

Business Rates: Review of Valuation Methodology for Public Houses and Hotels

Call for Evidence

16 October 2026

About Real Estate:UK

Real Estate:UK (RE:UK) is the voice of the UK's property industry. With over 500 member organisations spanning investors, developers, advisers and operators, we represent the full breadth and diversity of the commercial real estate market, worth £950bn to the UK economy. We support thriving communities across the UK through the homes, workplaces, critical infrastructure such as logistics and data centres, and retail and leisure centres our members build, maintain and operate.

We welcome this review – and support reforms to the business rates system which seek to reduce unnecessary administration for both business and Government and provide more certainty and predictability to business.

Summary

While we recognise that this review is primarily focused on pubs and hotels – our brief submission seeks to draw out feedback on the valuation process which is relevant for all asset classes. We also support the CBI's submission to this call for evidence which focusses on how well taxpayers understand their valuations.

It is fundamental to the success of any tax that taxpayers are confident that their bill is accurate and fair. This is especially true for business rates, given the bills themselves are often very material fixed costs - and there can be significant judgement involved in the valuation process.

One of the longstanding challenges that we have consistently heard from members is that they do not receive sufficient detail alongside their business rates bill to understand how their bill has been calculated – or what evidence has been relied on in the context of their own valuation. Given this level of uncertainty (and the materiality of the bill) many ratepayers often have no choice but to go through the appeals process, until they can receive sufficient information to be confident that their bill is correct. This is reflected in the unsustainable levels of appeals which go through the system – creating significant administration and delays for both taxpayers and the valuation office.

It is critical that the valuation process is reformed to improve transparency and bring forward the level of information provided to tax payers much earlier in the process (and without the need to engage in the appeals process) - to allow businesses to fully understand how their valuation has been calculated. This would reduce administration time for both business and government – and provide earlier certainty to business.

While we have not responded to the detailed questions set out in the call for evidence, we would draw out the following recommendations which are relevant for the valuation process for all asset classes.

- **Transparency** - More comprehensive information should be provided to taxpayers with their business rates bill to allow them to fully understand how their rates bill has been arrived at. To that end, we would encourage summary valuations being provided to taxpayers earlier in the process.
- **Responsiveness** - The provision of more information to relevant taxpayers earlier in the process should not be at the expense of extending the antecedent valuation period. On the contrary, we continue to recommend shortening the antecedent valuation period to ensure that rates bills remain as relevant and responsive to the economy as possible.
- **Certainty and predictability** - A business rates bill is made up of two key elements: the valuation (the rateable value) and the tax rate (the multiplier). While the challenges around the valuation process are complex and will take time to improve – Government could support much better certainty and predictability for businesses sooner by fixing the tax rate – like all other taxes.

We'd be delighted to engage further on this issue – please contact Rachel Kelly (RKelly@realestateuk.org) for more information.