STATUTORY INSTRUMENTS

2026 No. 692

RATING AND VALUATION, ENGLAND

The Non-Domestic Rating (Definition of Domestic Property) (England) Order 2026

Made - - - -	*25th June 2026*
Laid before Parliament	*29th June 2026*
Coming into force - -	*24th July 2026*

The Secretary of State makes this Order in exercise of the powers conferred by sections 66(9) and 143(1) and (2) of the Local Government Finance Act 1988(**1**).

Citation, commencement and extent

1.—(1) This Order may be cited as the Non-Domestic Rating (Definition of Domestic Property) (England) Order 2026 and comes into force on 24th July 2026.

(2) This Order extends to England and Wales.

Amendment of the Local Government Finance Act 1988

2. In section 66 of the Local Government Finance Act 1988 (domestic property)(**2**)—

(a) in subsection (2B)—

(i) in paragraph (b), after "periods" insert—

", and

(ba) subsection (2BZA), (2BZB) or (2BZC) applies";

(ii) omit paragraphs (c) and (d);

(b) after subsection (2B) insert—

(**1**) 1988 c. 41. Section 66(9) was amended by paragraph 1(14) of the Schedule to the Local Government Finance (Wales) Act 2024 (asc 6). The "appropriate national authority" is defined in section 67(12A) of the Local Government Finance Act 1988, in relation to England, as the Secretary of State.

(**2**) Section 66 was amended by section 117 of, and paragraph 70 of Schedule 13 to, the Local Government Finance Act 1992 (c. 14), section 1 of the Caravans (Standard Community Charge and Rating) Act 1991 (c. 2), section 1 of the Rating (Caravans and Boats) Act 1996 (c. 12), section 6 of the Local Government Finance Act 2012 (c. 17) and paragraph 1(14) of the Local Government Finance (Wales) Act 2024 (asc 6). Subsection (2B) was inserted by article 3 of S.I. 1990/162 and amended by S.I. 2022/217. Further amendments were made to section 66 by S.I. 1991/474, 1993/542, 2010/682, 2010/2960, 2013/468, 2016/31, 2022/563 and 2026/7.

"(2BZA) This subsection applies if—

(a) the whole of the building or self-contained part was available for letting commercially, as self-catering accommodation, for short periods totalling 140 days or more in the year prior to the year beginning with the end of the day in relation to which the question referred to in paragraph (2B)(a) is being considered, and

(b) the short periods for which it was so let amounted in total to at least 70 days.

(2BZB) This subsection applies if the building or self-contained part is—

(a) occupied together with land which is used for a purpose other than the commercial letting of self-catering accommodation and is not domestic property, and

(b) part of a relevant hereditament which includes that land.

(2BZC) This subsection applies if the building or self-contained part is part of a relevant hereditament which comprises or includes five or more buildings or self-contained parts—

(a) in relation to which the requirements in subsection (2B)(a) and (b) are met, and

(b) which are not used as the sole or main residence of any person.

(2BZD) For the purposes of subsection (2BZB) and (2BZC), "relevant hereditament" means—

(a) a single hereditament, or

(b) hereditaments separated by a highway which would comprise a single hereditament were they not so separated.".

Signed by authority of the Secretary of State for Housing, Communities and Local Government

Alison McGovern
Minister of State
Ministry of Housing, Communities and Local Government

25th June 2026

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends, with effect from 24th July 2026, section 66 of the Local Government Finance Act 1988 (c. 41), which defines domestic property for the purposes of non-domestic rating under Part 3 of that Act.

Section 66(2B) provides that a property is not domestic property if the owner intends to let it commercially as self-catering accommodation for short periods totalling 140 days or more in the following year and other conditions are met in relation to letting in the previous year. Article 2 of this Order amends subsection (2B) to provide that the conditions: (i) that the property must have been available to let for 140 days or more in the previous year; and (ii) that it must have been in fact let for at least 70 days during that year, do not apply in relation to property which is occupied together with non-domestic property used for a different purpose or where there are five or more units of self-catering accommodation in a single hereditament (or what would be a single hereditament were hereditaments not separated by a highway).

An impact assessment has not been produced for this instrument because it amends an existing local tax regime. Publication of an impact assessment is not necessary for such legislation.