Business Rates Update: The April 2026 Revaluation and What It Means for Occupiers

Business rates are not usually the first item occupiers focus on when considering commercial property. Rent, lease terms, service charge, specification and location tend to dominate the conversation. However, since the new rating list came into effect on 1 April 2026, rates have become a more visible and, in some cases, more influential part of the occupational cost equation.

For many businesses, the new figures are still being absorbed. Some occupiers are only now seeing how revised assessments affect their annual outgoings. Others are finding that a manageable rent can look less straightforward once rates, service charge, fit-out costs and lease commitment are considered together.

The 2026 revaluation does not rewrite the market overnight, but it does reinforce several themes already shaping occupier behaviour: closer scrutiny of total occupational cost, continued demand for efficient and well-presented space, and a preference for flexibility where future headcount, trading performance or operational requirements remain uncertain.

Executive summary

- The April 2026 revaluation has updated rateable values across commercial property, based on rental values as at 1 April 2024.
- The impact is not uniform. A higher rateable value does not always mean the rates bill has increased by the same amount, as the final liability depends on the relevant multiplier, thresholds, reliefs and transitional provisions.
- Key thresholds now sit at £51,000 RV and £500,000 RV, both of which can materially affect the amount payable.
- Our sample of 50 office properties across Brighton & Hove shows average rateable values increasing by approximately 19.2%, while average rates payable increased by approximately 4.8%. Prime office stock saw a greater average increase, at approximately 17.0%.
- Occupiers and landlords should review their position early, particularly where a rateable value appears inconsistent with the property, comparable evidence or market conditions.

What changed on 1 April 2026?

The 2026 revaluation updated the rateable values of commercial properties in England and Wales. Rateable value is intended to reflect the open market rental value of a property at a specified valuation date. It is then used as the starting point for calculating business rates payable.

The current revaluation is based on rental values as at 1 April 2024, with the new rating list coming into force from 1 April 2026. The new figures are therefore not simply an inflationary adjustment. They are intended to reflect how rental values have moved across different property types and locations since the previous valuation date.

At the same time, the multiplier structure has changed. In simple terms, the multiplier is the pence-in-the-pound figure applied to a property's rateable value to calculate rate payable before any reliefs are deducted.

For 2026/27, there are now different multipliers depending on property type and rateable value. The key figures are summarised below, together with the main thresholds and reliefs occupiers should be aware of.

Business Rates 2026: Multipliers & Reliefs at a glance

England | Effective from 1 April 2026

A quick guide to the new multipliers, key thresholds and main reliefs occupiers should know about.

1 New multipliers

Property type	Rateable value (RV)	Multiplier (pence in the £)
Non-retail, hospitality or leisure	Below £51,000 RV	43.2p
Non-retail, hospitality or leisure	£51,000 to £499,999 RV	48.0p
Eligible retail, hospitality or leisure	Below £51,000 RV	38.2p
Eligible retail, hospitality or leisure	£51,000 to £499,999 RV	43.0p
All property types	£500,000 RV and above	50.8p

2 Key thresholds to watch

£51,000 RV
Crossing this threshold can move a property from the lower small business multiplier to the standard multiplier.

£500,000 RV
Properties at or above this level are subject to the higher multiplier.

For eligible retail, hospitality and leisure occupiers, the previous RHL relief structure has effectively been replaced in 2026/27 by lower multipliers for qualifying properties below £500,000 RV.

3 Main reliefs and protections

Small Business Rate Relief
Up to 100% relief for qualifying small properties; tapers from £12,001 to £15,000 RV.

Transitional Relief
Phases in larger bill increases following revaluation.

Supporting Small Business Relief
May help where a business loses some or all of certain existing reliefs.

Charitable Rate Relief
Available to qualifying charities and community amateur sports clubs.

Empty Property Relief
Temporary relief for certain vacant commercial properties.

Improvement Relief
Supports certain qualifying improvements to existing properties.

Hardship Relief
Discretionary relief where a business is experiencing financial difficulty.

Enterprise Zone / Freeport Relief
May apply to qualifying properties in designated areas.

Pubs and Live Music Venues Relief
Targeted relief for qualifying venues in 2026/27.

Eligibility varies. Some reliefs are automatic, while others require an application to the local authority.

For most office, industrial and non-retail occupiers, the key distinction remains whether the property sits below or above the £51,000 rateable value threshold. Properties below this level benefit from the lower small business multiplier, even where the occupier does not necessarily qualify for Small Business Rate Relief.

The £500,000 threshold is also significant. Properties at or above this level are subject to the higher multiplier, regardless of sector. This is particularly relevant to larger office buildings, supermarkets, retail parks, logistics units, manufacturing facilities and substantial industrial premises.

For retail, hospitality and leisure occupiers, the previous form of Retail, Hospitality and Leisure Relief has effectively been replaced for 2026/27 by lower multipliers for qualifying properties below £500,000 rateable value. That may be helpful for some businesses, but it is not a blanket reduction. Eligibility, use classification and rateable value all matter.

Why rateable value changes need careful interpretation

A change in rateable value does not always translate directly into the same change in rates payable. The final liability will depend on the relevant multiplier, any applicable reliefs, transitional provisions and the specific circumstances of the property and occupier.

That distinction matters.

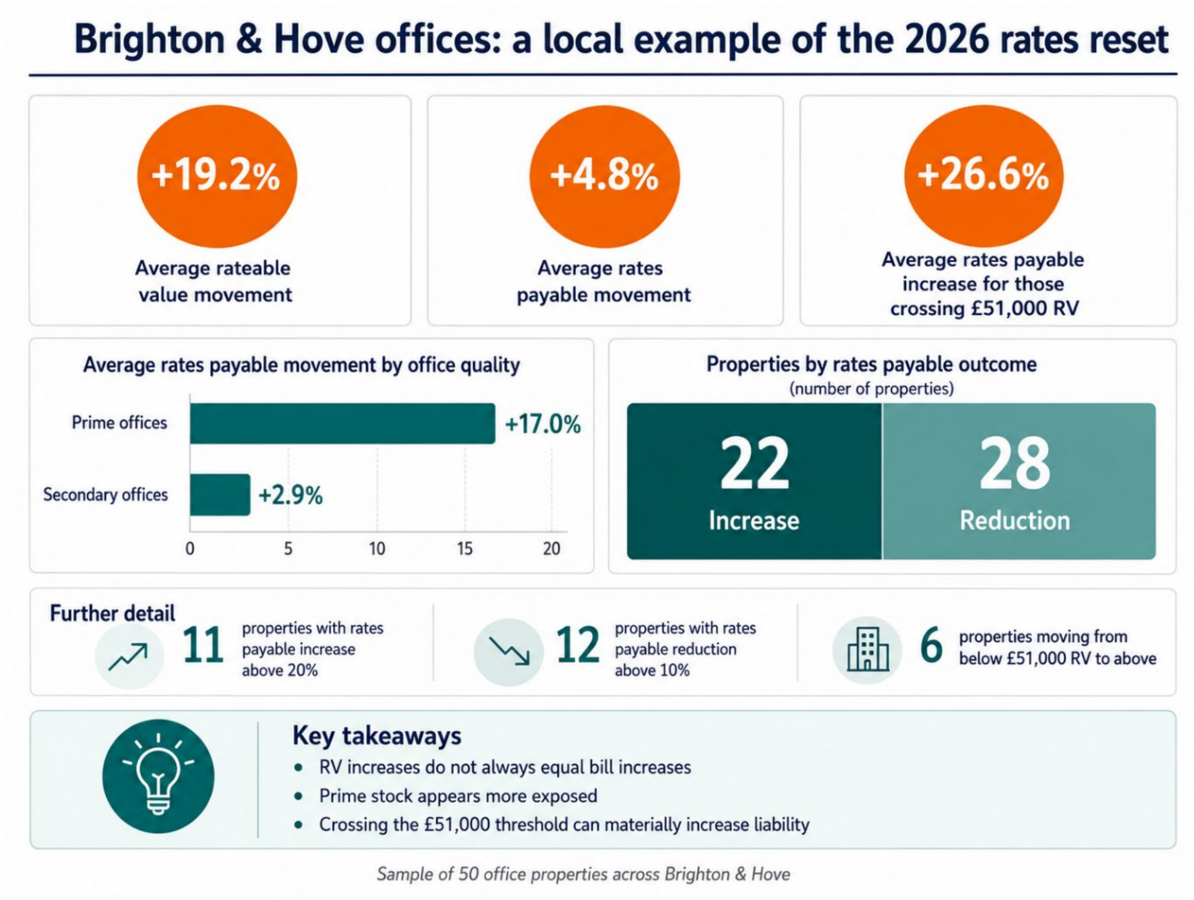
An occupier may see a sizeable increase in rateable value but a more modest increase in the actual bill. In some cases, rates payable may even fall, despite the rateable value increasing. Conversely, some properties have seen a relatively sharp increase in liability, particularly where the new assessment has moved the property across a key threshold.

This is why rates should be considered as part of the wider occupational cost rather than in isolation. Rent remains important, but it is only one part of the calculation. For many occupiers, the more relevant question is now: what does this property cost to occupy in total?

A local example: Brighton & Hove offices

While the multipliers and reliefs apply nationally, the impact of the 2026 revaluation is best understood at property level. To illustrate how the changes are playing out locally, we analysed a sample of 50 office properties across Brighton & Hove, comparing their previous rateable values with the new 2026 assessments.

The results show a more nuanced picture than a simple across-the-board increase.



Across the sample, the average rateable value increased by approximately 19.2%. However, the average increase in rates payable was considerably lower, at approximately 4.8%. This reflects the effect of the revised multiplier structure, which has softened the impact of higher assessments for a number of properties.

That said, the impact is far from uniform.

Prime office stock saw a notably greater increase, with rates payable rising by approximately 17.0% on average. This compares with an average increase of approximately 2.9% across secondary office stock. This distinction is important because it illustrates a wider point relevant across the commercial property market: better-quality or higher-value space may continue to attract demand, but it can also carry a higher total occupational cost.

The data also highlights the importance of the £51,000 rateable value threshold. In our sample, six properties moved from below £51,000 RV to above that level under the 2026 list. For those properties, the average increase in rates payable was approximately 26.6%. This is a material movement and may be particularly relevant to SMEs and growing businesses occupying smaller self-contained premises or larger suites.

Interestingly, more than half of the sample saw a reduction in rates payable, despite rateable values increasing in many cases. This underlines the need to look beyond the headline rateable value and understand the actual liability after applying the relevant multiplier and any reliefs or transitional provisions.

The conclusion is not that all occupiers face higher bills. Rather, the 2026 reset has created a more uneven pattern of liability. Prime, larger and higher-value properties appear more exposed in certain cases, while some secondary and smaller properties may see a more limited impact, or even a reduction.

What this means across the market

The implications will vary by sector, but the wider direction is clear: business rates are becoming a more active part of occupational decision-making. Where occupiers are already reviewing their space requirements in light of hybrid working and changing staff attendance patterns, a higher rates liability can add another layer of scrutiny.

For retailers, the picture is more nuanced. Some occupiers may benefit from the lower retail, hospitality and leisure multipliers, but the benefit will depend on eligibility and the underlying rateable value. Retailers are already balancing rent, staffing, utilities, stock costs and trading performance. Rates remain a meaningful part of that equation.

For industrial and logistics occupiers, the £500,000 threshold is particularly relevant to larger buildings. Smaller industrial units and trade counter premises may remain attractive from a total occupational cost perspective, but larger manufacturing, storage and distribution premises could see more significant rates exposure.

For landlords, the revaluation reinforces the importance of looking at property through the eyes of the occupier. A quoting rent may appear reasonable, but if the combined cost of rent, rates, service charge and fit-out feels too high, it may still be difficult to convert interest into commitment.

Reliefs occupiers should be aware of

The rates payable are not always simply the rateable value multiplied by the relevant multiplier. A number of reliefs may apply, depending on the property, the occupier and the circumstances.

These include Small Business Rate Relief, Transitional Relief, Supporting Small Business Relief, Charitable Rate Relief, Empty Property Relief, Improvement Relief and certain discretionary reliefs such as Hardship Relief. There are also specific provisions for eligible retail, hospitality and leisure properties, as well as targeted reliefs for qualifying pubs, live music venues and properties in designated areas such as Enterprise Zones or Freeports.

The availability of relief should always be checked carefully. Some reliefs are automatic, while others require an application to the local authority. In many cases, the local authority will determine eligibility, while the Valuation Office Agency is responsible for the underlying rateable value.

Total occupational cost is now the key measure

The wider direction of travel is clear. Business rates are becoming a more active part of occupational decision-making.

A lower headline rent does not automatically mean better value if the overall liability is higher than expected. Equally, a well fitted or refurbished property may justify a higher rent where it reduces upfront capital expenditure, improves staff experience or provides greater certainty over the overall commitment.

For occupiers, the key is to understand the full financial position before committing to space. For landlords, the opportunity is to present property in that context. The more clearly a building can demonstrate value, efficiency and cost certainty, the stronger its position is likely to be.

There may also be circumstances where a rateable value should be reviewed. If an assessment appears out of step with market evidence, building condition, layout, location or comparable properties, it may be appropriate to seek specialist advice.

A final word on advice

Business rates are a specialist area and, while we are not rating specialists, they regularly form part of the advice we provide to occupiers, landlords and investors.

That may be at the point of acquisition, when an occupier is comparing property options. It may be during lease negotiations, where total occupational cost is central to affordability. It may be during asset management, where a landlord is considering subdivision, refurbishment or repositioning. It may also be where a client is concerned that a rateable value appears inconsistent with the market.

Where appropriate, we can introduce clients to specialist rating consultants who advise on business rates, review assessments and assist with the Check, Challenge, Appeal process.

The April 2026 revaluation is now in effect, but many businesses are still only beginning to understand what the new figures mean in practice. Reviewing the position early can help occupiers make better informed property decisions and help landlords understand how their assets are being assessed by the market.