

# 2021 Rating Revaluation: How will you be effected?

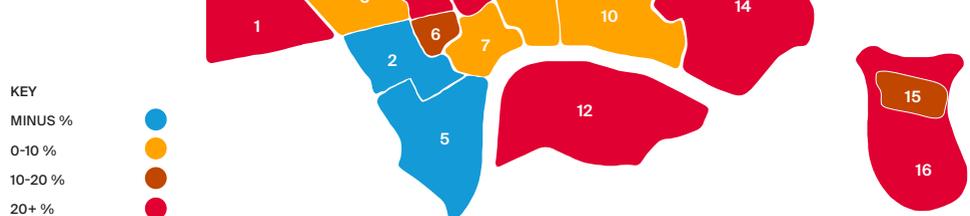
The next Business Rates Revaluation comes into effect on 1st April 2021 and will result in large changes in rates payable across London. The Revaluation is based on rental values as at 1st April 2019 with the aim to redistribute the amount of rates payable by reflecting changes in rental values.

In order to forecast the effects on London offices, Knight Frank has compiled a 'heat map' of the 16 Central London office sub-markets. The Rates Payable for the current year 2019/20 has been compared to the projected rates payable following the Revaluation in 2021/22.

The highlights of the rates payable changes include;

- Average increase: 17% (all sub-markets)
- Biggest increase 50% (Shoreditch/Clerkenwell)
- Biggest decrease 13% (West End Core)

The London Office Heat Map -  
Forecast changes in Rates Payable:



	1	2	3	4	5	6	7	8
Rates Payable	Paddington	West End Core	Nth of Mayfair	Noho	Victoria	Soho	Covent Garden	Bloomsbury
PAYABLE 19/20	£25.56	£53.55	£38.94	£29.21	£35.29	£34.08	£31.64	£24.34
PAYABLE 20/21	£26.14	£54.78	£39.84	£29.88	£36.10	£34.86	£32.37	£24.90
PAYABLE 21/22	£33.75	£47.25	£39.38	£39.38	£33.75	£39.38	£33.75	£33.75
CHANGE %	32.06%	-11.76%	1.11%	34.81%	-4.37%	15.55%	6.66%	38.66%
	9	10	11	12	13	14	15	16
Rates Payable	Euston & Kings Cross Cross	City Core	Holburn	SE1	Fringe north	Fringe East	Canary Warf	Isle of Dogs
PAYABLE 19/20	£32.86	£28.83	£27.99	£23.85	£22.49	£23.12	£18.26	£11.20
PAYABLE 20/21	£33.61	£29.49	£28.63	£24.40	£23.01	£23.65	£18.67	£11.45
PAYABLE 21/22	£37.13	£31.50	£30.38	£30.38	£33.75	£24.75	£21.15	£14.63
CHANGE %	12.98 %	9.26 %	8.52%	27.34%	50.06%	7.03%	15.86%	30.62%

# How are Business Rates calculated?

Business rates are calculated by multiplying the 'rateable value' of a property by the uniform business rate (UBR). The 'rateable value' is the Valuation Office's estimate of a property's market rent at a set valuation date. We are currently in the 2017 Rating List with rateable values being based on a valuation date of 1st April 2015.

# What has caused these changes?

The average increase in Rates Payable across central London will primarily be driven by the success of London as a global financial capital. Despite the uncertainty surrounding Brexit, rental values have continued to increase in most submarkets.

Whilst in the West End values on the prime offices in areas such as St James or Berkeley Square have continued to increase, the core market has seen falls driven by an increase in supply. On the other hand, the City Core market has seen a moderate increase with fringe areas such as Shoreditch / Clerkenwell outstripping traditional locations with the rise of the TMT sector around Silicon Roundabout.

## For more information

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## Rates calculator

See our unique online Rates calculator to provide you with an estimate of your current and future rates payable.

# What we do

In simple terms, we use our experience and knowledge of the rating system to mitigate your rate liabilities.

The areas of work are identified as follows:



## Challenge and appeal

Our rating experts can advise if there are grounds to challenge your rateable value and guide you through the complex appeal procedures.



## Rates payment and management

We provide a full service for the payment and management of your rates for large or small portfolios.



## Empty rates mitigation

In the event you are vacating a property or taking a phased occupation, we can help to ensure you benefit from the maximum amount of relief. In some instances, we can mitigate your liability by securing successive periods of relief.



## Disturbance refunds

If your business is being affected by a nearby development, we can help you apply for rates relief and lodge appeals citing a material change in circumstance. The reduction will be applied for the period of the disturbance.



## Rate audit

We can review all the historic payments back to 1990 to check your rate demands have been correctly calculated and claim any overpaid refunds.