

Building growth

**Labour's plans for
real estate**

Citypress

The numbers influencing the political landscape:

12m

PEOPLE ARE EMPLOYED IN
THE PROPERTY SECTOR

£84bn

OF PROPERTY VALUE IS IN
FOREIGN OWNERSHIP

100,000

EXTRA HOMES COULD ADD £17BN
A YEAR TO THE ECONOMY

26m

HOMES NEED UPDATING
TO MEET NET ZERO

£26,000

AVERAGE COST TO UPDATE A
FAMILY HOUSE TO BE NET ZERO

50%

REDUCTION IN TRANSACTION
VOLUMES FOR INDUSTRIAL AND
OFFICE SECTORS

62%

OF VOTERS SUPPORT
MORE HOUSING

50%

OF THE UK'S GREEN BELT IS
REPRESENTED BY LABOUR
MPS – UP FROM 15%

39%

OF GLOBAL ENERGY RELATED
CARBON EMISSIONS COME
FROM BUILDINGS

Mission driven government

The Government has promised to focus on measurable, long-term challenges with an approach to government that is more joined up, more local, and which harnesses technology. As part of this, they have identified five Missions:

1) Kickstart economic growth by securing the highest sustained growth in the G7 – with good jobs and productivity growth in every part of the country.

2) Make Britain a clean energy superpower by cutting bills, creating jobs and delivering security with cheaper, zero-carbon electricity by 2030, accelerating to net zero.

3) Take back our streets by halving serious violent crime and raising confidence in the police and criminal justice system to its highest levels.

4) Break down barriers to opportunity by reforming our childcare and education systems, to make sure there is no class ceiling on the ambitions of young people in Britain.

5) Build an NHS fit for the future that is there when people need it; with fewer lives lost to the biggest killers; in a fairer Britain, where everyone lives well for longer.



Labour's plans for the real estate sector



Almost everyone agrees we need more homes, better infrastructure and to retrofit the UK's old building stock so it's more sustainable. Everyone also agrees we need economic growth. Thankfully for the Government, planning policy is one of the easiest levers to pull to get immediate changes in a national economy. What everyone doesn't agree on is where development should be. Should we welcome foreign investment? Should leasehold still exist as a property type? Where is the appropriate balance between sustainable construction products and fire safety? Who should pay for retrofitting homes to make them net zero compatible? If Labour are serious about using planning and real estate policy to create growth, they must take the public with them or risk losing a lot of votes.

Tom Anelay, Head of Public Affairs, Citypress

Planning

In a nation where just 1% of major planning applications are decided within the legal 13-week time limit, simply speeding up the system could unlock homes and infrastructure projects across the country. However, it's not unusual for governments to come into power promising to build, build, build before running out of steam. With Labour MPs having won a swathe of green belt seats to go alongside their urban heartlands, the Government will soon be facing plenty of local opposition to individual plans across all land types. Proposed changes to the planning system reduce local planning discretion and make little reference to improving public services infrastructure whilst transport and beauty requirements have also been reduced. All this could lead to challenging questions about whether the talk of giving local people more power was just spin.

Confirmed policies include:

- Restoring housing targets
- Setting up a taskforce to identify and deliver new towns
- Amend the National Planning Policy Framework
- Ensure local authorities have up-to-date Local Plans
- Reform compulsory purchase rules to improve land assembly
- Modernising planning committees



Decarbonising buildings

The UK has a lot of old building stock. Of the UK's 29 million homes, it's predicted 26 million will need retrofitting to meet net-zero standards by 2050. If EPC ratings increase to a B for commercial property, then 70% of all commercial space will need addressing. That's a gigantic challenge – particularly given how many buildings are listed or awkward to insulate. Add to this the fact that greening a home will cost £26,000 on average and you've got a recipe for losing votes. Given the scale of the challenge, it's probably no surprise that after promising a warm homes plan and billions of pounds in investment, Labour have gone pretty quiet about how they will actually deliver greener, cleaner, homes. Given government's plans to stimulate growth across cities and towns follows a 20% drop in the commercial real estate sector's economic contribution to the UK, it's not surprising that the government have said even less about decarbonising commercial property or reducing the environmental impact of construction.

Confirmed policies include:

- Using development to fund nature recovery
- Upgrading homes via the Warm Homes Plan
- Addressing nutrient neutrality issues



Rights and standards

Labour are promising some serious reforms of the rental and leasehold market, tipping the scales heavily in favour of tenants. There isn't much sympathy in the Labour Party for landlords, with some of the worst cases of private landlord behaviour significantly influencing how politicians perceive the entire sector, including commercial landlords. This is exacerbated by issues like foreign ownership of residential properties (which is rarely welcomed as foreign investment). Commercial developers will need to keep a careful eye on whether policies developed to support renters in the residential sector leads to regulatory drift. At the same time, building safety continues to be a priority for the Government, with more new rules coming forward and steady progress on post-Grenfell remedial work. How all these changes play out will significantly alter the investment outlook for UK real estate.

Confirmed policies include:

- Updating right to buy rules
- Abolishing Section 21 no fault evictions
- Empowering tenants to challenge rent restrictions
- Increasing right to manage powers for leaseholders
- Consulting on further leasehold and commonhold reform
- Giving tenants the right to request a pet
- Applying a Decent Homes Standard to the private rented sector
- Introducing legal timeframes within which landlords must deal with hazards
- Creating a digital private rented sector database



Key figures

The sector is under broad scrutiny and influence from many groups representing multiple interests. The challenge and opportunity for brands and businesses is to engage with those that can meaningfully shape the policy landscape. Here are just a few that will continue to have an important voice.



Angela Rayner
(Housing Secretary and
Deputy Prime Minister)

With planning and devolution forming two of the cornerstones of Labour's policy platform, Rayner has her hands full. Having grown up on a council estate in Stockport, she's a keen advocate of social housing and as Shadow Housing Secretary made clear she wants to deliver the UK's next generation of social homes, as well as preventing developers from avoiding affordable housing responsibilities.



Matthew Pennycook
(Housing Minister)

A former councillor, think tanker and housing charity trustee, Pennycook is well versed in housing and climate change policy, having held both briefs as a Shadow Minister. A champion of renters, he notably introduced an amendment to the Renters (Reform) Bill seeking to ban landlords from selling their properties for two years after the start of a tenancy. His wife is Joanna Otterburn, joint chief executive of the Law Commission, whose recommendations for reform of Commonhold are being introduced.



Rachel Reeves
(Chancellor)

With planning at the centre of the Government's plans for economic growth, it's clear that HM Treasury are going to be playing a bigger role in overseeing day to day policy development for the real estate sector than usual. To set the tone, Reeves met with leading industry figures within the first two weeks of being in power and is expected to front plenty more engagement and policy announcements.



Helen Morgan (Liberal Democrat Housing Spokesperson)

The Liberal Democrats are famous for hyper-local campaigning. Expect them to continue to use housing policy as a route to build their electoral coalition in both Labour and Conservative seats.



Peter Denton (CEO, Homes England)

As head of the Government's principal agency for housebuilding delivery, Denton has a much more visible public profile than many other civil servants.

**NATIONAL
HOUSING
FEDERATION**

National Housing Federation

The trade association for 600 of the UK's housing associations is expected to become a more important voice in policy debates given Labour's focus on social housing.



British Property Federation

Representing the whole real estate value chain, from investors to developers and agents, the British Property Federation will have to be vocal on far more issues than most industry associations.

centreforcities

Centre for Cities

The UK's leading think tank on localism, development and urban regeneration, developing research which regularly shifts the political debate.

**CREATE
streets**

Create Streets

A social enterprise which focusses on beauty as much as economics, it informed lots of policy thinking under the Conservatives and will be looking to maintain its influence.

Speaking Labour's language

Demonstrating how your organisation can measurably contribute to achieving Labour's Missions nationally and locally will be the cornerstone of successful political engagement. **This means asking:**

How are you contributing to sustainable economic growth?

How are you investing and innovating to boost productivity?

Where are you creating growth? Which communities are benefitting?

Are you helping people become healthier, wealthier or happier?

How are you cutting bills and helping consumers?

Are you paying your share of taxes?

How many jobs are you creating and do they provide your employees with “pride and dignity”? Are they green jobs?

Are you helping the UK achieve energy security and playing your part in reaching net zero?

How we can help

We offer a full range of corporate and public affairs services to meet your business needs.

Strategy and Messaging	Regional Advocacy and Engagement	Intelligence	Training	Events and partnerships
Policy development	Consultation support and engagement	Monitoring and analysis	Select committee training	Conference and event planning and execution
Risk assessment	Stakeholder relations and coalition building	Stakeholder mapping	Team development	Speechwriting
Strategy and analysis	Legislative, regulatory and policy engagement	Constituency and regional research	Media training	Party Conference programmes
Purposeful political campaign	Media relations	Planning	Public speaking	Partnership and sponsorship support
Narrative and messaging	Crisis communications and issues management	Issues tracking	Policy overviews	Collateral development



Want to talk?

To enjoy a free one hour consultation on what a new Labour Government means for your organisation and what you should do about it, get in touch.

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Thank you