



Building our Future

The BPF 2024 Election Manifesto

Foreword

This year's election comes at a critical time. The next Government must not only set out a compelling vision for the future but will need to persuade the electorate that it can deliver.

As a country, we need to stimulate economic growth and become more productive. We need to invest billions of pounds in our infrastructure, our housing is of insufficient quantity and quality, and town centres across the UK need reinvention. Looming over these issues is the existential challenge facing all of us – the need to decarbonise our society.

None of these challenges can be tackled by government alone. We need a radical re-set of the partnership between government and business; and of the collaboration between all of the actors whose collective effort will support the future health of our country.

The built environment and our property sector are centre stage. We need to build more and better homes and provide the logistics facilities to support modern life; to invest in the business properties – manufacturing and research facilities, transformed offices, shops, restaurants, hotels and leisure

destinations - supporting 21st century jobs; and to restore people's pride in their high streets and town centres.

This manifesto sets out the property industry's offer to the next Government. We are the Government's key partner investing to improve people's lives. We invest hundreds of billions of pounds each year to rebuild and renew the UK's buildings and public spaces – representing 7% of the country's economy. Much of this money comes from the funds who manage our pensions and savings or insure our homes and belongings whether here in the UK or overseas. With the right policy and regulatory framework we can do much more: invest more of our money in the priorities that matter to local communities, create more wealth and also deliver safer, healthier, places for people to live, work and relax.

Our manifesto asks the next Government to set a clear strategy and the right policy and regulatory framework across four pillars:

- 🕒 Building for Productivity and Growth;
- 🕒 Building More Homes;
- 🕒 Building Stronger Town Centres; and
- 🕒 Building the Green Economy.

In return we offer our capital and our decades of experience and expertise to deliver for the country and Build our Future.



Melanie Leech CBE
Chief Executive

Executive Summary

Building our Future offers a new partnership between the property industry and the next Government to tackle some of the most pressing issues facing our country:

1. Building for Productivity and Growth

The UK property industry contributes more than £137.5bn a year to the economy, supporting 1 in every 12 jobs. Our industrial and logistics facilities are part of the UK's critical infrastructure. We can do much more and support the growth and improved productivity of other sectors if the next Government works with us to:

- ✓ Reform and better resource the planning system to meet the growing need for logistics capacity, accelerate the delivery of homes and jobs, and to meet climate change obligations.
- ✓ Promote the UK as a global investment destination.
- ✓ Ensure world class facilities to support high growth sectors such as SciTech.
- ✓ Maintain and enhance the UK's leadership position in PropTech.
- ✓ Champion public / private sector partnerships to deliver projects on time and within budget.

2. Building More Homes

The major source of new capital for delivering more homes is long-term investment such as pensions and savings funds. A partnership with the next Government would provide long-term confidence to investors, drive the delivery of high quality build-to-rent homes and unlock capital to build more affordable housing and fit-for-purpose homes for older people, releasing family homes back into the market.

- ✓ Set a target of at least 30,000 build-to-rent homes per annum.
- ✓ Stimulate the delivery of 145,000 new affordable homes a year through increasing subsidy levels by £9bn-£14bn.
- ✓ Require local plans to assess the need for older people's housing.
- ✓ Support the professionalisation of the rental sector recommended by Lord Best.



3. Building Stronger Town Centres

Reinvigorating our high streets and town centres is a complex challenge requiring many actors to work together in an unprecedented way. It can't be delivered solely with investment from the property industry, so national government must also set the right framework and support local authorities. The next Government should unlock local action and investment by:

- ✓ Enacting Town Centre Investment Zones and Community Improvement Districts.
- ✓ Updating the Landlord & Tenant Act 1954 so commercial property can be occupied easily, quickly and affordably.
- ✓ Building resource centrally and supporting local and regional authorities.
- ✓ Reducing and reforming the business rates system to a fair and sustainable level which is less burdensome and rapidly responsive to the local economy.

4. Building the Green Economy

Buildings account for around 25% of all UK carbon emissions. We ask the next Government to partner with us to support the property industry with its net-zero transition and to maximise its role in building a green economy by:

- ✓ Providing a stable policy framework with clear milestones.
- ✓ Ensuring the tax system encourages the improvement of building energy efficiency and retrofit.
- ✓ Supporting renewable energy generation, including improving the capacity of, and speeding up connections with, the National Grid to cater for new communities.
- ✓ Unlocking investment by Real Estate Investment Trusts (REITs) and other property owners in Renewables and other innovative technologies.



About the BPF

The British Property Federation is the voice of the UK property sector.

Our industry helps power the economy, adding more than £137.5 bn a year, or 7% of Gross Value Added (GVA). We support one out of 12 jobs across the country and pay more than £7bn in direct taxes each year, contributing another £7bn indirectly to local communities through the planning system.

Our ambition is to work in partnership with national and local government, and with local communities, to create places we can all be proud of. We support every aspect of modern life, investing billions of pounds across the country to provide great homes, work and leisure spaces, to play our part in the UK reaching its environmental goals and to reduce bills for our customers whilst giving them a better experience.



1. Building for Productivity and Growth

Building for Productivity and Growth

The UK property industry's economic contribution is huge, adding more than £137.5bn a year to the economy – or 7% of Gross Value Added (GVA). The property industry supports one out of every 12 jobs across the country.

This activity generates significant tax receipts for the Government. In 2019 commercial real estate accounted for over £7bn of direct tax, more than the manufacturing or distribution sectors.

We propose a new partnership between the next Government and the property sector to build for growth:



Investing in our cities

Attract more capital from around the world to invest in our cities and grow the contribution of the property sector to the economy.



Growing our economy

Provide the buildings, homes and critical infrastructure – from workplaces (offices, factories, data and logistics hubs) to retail, leisure and the networks needed to connect it all - to create jobs and support the productivity, resilience and growth of the whole of the UK economy.



Investing in our future

Unlock the power of our pensions and savings money to invest in all of our and our children's future.



Delivering change

Enable local authorities to be more resilient and better equipped and supported by private sector expertise and resources to deliver transformational change in line with local aspirations.



Building our reputation

Enhance the reputation of the UK as a global centre for research excellence and new high-value sectors.



World-leading position

Give the UK a world-leading position in innovation and PropTech.

Building for Productivity and Growth

The next Government can build for and boost growth, improve resilience and drive productivity, by:

Providing confidence to unlock investment

- ✔ Work with the sector to provide stability and certainty for investors and promote the UK infrastructure and property sectors to global capital.
- ✔ Secure the supply chains that will drive business productivity and growth.
- ✔ Deliver an internationally competitive UK long term savings funds regime to allow our pensions and savings to be invested in property and infrastructure, harnessing UK citizens' money to deliver local projects and invest in the country's future.
- ✔ Ensure world class facilities are built to support high growth sectors such as SciTech.

Drive the UK's global leadership in proptech

- ✔ Make the UK the best place to start and grow a proptech business.
- ✔ Create a UK Real Estate Catapult to build on the industry's initiative merging the BPF and UK Proptech Association and create a joined up strategy for digitalisation of real estate.
- ✔ Provide a clear Government road-map for digitalisation and utilisation of location and property data.
- ✔ Remove policy and regulatory barriers to innovation in real estate.

Reforming the planning system to accelerate the delivery of homes and jobs and to meet climate change obligations:

- ✔ A new approach to strategic planning to ensure that we take decisions at the right level (national, regional, local) and which plans for jobs and critical industrial infrastructure as well as homes.
- ✔ Making sure we can respond quickly to opportunities for investment outside the plan-led system.
- ✔ Defining brownfield urban regeneration sites as a separate planning category and focusing on these opportunities to drive economic growth.
- ✔ A strategy for better resourcing of the planning system, through government investment into local authority planning departments, greater fees paid by applicants for a better service and creating central talent pools able to respond quickly to major applications.

Championing public / private sector partnerships

- ✔ Work with us to champion and incentivise public/private sector partnerships bringing together expertise and a range of skillsets to deliver projects on time and within budget that put people at their heart.
- ✔ Collaborate with the sector to prioritise the delivery of transport, energy and digital infrastructure that unlocks development sites for homes, industrial and logistics facilities, offices, and retail and leisure venues.

A man in a black leather jacket and blue jeans is walking on a wooden log bridge, holding the hand of a young girl in a purple coat. They are walking away from the camera towards a modern apartment building in the background. The scene is set in a park with green trees and bushes. A large teal graphic element is overlaid on the right side of the image.

2. Building More Homes

Building More Homes

Everyone should have a safe and secure place to call home. The UK property sector is investing millions of pounds growing the build-to-rent sector across the UK, unlocking affordable housing delivery and providing more.

A new partnership between the next Government and the property sector would build more homes by:



Delivering build-to-rent

Increasing the number of high-quality homes to rent by delivering at least 30,000 new rental homes a year.



Increasing affordable housing

Harnessing institutional funding to deliver affordable and social homes.



Unlocking supply through older people housing

Delivering more options for older people, to provide them with appropriate homes and with the potential by 2030 to:

- Release over 562,500 bedrooms back into the housing market.
- Deliver £5.6bn aggregate savings back into the health and social care systems and improve efficiency in delivery.



Modernising housing for modern living

Professionalising the private rented sector.

Christopher Mizen, BPF Futures Advisory Board member



"If we are to breathe life back into the UK's town centres, then we will need to harness the creativity and insight of all those in the wider built environment profession. No matter if you are an advisor, investor, developer, operator or resident, we all have a responsibility to ensure that the places we create are fit for purpose and continue to benefit society long into the future."

Building More Homes

In order to increase the supply of homes, the property sector asks the next Government to:

Support new build-to-rent homes

- ✔ Set a target of at least 30,000 build-to-rent homes per annum, supported by planning guidance requiring local authorities to plan for the need for market rented homes.
- ✔ Recognise that new build-to-rent homes add to net housing supply and should be exempt from the SDLT landlord surcharge.

Invest in affordable housing:

- ✔ Unlock £10bn of new private sector capital for affordable housing by increasing subsidy levels by £9bn - £14bn to support the delivery of 145,000 new affordable homes a year alongside a review of targeting subsidy provision.
- ✔ Reduce risk and give confidence to investors by delivering longer term rent settlements.
- ✔ Create a level regulatory and policy playing field between not-for-profit and for-profit Registered Providers to remove obstacles for closer collaboration between institutional investors and housing associations.

Release housing supply through older people's housing

- ✔ Require local plans to assess the need for older people's housing to provide them with a choice of new options, supported by national planning guidance enshrining a specific, older peoples' housing development pathway, or putting it in a specific use-class.

Modernise the approach to the private rented sector, and key-worker homes:

- ✔ Amend best consideration rules to allow local authorities to invest land at a discount into development projects that deliver key worker housing at below market rents.
- ✔ Support the professionalisation of the rental sector by regulating property management in line with the recommendations of Lord Best's review.



3. Building Stronger Town Centres

Building Stronger Town Centres

Town centres are the hub of local communities and should be places that bring people together. While many are thriving, far too many across the UK are in decline, with empty premises and uncared-for streets.

Significant private sector intervention and investment is key to reviving our town centres, as well as reducing and reforming business rates, repurposing large buildings, and addressing fragmented property ownership.

A new partnership between the next Government and the property sector would build more resilient town centres by:



Supporting more effective placemaking

Combining central Government support, local insight and powers, and the expertise and capacity of the private sector will unlock transformative placemaking, reinventing town centres for the 21st century.



Boosting community pride and wellbeing

More vibrant and viable town centres make people feel happier about where they live and build community cohesion through creating spaces where people want to be, in turn supporting individual and community wellbeing.



Unlocking investment through increasing confidence

Locally-led visions and long-term policies will give private sector property owners the confidence to invest in town centres.



Enabling local businesses to thrive

Business rates set at a sustainable level allied with a flexible leasing system that makes occupying property easier will help town centres thrive.

Building Stronger Town Centres

To support the renewal of town centres, we ask the next Government to:

Drive high street revival through local and national initiatives

- ✔ Create Town Centre Investment Zones – a programme to support coordination of town centre stakeholders to coalesce around a shared vision and overcome viability challenges through planning and fiscal powers.
- ✔ Legislate for Community Improvement Districts – building on the success of Business Improvement Districts (BIDs) to provide a greater opportunity for resident involvement in the planning and improvement of their local facilities.
- ✔ Draw on existing sources to establish a national register of vacant high street and town centre units so that any community group or SME can find out where empty space to rent is, and who to contact about it.
- ✔ Reform the Landlord & Tenant Act 1954, so that commercial property can be occupied, and leases renewed, quickly, easily and affordably.

Resource town centre revival with targeted support

- ✔ Commit to targeted national support – so that there continues to be a resource for place leaders (be they local authorities, BIDs, property owners or others) to better understand the challenges facing town centres and how to tackle them.
- ✔ Resource local and regional authorities to implement taskforce teams dedicated to working with the private sector to ensure significant projects are delivered on time and investment maintained.

Reform business rates to be affordable and sustainable

- ✔ Set business rates at a fair and sustainable level – no more than around 33%, in line with its origins – and then fix the rate to make business rates even more responsive to changes in local markets and the wider economy.
- ✔ Resource the Valuation Office Agency to automate and digitalise, in order to be able to move to more frequent revaluations in the future.
- ✔ Extend empty rates relief to at least 6 months for all commercial property to better reflect refurbishment and re-letting timescales.
- ✔ Introduce a 12-month ‘Fresh Start’ business rates relief to incentivise take up of long-term vacant units, removing a key barrier for occupiers moving into empty properties.



4. Building the Green economy

Building the Green Economy

Buildings account for around 25% of UK carbon emissions, with 80% of the buildings we will use in 2050 having already been built. More sustainable construction and retro-fit methods are being developed, however we need new investment, new technology, new materials, new skills and new thinking to deliver solutions.

The BPF is supporting the property industry's action to decarbonise through our Net Zero Pledge, building a new green economy not only for the UK but globally.

A new partnership between the next Government and the property sector would build the green economy and net-zero transition by:



Championing and facilitating UK construction

Attracting global businesses to locate to the UK through ensuring our buildings are some of the most energy efficient commercial buildings in the world.



Creating energy self-sufficient communities

To cater for new communities and deliver clean energy back to the grid.



Creating hundreds of thousands of new green jobs

To support the delivery of more sustainable construction and retro-fitting of homes and commercial buildings.



Reducing costs for renters

Through the property sector's investment in high quality, energy efficient homes in the build-to-rent sector.



With the built environment accounting for up to 25% of UK emissions, The BPF Net Zero Pledge calls for an industry-wide commitment to cut carbon emissions across the whole property sector by 2050.

Building the Green Economy

To support the property sector in building the green economy we ask the next Government to:

Incentivise and accelerate work to improve building energy efficiency

- ✔ Introduce a new Green Super Deduction – an ‘above the line’ tax credit style relief similar to research and development costs – bringing the tax relief up front will make the tax incentive far more impactful at affecting viability of retrofit works.
- ✔ Zero rate VAT on repairs and maintenance of residential buildings. This aligns the VAT treatment with building a new home – ensuring that the tax system encourages retrofit.

Create a stable policy framework to drive decarbonisation of the built environment

- ✔ Send clear long-term market signals on minimum energy efficiency standards and on in-use performance ratings.
- ✔ Provide a consistent approach to the regulation of embodied carbon for major construction projects by amending building regulations on all.
- ✔ Work with us to overcome data challenges, e.g. by mandating the sharing and disclosure of energy consumption data between property owners and occupiers of all large commercial buildings.
- ✔ Mandate green clauses for all new commercial leases.

Deliver the infrastructure and incentives to exploit the sector’s renewables potential

- ✔ Increase the capacity of the National Grid to cater for new communities and speed up connection times for potential energy suppliers to increase energy availability.
- ✔ A more effective incentives structure for private sector energy providers of surplus energy, e.g. through rooftop solar.
- ✔ Unlock investment by Real Estate Investment Trusts (REITs) and other property owners in renewable energy generation infrastructure, such as wind turbines or solar farms.
- ✔ Incentivise innovation and development of innovative energy storage solutions and other technologies to support the delivery of local networks.

