

Retail, Hospitality and Leisure Multipliers – Detailed Information

In April 2026, the government is introducing two lower business rates multipliers for RHL properties (hereditaments) with rateable values (RVs) below £500,000:

- Small business RHL multiplier – For RHL hereditaments with RVs under £51,000
- Standard RHL multiplier – For RHL hereditaments with RVs between £51,000 and £499,999

Unlike the RHL relief that existed prior to 1 April 2026, the new rates are permanent, giving businesses certainty and stability.

The new RHL multipliers will be 5p below their national equivalents.

Unlike the RHL business rates relief in place in 2025/26, there will be no cash cap. Therefore, all hereditaments that meet the legislative definition of qualifying RHL and that have RVs below £500,000 will be within scope of the RHL multipliers. This means that all qualifying properties in a chain will benefit from the lower multipliers.

As administrators of the business rates system, it will be the responsibility of LAs to determine whether a hereditament meets the legislative definition of RHL and therefore qualifies for the RHL multipliers.

Qualifying Hereditaments: General Guidelines

The legislative definition of qualifying RHL hereditaments is intended to broadly reflect the scope of the 40% RHL relief in place in 2025/26. In the majority of cases, the hereditaments that receive RHL relief will qualify for the proposed lower RHL multipliers.

LAs will need to administer the lower RHL multipliers in line with the legislation [The Non-Domestic Rating \(Definition of Qualifying Retail, Hospitality or Leisure Hereditament\) Regulations 2025](#). As such, only hereditaments that meet the legislative definition of RHL will qualify for the lower multipliers. Decisions that have previously been made by LAs over eligibility for RHL relief are not affected by this legislation, but some hereditaments in receipt of relief may be out of scope of the lower multipliers.

The RHL multipliers will only apply to occupied hereditaments where the chargeable amount for the hereditament is calculated in accordance with Schedule 4ZA to the Local Government Finance Act 1988. As such, hereditaments that are unoccupied will revert to the national multipliers after Empty Property Relief ends, even if they are intended to next be used for RHL purposes.

Only hereditaments that are ‘wholly or mainly’ used for a qualifying purpose (see further details below) will be eligible for the RHL multipliers. Whether a hereditament is wholly or mainly used for a qualifying purpose will be fact specific. LAs will need to consider what the main use of the hereditament is. It may be appropriate to consider

use of floor space, turnover, staff, or other suitable metrics. For example, opening a small retail business in a hereditament that is mostly used for non-retail activity (such as office space) will not meet the definition.

Qualifying Purposes

The definition of ‘qualifying purposes’ is set out in regulation 3. The definition contains a ‘retail purpose’ (retail sale or hire of goods, or the provision of a service), a ‘hospitality purpose’ (sale of food and drink, or the provision of holiday or similar temporary accommodation), and a ‘leisure purpose’ (cultural, community or recreational facilities).

To help create a fairer business rates system that protects the high street, the RHL multipliers are intended to only benefit hereditaments that are used to provide in-person RHL. The definition can therefore only be met if a hereditament is wholly or mainly used for providing RHL activity to ‘visiting members of the public’.

‘Visiting members of the public’ is not defined and must therefore take its ordinary meaning. A hereditament can only be considered to be providing RHL to visiting members of the public if it is accessible to the public for the RHL purpose. A person would not, therefore, be considered a ‘visiting member of the public’ when they are attending the place where they are employed, their educational establishment, or to access services from hereditaments that are closed to the public – such as childcare providers.

Some hereditaments may also provide RHL online and the reference to ‘visiting members of the public’ does not exclude those hereditaments. For example, the main purpose of a shop is to sell goods to visiting members of the public, even if a significant amount of the shop’s business is also done online. Similarly, a high street travel agency may service both in-person and online customers, but it will be within scope if the main purpose of the hereditament is to provide in-person services. However, a hereditament will not be in scope where it is used to run an online retail business that is not generally set up to be open or accessible to the public. Regulation 3(2) makes clear that LAs should assess the main use of the hereditament, rather than by measuring the proportion of in-person or online sales.

Where a hereditament is accessible to the public for RHL purposes, it does not matter whether the visiting member of the public is attending for work, domestic, or leisure reasons. For example, a garage may provide MOT and repair services to businesses or to consumers, but in either case it is providing services to visiting members of the public.

Regulation 3(3) makes clear that the reference to ‘visiting members of the public’ does not exclude hereditaments where people need to have a membership (for example, membership to a gym or private members club), tickets/passes (such as for the theatre or a theme park), or an appointment to visit the hereditament (for example, at a hairdressers or shops that are by appointment only).

Schedule 1 lists exclusions from the RHL definition. If a hereditament is wholly or mainly used for one or more of the purposes in Schedule 1, it is excluded. This includes sectors such as financial services – meaning that, for example, banks and building societies are not included. Schedule 1 also carves out hereditaments used for specific uses, such as where a hereditament is wholly or mainly used for the storage and distribution of goods for online sales, like a warehouse.

Examples of Qualifying Hereditaments

This section of the guidance contains non-exhaustive lists of hereditaments that are within scope of the RHL multipliers. Note that a hereditament must be wholly or mainly used for one or more of the below purposes to qualify.

(a) use for—

(i) the retail sale or hire of goods...

The ‘retail sale or hire of goods’ refers to the sale or hire of goods directly to the end-user. As such, it excludes wholesale sales and hires.

The following hereditaments would therefore be eligible for the RHL multipliers, providing they were selling directly to the public. Note this is not an exhaustive list:

- Shops
- Supermarkets
- Charity shops
- Shopping centres
- Motorway service stations
- Florists
- Bakers
- Butchers
- Grocers
- Greengrocers
- Jewellers
- Stationers
- Off licences
- Chemists
- Opticians
- Newsagents
- Hardware stores

- Markets
- Petrol stations
- Garden centres
- Furniture shops/display rooms
- Car/caravan show rooms (including those for second-hand vehicles)
- Art galleries where art is for sale/hire
- Hereditaments from which domestic goods are hired
- Hereditaments from which tools are hired
- Hereditaments from which cars are hired
- Hereditaments from which bicycles are hired
-

(a) use for—

...

(ii) the provision of a service

Hereditaments providing services that are within scope include, but are not limited to:

- Funeral directors
- Launderettes
- Hair and beauty salons (for instance, hairdressers, nail bars, beauty salons, tanning shops, salons carrying out non-surgical cosmetic procedures, and salons carrying out piercings)
- Tattooists
- Garages
- Shoe repairers
- Key cutters
- Dry cleaners
- PC/TV/Domestic appliance repairers
- Photo processors
- Post offices (excluding post office sorting offices and post depots where customers can only collect missed deliveries)
- Travel agents
- Ticket offices (e.g. for the theatre)

- Animal grooming parlours/stabling of animals (unless stabling working animals, such as professional racehorses, as these would not be open to visiting members of the public)

(b) use for the sale of food or drink, where the food or drink is for consumption on or off the hereditament by visiting members of the public

This aspect of the definition captures hereditaments used as the following types of hospitality businesses. Note this is not an exhaustive list:

- Restaurants
- Takeaways (providing that the hereditament is generally open to visiting members of the public, even if the majority of their sales are online and/or done by delivery)
- Sandwich shops
- Coffee shops
- Cafes
- Pubs
- Bars

(c) use as a hotel or as a boarding or guest house by members of the public, provided that no significant element of nursing care is provided as part of the services provided by the hotel, boarding house or guest house

(d) use as a caravan park, campsite, self-catering accommodation or holiday home by members of the public

These aspects of the definition capture catered and self-catered hospitality venues such as:

- Hotels
- Boarding/guest houses
- B&Bs
- Holiday homes
- Apartments used for short-term lets (including serviced apartments where they are within scope of business rates)
- Caravan parks
- Campsites

Accommodation where a significant element of care is provided as part of the services provided by the business is not in scope. This means that hereditaments such as nursing homes, children's homes, and respite care facilities are not in scope.

(e) use for the provision of cultural, community or recreational facilities, to visiting members of the public, as further described in Schedule 2

Hereditaments used for cultural, community, or recreational/leisure activities are in scope of the RHL multipliers. This includes, but is not limited to:

- Live music venues
- Nightclubs
- Cinemas
- Theatres
- Libraries
- Museums
- Galleries
- Archives
- Stately homes/historic houses
- Tourist information centres
- Public halls/village halls
- Venues for hire for events or activities, where the events and activities are principally for the benefit of visiting members of the public
- Premises used wholly or mainly for meetings by voluntary associations
- Premises used by youth groups for meetings and activities, such as scout huts
- Premises used for lectures or lessons undertaken for recreational purposes (such as art classes, pottery classes, language lessons and performing arts classes)
- Sport and leisure facilities, such as gyms, sports grounds, and sports clubs
- Health spas, wellness centres, and massage parlours
- Casinos, gambling clubs, and bingo halls
- Theme parks
- Soft play centres
- Marinas
- Hereditaments used for activities such as bowling, laser tag, paintballing, escape rooms, and miniature golf
- Zoos
- Swimming pools (unless exclusively used by professional athletes, as these would not be open to visiting members of the public)

- Skating rinks (unless exclusively used by professional athletes, as these would not be open to visiting members of the public)

Examples of Excluded Hereditaments

Schedule 1 to the SI outlines purposes that are excluded from the RHL multipliers. As set out above, where a hereditament appears to meet the definition of qualifying RHL, but is wholly or mainly used for one or more of the purposes outlined in Schedule 1, the hereditament does not qualify for the RHL multipliers. Further details can be found in Schedule 1 to the SI, but broadly speaking, the excluded uses are:

- Financial services (such as banks, building societies, cash points, bureaux de changes, short-term loan providers, insurance agents, financial advisers)
- Medical and health services (such as medicine, dentistry, audiology/hearing services, cosmetic surgery, physiotherapy, osteopathy, chiropractic services, acupuncture, herbal medicine)
- Professional services (such as law, accountancy, tax advice, management consultancy, engineering services, architectural or surveying services, veterinary services, estate agency work, letting agency work)
- Storage and distribution of goods for online sales (i.e. warehouses)
 - Please note that this means warehouses for online distributors are excluded, even if there is a small part of the warehouse that is open to visiting members of the public for in-person sales. However, where the hereditament is wholly or mainly used for the sale of retail goods to visiting members of the public, the hereditament remains inside the definition of RHL, even if the hereditament is also used for online/click-and-collect services.
- Recording studios and film studios for business or professional use
- Crematoria
- Taxi/minicab firms
- Show homes
- Conference centres
- Betting shops
- Postal sorting offices
- Citizens' advice bureaux
- Job centres
- Wharfs, piers and jetties
- Car parks
- Public transport hereditaments other than bicycle docking stations (such as bus/coach stations, bus/tram shelters, railway stations, tramway stations,

airports, ferry ports, riverboat services, including piers used for river services)

In addition to those listed in Schedule 1, for the avoidance of doubt, the following hereditaments also do not meet the definition of qualifying RHL and will not, therefore, be eligible for the RHL multipliers:

- Schools, creches, nurseries, colleges, and universities (as they are not open to visiting members of the public)
- Hereditaments used for the production of alcohol (such as breweries), unless wholly or mainly open to visiting members of the public (e.g. mainly used as a bar and/or for providing tours to the public, with the production of alcohol being ancillary to this)
- Film and theatre production companies (as they are not open to visiting members of the public)