



BRITISH  
PROPERTY  
FEDERATION

# A Plan for Growth

March 2025

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# About the BPF

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

The property industry underpins all aspects of modern life – we live, work and relax in buildings and we rely on the built environment to support us – whether delivering goods to our homes, or providing modern healthcare facilities or designing safer, cleaner town and city centres.

Our industry invests 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. We help power the economy, adding more than £110bn a year, or 5% of Gross Value Added (GVA). We support one out of 13 jobs across the country and pay more than £7bn in direct taxes each year, contributing another £7bn indirectly to local communities.

The Government cannot deliver its missions and milestones without the investment of the property sector.

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# About the Plan for Growth

Ahead of last year's general election, the BPF published 'Building our Future', which set out the industry's offer to an incoming Government to deliver:

- ✔ a more productive economy;
- ✔ more homes;
- ✔ stronger town centres; and
- ✔ the new green economy.

'Building our Future' set out an agenda to unlock significantly more investment each year during the next parliament. One year on from the publication of that manifesto, this 'Plan for Growth' gives a progress report and highlights the BPF's priorities for further action for 2025 and beyond.

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# Our 10-year vision

The real estate sector is accustomed to thinking in ten or twenty-year horizons – or even longer. Building new towns, regenerating town centres, retrofitting building portfolios – all of these take time to do well and occur over many investment and political cycles.

That said, there is much that industry, working in partnership with Government, can do to stimulate growth in the short term through ‘Regulating for Growth’, as this document sets out.

The Government rightly sees the built environment as key to delivering on wider ambitions on growing the economy, housing, new towns, infrastructure and the NHS. Funding is part of this but so is regulation – the policy environment that can make or break growth. The Government is ‘Regulating for Growth’, and we support this – relatively simple and low-cost reforms could drive significant change.

Policy stability and consistency, and a supportive political climate, is therefore paramount. The prize on offer is significant. If the Government works in partnership with the industry and adopts the right policies and approaches, then looking ahead 10 years we can deliver:

- ✔ £bns invested in renewed and modern infrastructure
- ✔ At least 30,000 new purpose-built, professionally managed homes to rent each year, improving the housing offer to younger people, and increasingly to families

- ✔ A new generation of homes fit for the UK’s aging population, in turn freeing up tens of thousands of under-occupied homes ready for new occupants, and enough student homes to meet demand, supporting our world-class universities
- ✔ Tens of thousands of genuinely affordable homes built or managed by a wide range of long term, institutional investors, in turn unlocking development finance for not-for-profit Registered Providers
- ✔ Modern industrial and logistics facilities supporting a growing UK economy
- ✔ Thriving town centres offering a mix of retail, leisure, community and housing options, meeting modern consumers’ needs
- ✔ Energy self-sufficient business hubs and communities, with many exporting clean energy back to a decarbonised electricity grid
- ✔ Thousands of new jobs supporting a real estate sector that is decarbonising fast, and lower energy bills for households and businesses
- ✔ A PropTech revolution – with the UK a global centre of excellence exporting solutions across the globe

The property industry has the experience and expertise, the appetite and, crucially, the capital to build the homes, offices, data centres, science labs, logistics facilities and retail locations fit for the 21st century. The BPF is uniquely placed to convene the industry around our shared objectives for investment in the built environment, our offer is to work in partnership with Government to turn our vision into reality and build the UK’s future together.

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# Building for Productivity and Growth

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# Building for Productivity and Growth

The UK property sector underpins the whole economy and is a significant driver of growth in its own right, contributing more than £110bn to the economy each year and attracting capital from around the world. It is long-term institutional and patient capital that will deliver 21st century economic and social infrastructure, revitalise existing communities and build new ones, and deliver a decarbonised built environment.

International investors have choices about where to place their money and to build for productivity and growth. 'Building our Future' asked the UK Government to work with us to make sure that UK real estate remained at the forefront for local and global capital.

## Progress to March 2025

✔ **Confidence to invest in the UK** - the Government's clear electoral mandate creates a strong platform to build and maintain long-term investor confidence, and the appointment of Ministers to roles they had shadowed in Opposition was widely welcomed by the sector and meant that the Government could take early action in key areas such as planning, informed by substantial consultation advance of the election.

✔ **Institutional investment** - Pension funds and insurance companies are significant investors into UK property – with £243bn of funds invested. Recent reforms to the Solvency II regime have helped unlock further investment into UK property. In addition, recent announcements to unlock the surpluses in defined benefit pension schemes may support more pension fund investment. However, more can be done by further encouraging the consolidation of defined contribution (DC) pension schemes into larger pools that can better invest in physical assets like property and infrastructure. Moving to an Australian-style “collective DC” model would also make it easier for these schemes to invest in physical assets that will boost the UK's productivity over the long term.

✔ **Planning** - the Government delivered key planning reforms in its first six months, responding in the revised National Planning Policy Framework (NPPF) to our calls for:

- The reintroduction of housing targets
- A brownfield first policy and a commitment to unlock brownfield sites quickly
- A proportionate approach to releasing greenbelt land through 'grey belt' release
- A more explicit focus on a multi-tenure approach to housing
- Recognition of the importance of planning for employment land including data centres, labs, logistics and freight

- ✔ The Government also responded positively to our calls for more resources for the planning system with announcements of:
  - 300 additional planning officers for local authorities
  - A 'New Homes Accelerator' taskforce to unlock stalled sites
  - £100m additional funding for local authority planning departments to conduct green belt reviews and review local plans
  - Funding for regulators and councils to process complex applications more quickly
- ✔ **PropTech** - our ambition is to work with Government to drive the UK's global leadership position in PropTech. In January 2025 the UK PropTech Association (UKPA) and PUBLIC published 'The Opportunity for PropTech', a report commissioned by the Ministry for Housing, Communities and Local Government (MHCLG). The report is the first step in a joint programme of work between the industry and Government to develop a roadmap for the PropTech sector and drive innovation in UK real estate.

### Agenda for 2025

- ✔ **UK real estate as a gateway for investment** – we will work with Government to champion UK real estate on a global stage through 2025 to attract global capital.
- ✔ **Drive the UK's global leadership position in PropTech** - we will deliver a programme of work with Government to support the health and growth of the UK PropTech sector and to deliver solutions to the property sector.
- ✔ **Policy clarity and certainty** – we will work to ensure that the upcoming housing, industrial and infrastructure strategies provide a clear coherent long-term policy framework for investors. This is critical to unlocking investment into UK real estate and would enable £bns of capital to flow into the country.

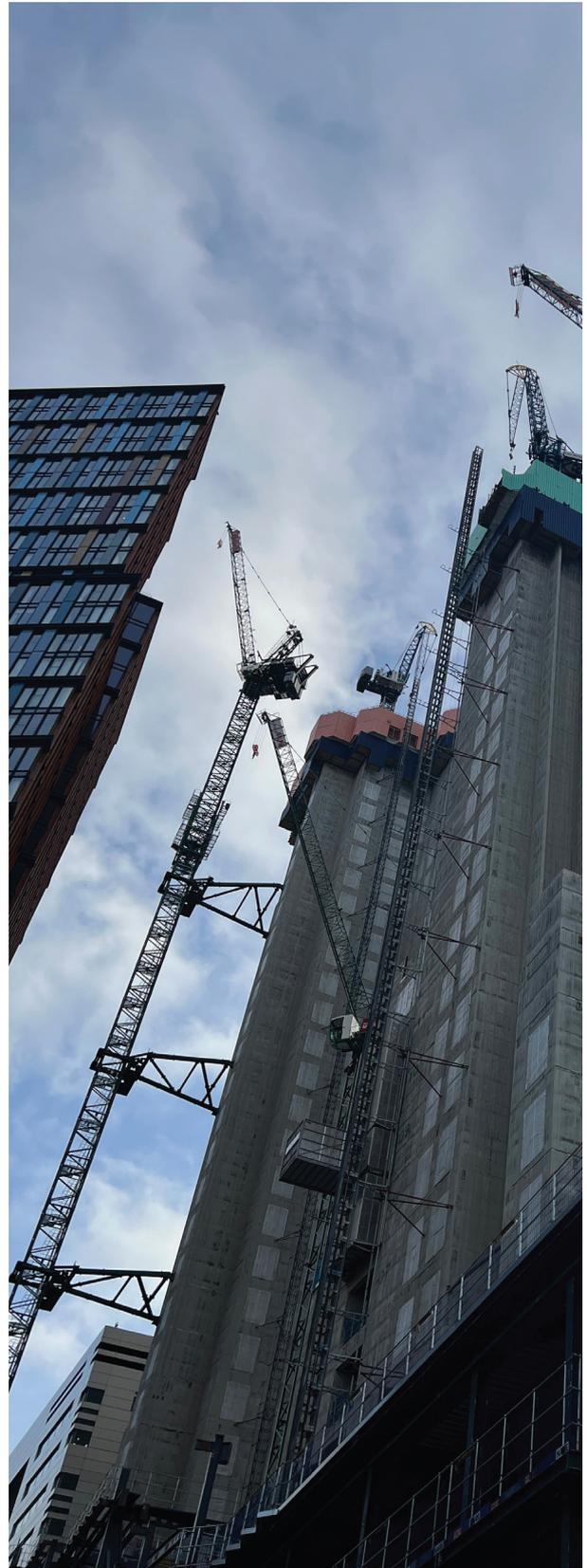
- ✔ **Strategic planning** - 'Building our Future' called for a new approach to strategic planning and we support the intention of the English Devolution Bill and moves to legislate for spatial planning. This will enable us better to plan for employment uses including critical national infrastructure such as data centres, labs, logistics and freight.
- ✔ **A better resourced and more efficient and effective planning system** - we will work with Government to ensure that the Planning and Infrastructure Bill delivers the anticipated improvements and efficiencies in the planning system and as a result gives developers increased confidence to deliver. The Government's commitments to more resources for the planning system are welcome but much more will be needed to deliver at the scale of our shared ambition. We estimate that 3,000 new planners are needed across the system by 2030. At the same time, there has to be streamlining of the processes involved, which can be partially achieved with greater digitisation.
- ✔ **Enable development through CPO reform** - we also look forward to engaging fully in a range of planning-related consultations in 2025, including on Compulsory Purchase Orders (CPO) where the Government must ensure that it does not reduce the willingness of landowners to bring forward land for development, thereby reducing housing delivery.
- ✔ **Tackle viability challenges** - improvements to the planning system will not on their own drive development at the scale that both we and the Government want to see, and we want to work with the Government to tackle the challenges of viability. As part of this we offer to work with the Government to map and implement a programme of smarter regulation.

### Regulating for Growth

- ✔ The Government has directed regulators to work to stimulate economic growth and we strongly support this - the development approval process needs to be firing on all cylinders to bring about a step change in delivery. Development is rightly strongly regulated in the public interest. However there is a huge opportunity to review the necessity for, and streamline the operations of the range of regulators and statutory consultees often involved in securing planning approval including: the Building Safety Regulator; the Environment Agency; the Health & Safety Executive; local and national transport authorities; Historic England; and Natural England. We call on the Government to be bold in ensuring that the processes that these bodies follow in dealing with planning applications are efficient and effective, and that, crucially, they are sufficiently resourced to respond in a timely manner.
- ✔ Recent announcements of financial support for regulators and statutory consultees including £2m for the Building Safety Regulator are welcome. However the continued inability of the Building Safety Regulator in particular to meet statutory timescales for response is causing huge delay and uncertainty across the development industry, holding up the delivery and occupation of newly built new homes and workplaces. We urge the Government to tackle this urgently and stand ready to work with them.

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**We estimate that 3,000 new planners are needed across the system by 2030**



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# Building More Homes



# Building More Homes

We need a rapid and sustained step-change in the delivery of homes of all tenures across the country and we support the Government's ambition in this area, while recognising that the target to deliver 1.5m new homes by 2029 is extremely challenging. 'Building for Growth' set out the Build-to-Rent (BtR) sector's ambition to deliver at least 30,000 homes a year. We also highlighted the need for older peoples' housing to be built at scale across the UK. The UK's population is aging but there is a severe shortage of housing for this demographic.

## Progress to March 2025

- ✔ **Reinstatement of targets** - making housing targets mandatory for local authorities, and simultaneously changing the methodology for calculating them, has been positive in sending a signal across England that housing should be proactively planned for in every local authority, and that delivery should not be left to a few core cities to account for.
- ✔ **Planning for BtR** - the NPPF has recognised the need to plan for BtR in larger developments, boosting confidence in the sector and its ability to contribute to new supply and development viability.
- ✔ **New Homes Accelerator** - it is welcome that renewed focus is being put on unblocking stalled

sites by Homes England, with 4,700 homes in such sites identified by November 2024, although concerns remain at the scope for unblocking new sites without significant funding or legislative/regulatory changes.

- ✔ **Commitment to multi-tenure long-term housing strategy** - the promised housing strategy, to which the BPF is feeding in, has the potential to boost investor confidence and thus capital investment by setting the direction and expectations of Government in housing supply across all tenures.
- ✔ **New Towns Task Force** - established quickly by the new administration, the BPF strongly welcomed the commitment to larger urban extensions as well as completely new towns that the Task Force represented. This represents a significant longer-term opportunity to build in sustainable urban planning from the ground up in new communities.

## Agenda for 2025 and beyond

- ✔ **Boost the supply of Build-to-Rent** - the forthcoming long-term strategy for housing should recognise the importance of a professionalised private rented sector as part of the housing mix that will meet local housing needs. The NPPF should be further amended to require local planning authorities to assess the need for private rented housing in local plans. The removal of the Stamp Duty Land Tax Multiple Dwellings Relief by the previous administration also had the unintended consequence of undermining the viability of new BtR schemes, directly reducing the pipeline by between 13,000 and 25,000 homes. The

Government should reverse this for large scale acquisitions (6 or more homes) to support housing delivery. The BPF's Build-to-Rent Taskforce will support development of BtR policy.

- ✔ **Older people's housing** - the long-term strategy for housing should recognise the need for homes suitable for older people and require local authorities to plan for it. There is the potential by 2030 to release over 500,000 bedrooms back into the owner-occupier market, and deliver £5.6bn of savings to the health and social care system through age-appropriate homes. The Government should adopt the recommendations of the Older People's Housing Taskforce and develop an 'Older People's Housing Guarantee Scheme' which would provide low-cost loans and debt guarantees to support the growth of this nascent sector.
- ✔ **Boost affordable housing funding** - there is significant appetite to invest in new, genuinely affordable homes by institutional investors such as pension funds. At the same time, existing Registered Providers are reluctant to invest in new homes through s106 acquisitions given requirements to retrofit existing homes to meet safety and quality standards. For-Profit-Registered-Providers (FPRPs) could match fund up to £10bn of social housing investment each year for new housing supply if the Government created a level playing field between FPRPs and 'traditional' Registered Providers, and ensured a ten-year rent settlement, rather than a five-year one.
- ✔ **Encourage Purpose-Built Student Accommodation** - to support our world class higher education sector, the NPPF should be amended to require local authorities, working in partnership with universities, to plan for student housing need.

## Regulating for Growth

- ✔ The Government could unlock further investment in affordable housing through reform of the Regulator of Social Housing. Applications to register a For-Profit-Registered-Provider currently take 18-24 months - which is disproportionate compared to the regulation of existing providers.
- ✔ As well as discouraging investment funds to enter the sector, the prolonged registration timelines have inadvertently fostered a market for "shell" entities, with many new entrants to the sector therefore bypassing proper scrutiny. A more efficient process would eliminate this issue while preserving the integrity of the sector.
- ✔ The Regulator is also obliged by statute to "promote private investment in social housing" but appears to view this through a debt rather than equity lens. Clarity from the Government affirming the role of equity as part of a mixed funding approach to social housing would support further investment in new affordable homes.

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# Building Stronger Town Centres



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The constrained fiscal circumstances of the national and local government are a challenge for town centre regeneration, as many locations require a long period of sustained financial support. Often this is only realistically available from the public sector; but it should be allied with private sector capital and expertise to address issues of decline.

Many BPF members are already engaged in town centre regeneration, whether of a single shopping centre, or an entire neighbourhood. With the right tools to incentivise property owners, and a legal and policy environment that supports occupation of property, much more could be achieved.

## Progress to March 2025

- ✔ **Town centre regeneration** - the Government has continued the High Street Accelerator programme (which the BPF played a key role in initiating) and the Long Term Plan for Towns, albeit as part of a revised approach to regeneration.
- ✔ **Landlord & Tenant Act 1954** - 'Building our Future' called for action to review this Act. A Law Commission review has now commenced and the BPF is positively engaging in this process with the aim of producing a commercial leasing system that is faster, cheaper and easier to navigate, supporting vibrant town centres.

- ✔ **Business Rates** - we called for fundamental reform of business rates. The Government has so far proposed to make a (reduced) Retail, Hospitality and Leisure property relief permanent and to fund this through a higher tax on properties with a rateable value over £500,000. This will hit properties across a wide range of sectors including many large supermarkets, factories, hospitals, universities and airports and will only increase the already unsustainable rates burden on businesses.

## Agenda for 2025 and beyond

- ✔ **Town Centre Investment Zones (TCIZs)** - the BPF has long argued that the investment zone model should be applied to town centres in need of regeneration. A specified zone should apply with particular fiscal and planning freedoms, and governance that includes property owners and other stakeholders and community representatives. This approach was partially adopted by the previous Government through the High Street Accelerator pilot, but without the complementary and necessary fiscal or planning powers. The new Government should adopt the TCIZ model, which would more effectively harness the willingness of the private sector to invest more in local areas.
- ✔ **Central support for town centre regeneration** - the High Street Task Force was a positive force for information and support for local authorities seeking to improve their high streets and town centres but ended in September 2024. A central resource to continue this support, available to

all local authorities and drawn down as required, should be established, as the BPF called for in 'Building our Future'.

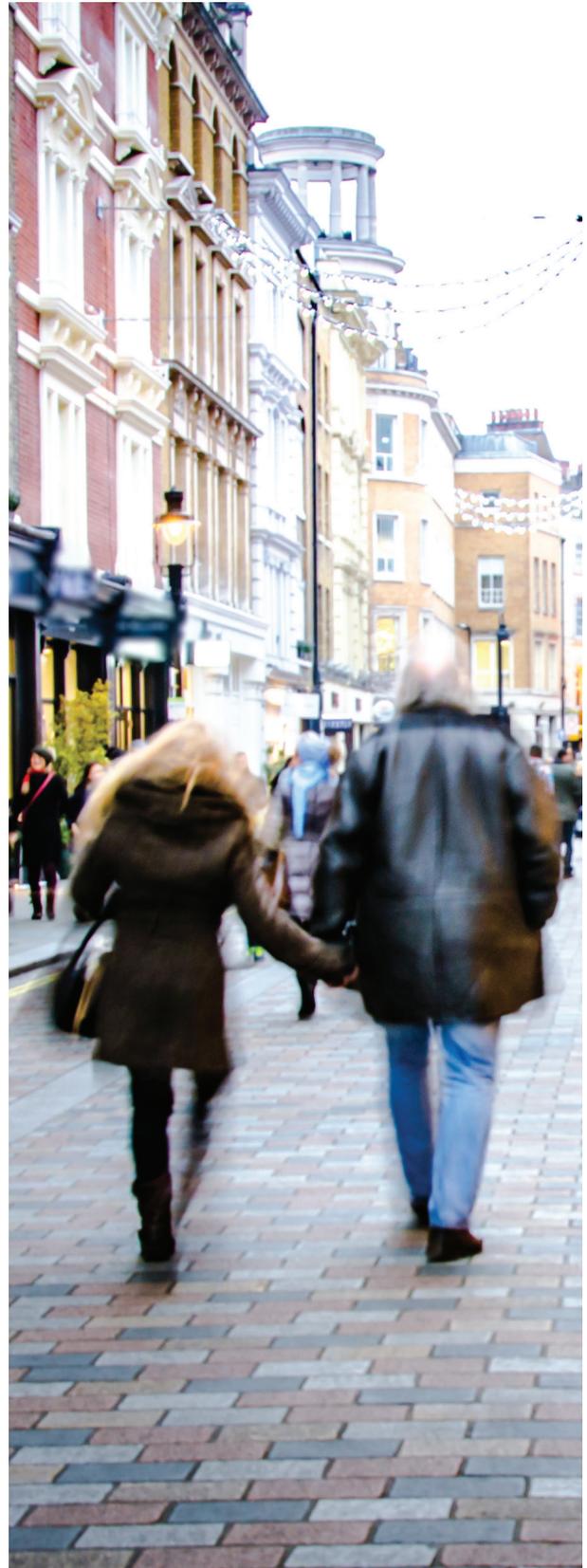
- ✔ **Further reform of business rates** - the overall burden of business rates remains too high and must be reduced to support existing businesses and more occupation of vacant high street and town centre units. The three-month period of empty property rates relief is too short and does not reflect the reality of reletting periods, and should be extended to at least six months.

### Regulating for Growth

- ✔ **Review insolvency procedure practices** - the BPF is supportive of insolvency procedures which provide mechanisms to allow businesses facing difficulty to restructure, protecting economic activity, jobs and high street vibrancy. However such procedures must be fair and engage all stakeholders. In particular procedures such as Restructuring Plans (RPs) and Company Voluntary Arrangements (CVAs) will often leave local authority creditors and HMRC, as well as property owners and the UK pension funds that invest in them, particularly adversely affected. These procedures must be reviewed to ensure greater equity and to curb possible abuse.

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**To regenerate town centres, targeted tools such as Town Centre Investment Zones are needed, supported by central government and further reform to business rates.**





# Building the Green Economy

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# 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.

The BPF has established the Net Zero Pledge, under which signatories have committed to meeting net zero by 2050 or before, and by sharing information and best practice on how to do so. Over 60 businesses have already signed, representing over 120m sqft of commercial floorspace, 20,000 homes and £125bn of assets.

To reduce the carbon footprint of the built environment requires us to find new more sustainable methods and materials in development and construction, and to use clean energy and become more efficient in the use of buildings. We can go further – commercial buildings such as warehouses and logistics hubs can be large net exporters of clean energy supporting the decarbonisation of other sectors.

The industry wants to do more to play its part in tackling carbon emissions but needs clarity and consistency from the Government.

## Progress to March 2025

✔ **Leadership** - it is positive that the new administration has set a path to clean energy as a mission and accelerating the path to net zero as one of its milestones. The early move to lift the effective ban on onshore wind was a positive sign of this intent. The Government is also consulting on reforming domestic EPCs and on improving the energy performance of privately rented homes.

✔ **Great British Energy** - the Government is legislating for a state-owned energy company that will invest in renewable energy and own, manage and operate clean power projects. Over £8bn of funding has been allocated to GB Energy to invest in renewable energy projects.

✔ **Clean Power 2030: Action Plan** - the Government has published its plan for greening the electricity system by 2030. Importantly it recognises the issue of the current lack of grid capacity to accommodate new developments, as the BPF highlighted in 'Building Our Future'.

## Agenda for 2025 and beyond

✔ **Policy clarity** - clear market signals on future policy and regulation will give investors and property owners the confidence to bring forward investment into improving the energy performance of buildings. We look forward to publication of the full Warm Homes Plan and hope this will provide a comprehensive policy framework for both residential and commercial buildings. Ahead of this, we continue to push for clarity on future minimum energy efficiency standards for the non-domestic private rented sector and for the mandatory sharing of energy data between owners and occupiers.

✔ **Financial incentives for retrofitting** - improving the energy efficiency of buildings brings down costs for the consumer as well as reducing carbon emissions. 'Building our Future' called for tax incentives to support greater investment in energy efficiency, such as a new 'Green Super Deduction'

– an ‘above the line’ tax credit style relief similar to research and development costs. The Government should also introduce a zero rate of VAT on repairs and maintenance of residential buildings, ensuring that the tax system encourages retrofit.

## Regulating for Growth

✔ **Delivering more clean energy** - rooftop solar on the UK’s warehouses and logistics buildings could produce an extra 15GW of electricity annually to the UK’s output – a quarter of the country’s requirements. Yet ‘Clean Power 2030’ barely mentions the potential for renewable energy generation on existing logistics and warehousing buildings. The Government must direct the National Energy Systems Operator to revise the tariff structure for selling electricity back into the grid and continue its work to reform the connections process and prioritise those connections with highest potential, to help boost renewable energy output.

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