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Department of
Finance
An Roinn
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Consultation Paper

Business Growth Accelerator / Non-Domestic Vacant Rating Liability

July 2026



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Foreword

Minister of Finance

In my time as Finance Minister, I have progressed a sustained programme of reform to deliver a more responsive and progressive rating system. This consultation document represents the next step in that process.

The paper seeks views on two policy initiatives designed to complement existing measures such as the Back in Business scheme and Small Business Rate Relief to continue to support business activity and the vitality of our town and city centres.

The proposals have two core objectives:

- to support business growth by reducing barriers to investment and expansion; and
- to help address the persistent issue of vacant commercial property.

These policies are intended to work together and alongside wider interventions both within the rating system and across central and local government. If implemented effectively, they can stimulate investment, increase occupancy, support regeneration, and grow rating revenue sustainably over the medium to long term.

Both proposals arise from the Strategic Reviews of Small Business Rate Relief and Non-Domestic Vacant Rating conducted in 2025–26. In November 2025, I set out my intention to bring these policies forward in my statement to the Assembly.

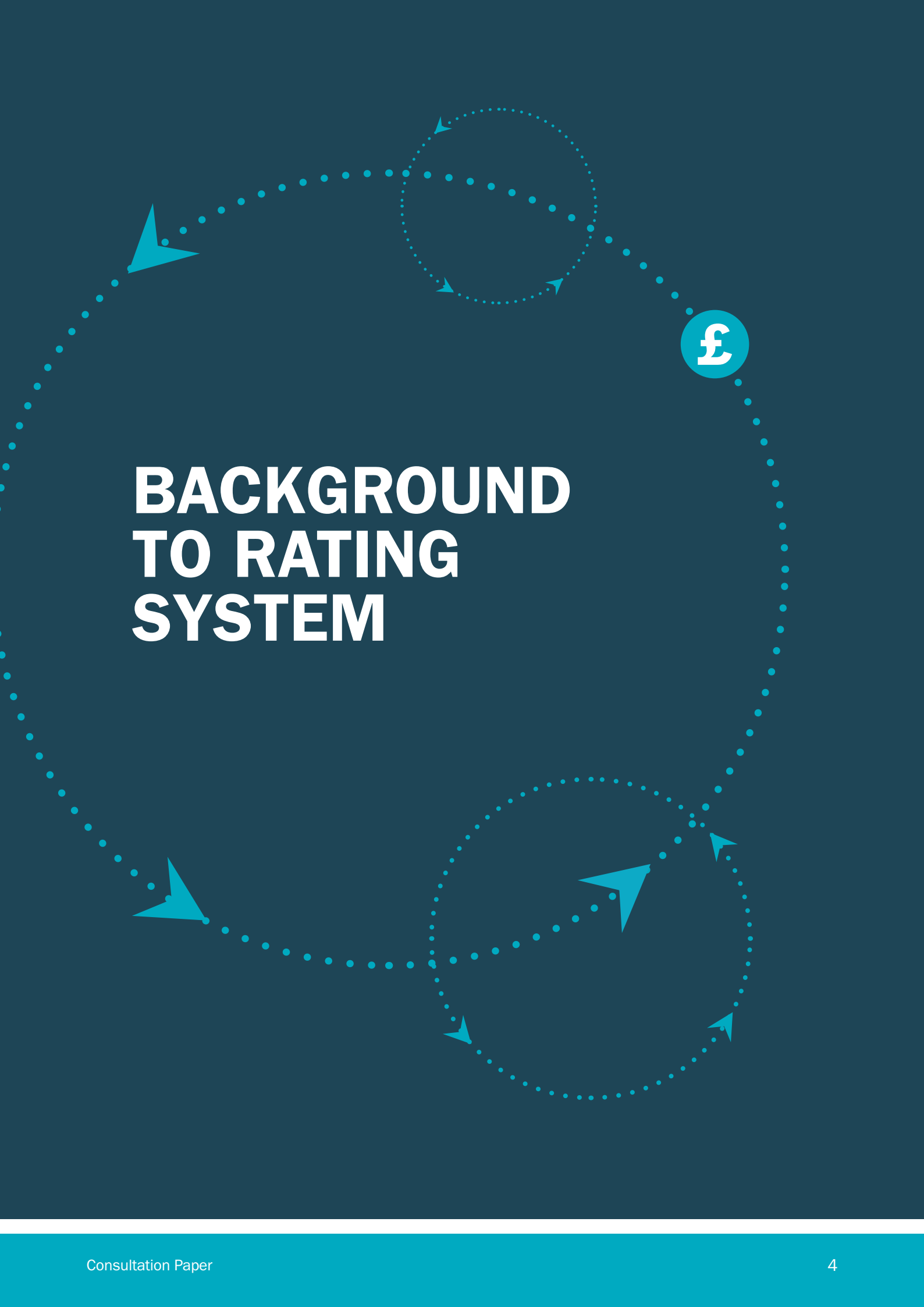
The first proposal is a Business Growth Accelerator, similar to the model in Scotland. This would delay increases in rates liability following property improvements or expansion, helping remove a barrier to investment.

The second proposal is the phased increase in Non-Domestic Vacant Rating liability. At present, vacant properties are liable for up to 50% of occupied rates. This consultation proposes increasing that liability to encourage re-use of vacant space.

I encourage all interested parties to engage fully with this consultation. Delivery will depend on partnership across the Executive, the Assembly and local government.

These proposals build on existing measures and respond to local challenges with practical, locally developed solutions. I welcome your views.

John O'Dowd
Finance Minister



BACKGROUND TO RATING SYSTEM

Background to the Rating System

The rating system is a devolved tax with two elements: domestic rates (largely residential) and non-domestic rates (largely commercial).

It currently raises over £1.7 billion annually, with just under 55% raised from non-domestic properties. This revenue funds key services including education, health, roads and local council provision. Regional rates alone account for around 4% of the Executive's spending power.

Land & Property Services administers the rating and valuation systems within a statutory framework, guided by caselaw.

Reliefs and exemptions are a core feature, allowing the system to support economic, social and environmental policy. However, all rate supports carry a cost either reduced revenue or a higher burden on other ratepayers. Every pound foregone reduces funding available for local public services.



CONTEXT TO CONSULTATION

Strategic Review Process

In November 2025, the Finance Minister updated the Assembly on the Strategic Review of the Rating Supports and set out the next steps for reform.

Four policy reviews have been completed under that process, with all remaining supports to be reviewed by 2027–28. Priority areas are being taken forward sooner.

The Minister's focus is to:

- deliver progressive reform;
- increase revenue sustainably; and
- incentivise behaviours that grow the tax base.

Two priority policy areas for consultation identified during the 2025/26 Strategic Reviews were:

- the introduction of a **Business Growth Accelerator**; and
- increased **Non-Domestic Vacant Rating liability**.

Building on Existing Measures

These proposals build on existing interventions, particularly the Back in Business scheme¹, which incentivises occupation of long-term vacant premises through reduced rates in early years.

The Business Growth Accelerator extends this approach by supporting investment in existing occupied properties, while vacant rating reforms aim to increase re-use of empty space. Together, these measures are designed to:

- promote better use of commercial property;
- support business activity; and
- expand the non-domestic tax base.

¹For further information on the Back in Business scheme see <https://www.nibusinessinfo.co.uk/business-support/back-business-scheme>



ABOUT THIS CONSULTATION

Who can respond

This consultation is open to all individuals, businesses, organisations and representative bodies.

Purpose

The proposals will directly affect businesses and property owners. This consultation seeks views to inform final policy design.

Duration

The consultation will run for **12 weeks**, closing on **23 September 2026**.

How to respond

Responses can be submitted:

- online via Citizen Space (preferred); or
- by email to: ratingpolicy@finance-ni.gov.uk

Respondents should indicate whether they are replying as an individual or on behalf of an organisation.

Key principles

Our key consultation principles as a Department are:

- consultation at a formative stage;
- clear explanation of proposals;
- sufficient time for response; and
- timely publication of outcomes.



PROPOSAL 1: BUSINESS GROWTH ACCELERATOR

Overview

This part of the consultation proposes introducing a **Business Growth Accelerator** to delay immediate increases in rates following property improvements.

Stakeholders have identified the immediate increase in rates after expansion as a barrier to investment. This proposal aims to address that issue.

How it works

Currently:

- improvements increase rateable value immediately; and
- rates liability rises as soon as works are completed.

Under these proposals:

- increases would be delayed for a defined **grace period** (e.g. 12 months); and
- businesses would continue to pay rates based on the pre-improvement valuation during that period.

Example:

- Pre-improvement rateable value: £50,000.
- Post-improvement rateable value: £75,000.
- Higher liability applies only after the prescribed grace period expires.

Rationale

This would be a temporary intervention designed to:

- reduce upfront financial pressure on businesses making investment in property;
- allow businesses to recoup investment costs; and
- encourage development that might otherwise not proceed.

Full liability would apply after the grace period, maintaining fairness while supporting investment. The policy thus secures medium to long term revenue streams.

Scope

Qualifying improvements under consideration within the scope of the policy may include:

- extensions or enlargements;
- refurbishment;
- works that increase rateable value; and
- improvements to capacity or productivity.

The policy focuses on existing properties, not new builds.

CONSULTATION QUESTIONS - BUSINESS GROWTH ACCELERATOR

General principles

- Do you support a Business Growth Accelerator?
- Does the current system discourage investment?
- Would this policy incentivise new activity, or mainly defer valuation increases that would already be occurring?
- What is the appropriate grace period that could be adopted?
- Should enhanced support apply where vacant property units are brought back into use? (e.g. as part of any extension or improvement work)

Scope and eligibility

- How should “qualifying improvements” be defined?
- Should minimum or maximum thresholds apply within the policy?
- Are any property types best excluded? (e.g. publicly owned property, utilities, etc)

Delivery and administration

- How can administrative burden be minimised?
(This question refers to the impact on the applicant, however views can also be submitted on how the proposal can best align with the current rating and valuation system).
- Should advance notification be required from an applicant before any extension or improvement works commence?
- How should the policy align with the completion notice process that applies within the rating and valuation system?
- What economic benefit (if any) would result from this policy proposal?
- Are there more effective alternatives to achieve the same policy goals?

A decorative graphic consisting of a dotted line that forms a large, irregular loop. Several solid blue arrows are placed along this line, pointing in the direction of the flow. A solid blue circle containing a white pound symbol (£) is positioned on the right side of the loop.

PROPOSAL 2: NON-DOMESTIC VACANT RATING

Overview

This part of the consultation proposes introducing a phased increase in liability for vacant commercial property, replacing the current 50% rate.

Proposed approach

- **Stage 1:** increase liability to 75%.
- **Stage 2:** increase to 100%.

The following would remain unchanged:

- the initial three-month exemption; and
- existing exclusions (e.g. insolvency, listed buildings).¹

Rationale

The current 50% rate, lower than that which applies in other jurisdictions, is perceived as reducing incentives to bring property back into use.

The proposed change aims to:

- encourage occupation;
- reduce long-term vacancy;
- align more closely with other jurisdictions; and
- increase revenue (estimated up to £20 million annually).

Implementation

A phased approach would allow:

- monitoring of behavioural responses;
- assessment of avoidance risks; and
- alignment with wider interventions.

¹For a full list of exclusions see:

<https://www.nibusinessinfo.co.uk/content/non-domestic-vacant-rating>

CONSULTATION QUESTIONS - NON DOMESTIC VACANT RATING LIABILITY

- Do you support increasing non-domestic vacant rating (NDVR) liability to 75% and 100%?
- Should current NDVR exclusions remain?
- What is the appropriate timing for introducing any increased NDVR liability locally?
- Are alternative approaches preferable aside from increasing rating liability?
- How should this change align with the rating and valuation system?
- What complementary measures are needed to promote occupancy?
- What do you see as the behavioural impacts associated with the policy proposal?
- Are additional anti-avoidance measures required prior to implementation?
- Should treatment vary by sector or property type?
- How can collection be maximised upon introduction of the policy?
- Should mitigation measures apply in cases of market failure?
- Should increases depend on duration of vacancy?
- What wider impacts do you foresee as a result of this proposal?
(Impacts may include social, economic, rural, environmental, s75 etc.) wider impacts



SUMMARY

Summary

This consultation brings forward two targeted reforms:

- A **Business Growth Accelerator** to support investment and expansion
- Increased **Non-Domestic Vacant Rating liability** to encourage use of commercial property

Together, they aim to:

- remove barriers to growth;
- reduce vacancy;
- support regeneration; and
- strengthen the revenue base.

Your views will directly inform final policy design.



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