

# Building Destinations, Supporting Communities

The BPF manifesto for Retail Property



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This manifesto is produced by the British Property Federation's (BPF) Retail Board - major owners, investors and managers of retail properties who are passionate about improving town centres and communities.

We own and manage retail property across the country. We want those places to succeed. We are committed to investing in local areas and working with all stakeholders to improve communities.

The property and built environment industry is committed to working in partnership with the next Government to build a more productive economy, more homes, stronger town centres and greener buildings. Our offer to Government in these areas, and the recommendations we make, can be found at: **[www.bpf.org.uk/our-work/general-election-2024](http://www.bpf.org.uk/our-work/general-election-2024)**



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# The importance of retail property

## Our vision

Our vision is for vibrant, mixed use town centres, high streets and retail parks that support economic growth and foster local pride.

This vision needs the right policy framework in place – one that supports strong local partnerships and facilitates investment.

## The importance of retail property

### Supporting the economy

Retail property underpins key UK economic sectors – the retail, leisure and hospitality industries - together with their supply chains. The retail sector alone provides 3 million jobs and significant tax revenue for local and national government through business rates, employment and sales taxes.

These sectors foster new and independent businesses, distribute economic activity across the country, and offer valuable local and flexible jobs.

### Enabling public services and housing

Our retail centres, whether in urban locations like town centres or more suburban locations like retail parks, are ideal settings for accessible community and public services.

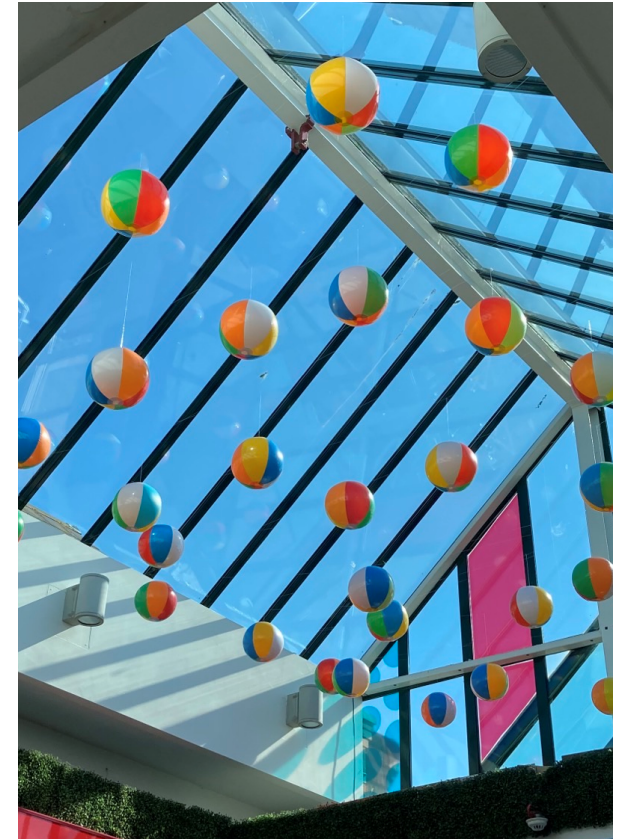
Underused space, especially in town centres, can support housing and other uses to help make town centres more vibrant.

And where developments are built to meet the demand for housing, we can provide the spaces for retail, leisure, hospitality and services that these new locations need. Retail space is often an important part of making projects viable.

### Strong communities and town centres

Retail centres, with their shops, hospitality, leisure and other services, are at the heart of our towns and high streets. They are spaces where communities come together. They play a vital role in wellbeing, allowing people to socialise, feel included and access basic goods and services.

When they flourish, they bring more people to city centres and high streets. This in turn increases safety and supports the case for more transport and other infrastructure investment.



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# Our offer to the next Government



## What we bring

Successful town centres and high streets require investment. With limited Government funds available, private sector investment is ever more important for regeneration projects.

BPF members already sit on town centre partnerships, contribute expertise and play a vital role in regeneration projects. We have more to offer:

- ✔ **Advice, expertise and capacity** to offer local communities and local authorities.
- ✔ **Experience and knowledge** of what it takes to successfully regenerate town centres and high streets.
- ✔ **Private sector capital** to invest at scale in local communities.

To add to this:

- ✔ We have accessible space at the heart of communities, ready to be used to deliver **public sector services**.
- ✔ Where new homes are built, we are able to provide the spaces for retail, hospitality and public services that will help create modern places where people want to live.

## What is needed

As property owners, we find that policy does not encourage and can at times be an active barrier to investment. We have capital that we want to deploy, which will help make communities, town centres and local economies better off.

Our recommendations cover four policy areas:

- ✔ **Attracting private sector investment**
- ✔ **Business rates**
- ✔ **Promoting sustainability**
- ✔ **Leasing arrangements**



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# Recommendations

## 1. Attracting private sector investment

To facilitate private sector investment in the places that most need it, we call for:

- ✔ **Strong local partnerships and Town Centre Investment Zones:** Locally-led, long term visions give private sector property owners the confidence to invest in town centres. Our recommended approach is through **Town Centre Investment Zones (TCIZs)**. Building on the Long-Term Plan for Towns and High Street Accelerator pilots, TCIZs are a programme to support coordination of town centre stakeholders in the public and private sector to develop a shared vision and overcome viability challenges through more planning and fiscal powers.
- ✔ **Prioritising retail centres for public services:** Whether in town centres and high streets or in locations like retail parks, this approach provides **accessible services for the public**, footfall for local traders and helps repurpose vacant premises.
- ✔ **Targeted Stamp Duty Land Tax (SDLT) relief:** SDLT heavily disincentivises investment for redevelopment purposes. **Providing SDLT rebates for investment** into properties and reducing SDLT in Town Centre Investment Zones, would help to kick start projects and benefit local economies.
- ✔ **A smoother planning process:** Private sector investors value speed and certainty. The current planning system deters investment because proposals, whether small scale improvements or major regeneration projects, are slow to gain approval, and throughout, there is uncertainty whether proposals are likely to be accepted or rejected. We call on Government to **better resource the planning system**.

## 2. Promoting sustainability

Retail landlords own physical premises valued at £250 billion pounds. We have a vital role to play to help the country meet net zero obligations.

Currently, however, we can't always monitor what works when we refurbish stores or fit them out for new tenants. We can support the green transition with:

- ✔ **Mandatory sharing of energy consumption data between landlords and tenants:** Tenants are often reluctant to provide data on energy use. Legislation to ensure mandatory data sharing will mean that all parties understand the requirement and responsibility to share data to make buildings more sustainable.
- ✔ **Support for electric vehicle charging roll-out and rooftop solar:** The next Government should make it easier to 'go green' by removing the need for planning approval for rooftop solar panels and increase the minimum recharge rate from the grid so that investment makes economic sense. For electric vehicle charging, it should remove the planning consent requirement for rapid and larger chargers and infrastructure in car parks.

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### 3. Business rates

The current business rate regime is neither affordable nor fair. It is simply too much of a burden on too many high street businesses. It leads to vacant shops on the high street, retail, hospitality and leisure businesses that cannot expand or hire more staff, and landlords with less funds to invest back into retail locations. It also affects commercial space, which in turn impacts on the overall mix and vibrancy of town centres.

The next Government needs to:

- ✔ **Set business rates at a fair and sustainable level:** We recognise that rates bring in vital revenue for national and local Government. High business rates, however, have a detrimental effect on investment, economic growth and job creation and act as a drag on town centres. Government should **reduce and then fix the rate**. This would make business rates fairer and more sustainable. Like with other taxes, revenue from a fixed rate would fluctuate in line with the strength of the economy and local rental markets.
- ✔ **Resource the Valuation Office Agency and have more frequent revaluations:** Providing resources to automate and digitalise revaluations would in turn support **yearly revaluations** so that bills are based on the most up to date rental values, ensuring flexibility and fairness for businesses.
- ✔ **Extend empty rates relief to at least 6 months:** Our research shows that re-letting retail premises typically takes more than 12 months. The financial burden of costs for empty premises takes capital away from improving or refurbishing premises and facilitating lettings. **After 6 months the rate should be only 50%.**


### 4. Reform of commercial property leases

The current commercial property regime dates back to 1954 and isn't fit for the modern retail sector. It hinders both property owners and occupiers, including newer, independent retailers who want flexibility.

Therefore we recommend that the next Government:

- ✔ **Reforms the Landlord & Tenant Act 1954:** The Act reflects a very different economic and social environment and urgently needs bringing up to date to reflect today's need for more flexibility and to decarbonise our buildings. Once the Law Commission publishes its recommendations for reform of the Act, the Government must act promptly to make the legislative changes needed to allow high streets to flourish.
- ✔ **Reduce bureaucracy in the letting process:** Simple administrative reforms and more efficient court processes would ensure that the letting process is much smoother, benefiting owners and occupiers.





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Find out more at our BPF General Election Hub:  
[bpf.org.uk/our-work/general-election-2024](https://bpf.org.uk/our-work/general-election-2024)

