Table 1: Sector and Sub-Sector categories

Sector	Sub-Sector
Retail	Financial and Professional Services
	Shops
Industry	General Industrial
	Storage & Distribution
	Other
Office	Offices
Other	Assembly and Leisure
	Education
	Health
	Hotels, Guest & Boarding, Self-Catering etc.
	Non Residential Institutions
	Offices*
	Other
	Retail
	Residential Institutions
	Storage & Distribution
	Transport
	Utilities

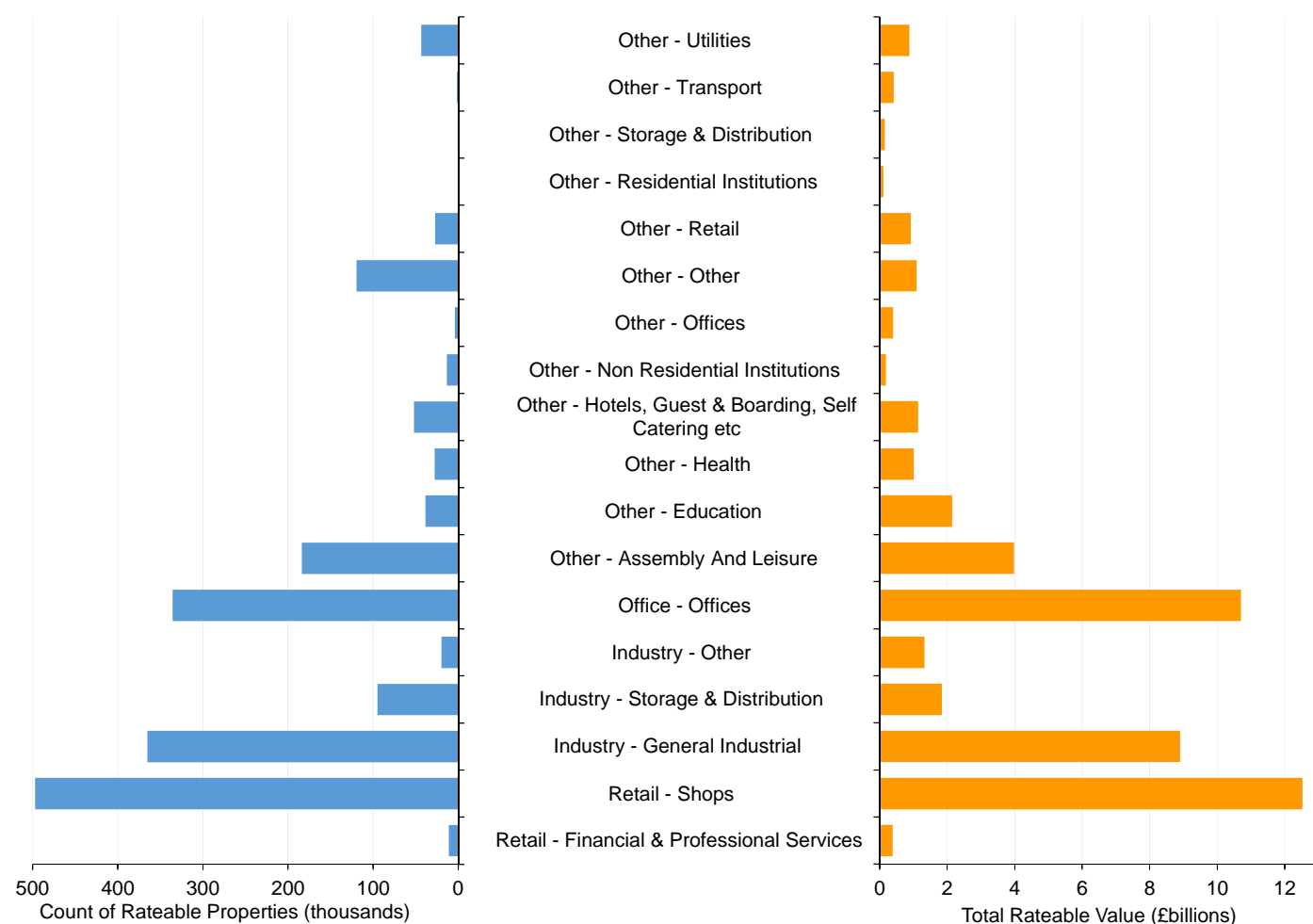
* These are offices that are part of a specialist property, and so have been attributed to "Other" Sector rather than the "Office" Sector.

More Detailed statistics

On rateable properties and rateable values by Sector and Sub-sector can be found in [Table CL7 and the associated regional tables within NDR stock of properties.](#)

Information on the breakdown into Sub-sector can be seen in Chart 7.

Chart 7: Split of Properties and Rateable Value by Sub-sector as at 31 March 2015 (England and Wales)



Source: Table CL7

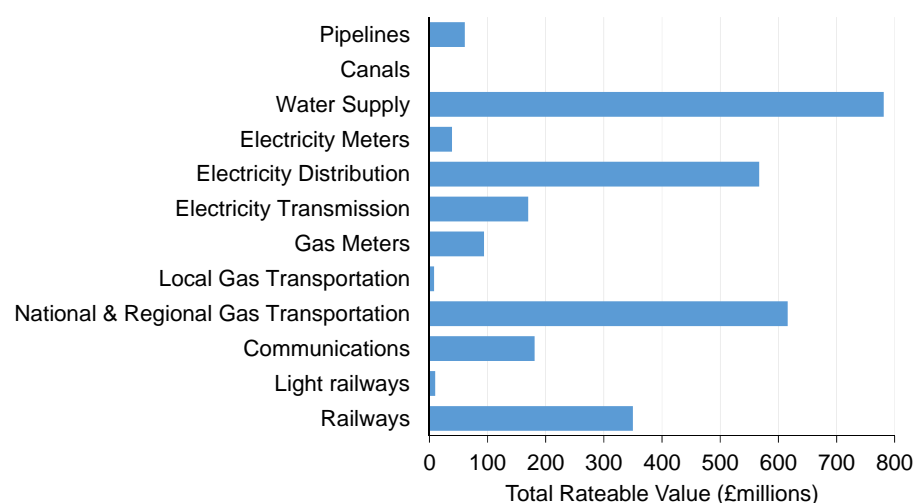
Statistics are also available on the number and value of rateable properties broken down into property types using 'Primary Description' codes (see Tables CL3 to CL6 within NDR stock of properties). This is a separate method for classifying properties for valuation that sits alongside the Special Category codes. More information about these property types can be found in the [Data Information and Methodology document](#).

Central Rating List

The total rateable value of central rating list property in England and Wales as at 31 March 2015 was £2.9 billion. Property in England accounted for 94 per cent (£2.7 billion) of this total and property in Wales accounted for the remaining 6 per cent (£0.2 billion).

The largest proportion (27 per cent, £781 million) of the total rateable value comes from the 'Water Supply' property description followed by 'National & Regional Gas Transportation' (21 percent, £616 million) and 'Electricity Distribution' (20 per cent, £567 million). This can be seen in Chart 11.

Chart 8: Rateable value recorded on the Central Rating List, split by Property Description as at 31 March 2015 (England and Wales)



Source: Table CL2

More details about the Central Rating List can be found in the [Data Information and Methodology document](#).

More Detailed statistics

On rateable value by Property Description can be found in [Table CL2 within NDR stock of properties](#).

Background Notes

Valuation officers of the Valuation Office Agency (VOA) are required, by the Local Government Finance Act 1988, to compile (and maintain) rating lists specifying a rateable value for each relevant non-domestic rateable property in England and Wales. These rateable values provide the basis for national non-domestic rates bills, which are issued by local billing authorities.

Non-domestic rateable properties fall into either a local rating list or a central rating list. There is a single Local Rating List for each billing authority in England and Wales, and there are two Central Rating Lists, one for England and one for Wales. The majority of the total rateable value comes from properties on the local rating lists (over 95 per cent across England and Wales). The Central Rating Lists are smaller and contain the rating assessments for the network property of major transport, utility and telecommunications undertakings and cross-country pipelines. There is a single entry in one of the rating lists (either for England or Wales) for each company named in the Central Rating List Regulations 2005. There are separate Regulations and lists for [England](#) and [Wales](#). The current rating lists came into effect on 1 April 2010. New lists containing updated rateable values are usually compiled every five years; however, the next revaluation will be with effect from 1 April 2017.

There is a single aggregate rateable value shown for all the property occupied by the named ratepayer that falls within their definition in the Regulations. Any property occupied by a Central Rating List ratepayer that falls outside the definition will be shown individually in a local rating list.

Rates on Central Rating List rateable properties in England are paid directly to the Secretary of State for Communities and Local Government, and in Wales to the Welsh Assembly Government.

Further Information

More detailed information on the 2010 Local Rating Lists is available on the Agency's website at the following location:

<http://www.2010.voa.gov.uk/rli/>

Further information on the area codes used in this release please refer to the ONS's website at the following location:

<http://www.ons.gov.uk/ons/guide-method/geography/geographic-policy/best-practice-guidance/presentation-order-guidance/administrative-areas/index.html>