

Intelligent Investment

UK General Election: Policy Pledge Comparison

A summary of the real estate-related policies of the three major political parties. This information has been prepared in good faith and we believe it to be accurate on the date authored.

CBRE RESEARCH
JUNE 2024



	Conservative	Labour	Lib Dems
Housing Supply	<ul style="list-style-type: none"> - Deliver 1.6 million homes in England in the next Parliament (320,000 per year). Measures include: <ul style="list-style-type: none"> • Abolish legacy EU 'nutrient neutrality' rules to immediately unlock 100,000 new homes. • Deliver a record number of homes on brownfield land with a fast-track planning route. • Renew the Affordable Homes Programme for homes of all tenures and estate regeneration. • Legislate for new 'Local Connection' and 'UK Connection' tests for social housing allocation. • Raise density levels in inner London to those of other European cities. • Support delivery of new quarters in Leeds, Liverpool, and York. • Support local and smaller housebuilders by requiring councils to set land aside for them and lifting Section 106 burdens on smaller sites. 	<ul style="list-style-type: none"> - Deliver 1.5 million homes during the next Parliament (300,000 per year), facilitated by planning reform. - Prioritise brownfield development, but also reclassify some Green Belt land as 'grey belt' to promote housebuilding. - Reform compulsory purchase orders to unlock land where there is clear public interest. - Support new co-operative and community-led housing provision. - Build "the next generation of new towns" across the country. - Promote urban extensions and regeneration projects across England. - Re-introduce mandatory housing targets for local authorities. - Implement solutions to unlock homes impacted by nutrient neutrality rules. - Take action to improve building safety with a focus on ensuring those responsible pay to put it right. 	<ul style="list-style-type: none"> - Deliver 380,000 homes a year across the UK, including 150,000 social homes. - Build 10 new garden cities. - Promote community-led development of cities and towns. - Encourage the use of rural exception sites to expand rural housing. - Encourage development of existing brownfield sites with financial incentives and ensure that affordable and social housing is included in these projects. - Introduce 'use it or lose it' planning permission for developers who refuse to build. - Remove dangerous cladding from all buildings, while ensuring that leaseholders do not have to pay towards it.
Housing Demand	<ul style="list-style-type: none"> - Maintain current Council Tax bands. - Maintain Private Residence Relief from Capital Gains Tax. - Empower councils to manage the growth of holiday lets. - Stamp Duty Land Tax Relief Act to be made permanent to maintain the first-time buyer threshold at £425,000 (up from £300,000 in 2022). - Introduce a new Help to Buy scheme for first-time buyers, providing an equity loan of up to 20% towards cost of a new build home. This scheme will be part funded by housebuilders. - Ensure rural exception sites support local home ownership. 	<ul style="list-style-type: none"> - Increase Stamp Duty surcharge on purchases of residential property by non-UK residents by 1%. - Introduce a new Mortgage Guarantee Scheme (called 'Freedom to Buy') for first-time buyers. - Give first-time buyers priority on new properties in their areas. 	<ul style="list-style-type: none"> - Give local councils new powers to control second-homes and short-term lets, with measures to include: <ul style="list-style-type: none"> • Increase Council Tax by up to 500% where homes are being bought as second homes. • Introduce a Stamp Duty surcharge for overseas residents buying second homes. • Allow local authorities to prevent new builds from becoming second homes – with complete restrictions preventing new builds being sold as second homes, investment properties, or for short-term holiday lets.

	Conservative	Labour	Lib Dems
Private Rented Sector	<ul style="list-style-type: none"> – Pass Renters Reform Bill to: <ul style="list-style-type: none"> • Abolish Section 21 evictions. • Strengthen grounds for landlords to evict anti-social tenants. • Ensure fairness for landlords and tenants. – Introduce a two-year temporary Capital Gains Tax relief for landlords who sell to their existing tenants. 	<ul style="list-style-type: none"> Introduce a Renter’s Charter to: <ul style="list-style-type: none"> • Abolish Section 21 ‘no fault’ evictions. • Empower tenants to challenge unreasonable rent increases. • End automatic evictions for rent arrears. – Ensure homes in the private rented sector meet minimum energy efficiency standards by 2030. – Extend ‘Awaab’s Law’ to the private sector. 	<ul style="list-style-type: none"> – Deliver a fair deal for renters to: <ul style="list-style-type: none"> • Ban no-fault evictions. • Make three-year tenancies the default. • Create a national register of licensed landlords.
Social Housing	<ul style="list-style-type: none"> – Renew the Affordable Homes Programme for homes of all tenures and estate regeneration. – Legislate for new ‘Local Connection’ and ‘UK Connection’ tests for social housing allocation. – Boost affordable housing availability for local people in rural areas. – ‘Three strikes and you’re out’ expectation of social landlords for anti-social behaviour. – Continue plans to end rough sleeping and deliver commitments under the Local Housing Authority Fund. 	<ul style="list-style-type: none"> – Increase social and affordable housebuilding: <ul style="list-style-type: none"> • Strengthen planning obligations so new developments provide more affordable homes. • Change the Affordable Homes Programme to deliver more homes from existing funding. • Prioritise building new social rented homes. • Protect existing stock by reviewing the increased right to buy discounts (introduced in 2012) and increase protections on newly-built social housing. • Extend ‘Awaab’s Law’ to the social sector. 	<ul style="list-style-type: none"> – Build 150,000 social homes each year. – Enforce clear standard for socially rented homes including strict time limit for repairs. – Give local authorities (including National Park Authorities) the powers to end Right to Buy in their areas. – End rough sleeping within the next Parliament and abolish the Vagrancy Act. – Introduce a new Rent to Own model for social housing where rent payments give tenants an increasing stake in the property, owning it outright after 30 years. – Protect the rights of social renters to: <ul style="list-style-type: none"> • Enforce clear standards for homes that are socially rented, including strict time limits for repairs. • Recognise tenant panels so that renters have a voice in landlord governance.
Leasehold Reform	<ul style="list-style-type: none"> – Complete leasehold reform to: <ul style="list-style-type: none"> • Cap ground rents at £250, reducing to peppercorn over time. • End misuse of forfeiture so leaseholders don’t lose their property and capital unfairly. 	<ul style="list-style-type: none"> – End the leasehold system, to include: <ul style="list-style-type: none"> • Action the Law Commission proposals on leasehold enfranchisement, right to manage and commonhold. • Ban new leasehold flats and make commonhold the default tenure. • Tackle unregulated and unaffordable ground rents. • End ‘fleecehold’ private housing estates with unfair maintenance charges. 	<ul style="list-style-type: none"> – Abolish leasehold for residential properties and cap ground rents to a nominal fee.

	Conservative	Labour	Lib Dems
Planning System	<ul style="list-style-type: none"> - Planning reform to include: <ul style="list-style-type: none"> • Ease planning rules in cities to allow the conversion of empty retail premises to homes, and relax rules around barn, warehouse, and agricultural building conversions. • Promote gentle densification of urban areas. • More lenient restrictions on homeowners when converting lofts and renovating buildings. • Deliver a record number of homes on brownfield land with a fast-track planning route in the 20 largest cities. 	<ul style="list-style-type: none"> - Revise National Planning Policy and reform the planning system in England, to include: <ul style="list-style-type: none"> • Reintroducing mandatory housing targets for local authorities. • Strengthen presumption in favour of sustainable development. • Ensure local plans are up to date. - Reclassify some Green Belt land to 'greybelt', subject to 'golden rules'. - Fast-track approval for urban brownfield development. - Hire 300 new planners across the public sector. - Strengthen planning obligations to ensure new developments provide more affordable homes. 	<ul style="list-style-type: none"> - Fix the flaws in the current planning system: <ul style="list-style-type: none"> • Require higher minimum standards on a range of issues (such as energy efficiency) which developers cannot go below. • Amend viability rules so they cannot be exploited. • Improve the planning system's approach to self-build homes. • Expand Neighbourhood Planning • Extend the proposed Commercial Landowner Levy to land with planning permission, but not yet built on. • Introduce new planning class for holiday lets. • Reform Land Compensation Act so councils can acquire land at fair values.
Infrastructure	<ul style="list-style-type: none"> - Invest £36 billion in local roads, rail, and buses including £8.3 billion for potholes and road resurfacing, funded by cancelling HS2 phase two. - Halt road pricing, reverse ULEZ expansion, and allow local referendums for new 20mph zones and Low Traffic Neighbourhoods. - Implement Northern Powerhouse Rail. - Improve rail connectivity in the Midlands with £1.75 billion for the Midlands Rail Hub. - Upgrade railways in the South West. - Introduce a Rail Reform Bill for Great British Railways. 	<ul style="list-style-type: none"> - Return of strategic plans in combined authority areas. - Establish Great British Railways to bring companies into public ownership as contracts expire. - Create National Infrastructure Authority to set priorities and oversee delivery of projects. - Fast-track planning applications for major infrastructure projects. - Establish a cross-departmental infrastructure acceleration unit. - Allocate £1.8 billion to upgrade ports and build supply chains across the UK. 	<ul style="list-style-type: none"> - Establish a new Railway Agency. - Establish a 10-year plan for rail electrification. - Introduce a national freight strategy to move as much freight as possible from road to rail. - Give greater powers and devolve resources to local authorities to design public transport infrastructure around community needs.

Economy

Conservative

- Introduce mandatory national service for all school leavers at 18
- Reduce employee National Insurance by another 2p and abolish the main rate of self-employed National Insurance entirely by the end of the Parliament.
- Introduce the Triple Lock Plus to ensure both the State Pension and the tax-free allowance for pensioners rise with the highest of inflation, earnings, or 2.5%.
- End unfairness in Child Benefit by switching to a “household system”.
- Maintain the National Living Wage at two-thirds of median earnings each year of the next Parliament.
- Ease business rates for high street, leisure, and hospitality businesses by increasing the multiplier on distribution warehouses supporting online shopping.
- Review the VAT threshold and explore options to smooth the cliff edge at £90,000.
- Improve access to finance for SMEs by expanding Open Finance and exploring Regional Mutual Banks.
- Retain key tax incentives for small business growth and not increase Capital Gains Tax.
- Reform disability benefits to better target genuine needs and improve mental health provision.
- Overhaul the fit note process and introduce tougher sanctions for those refusing suitable jobs after 12 months on benefits.
- Accelerate Universal Credit rollout.

Labour

- Introduce new Industrial Strategy Council.
- Replace the current system of business rates with a fully costed and funded system of business property taxation
- Fiscal plan:
 - Lower tax burden with plan to not raise National Insurance, Income Tax, or VAT.
 - Abolish non-dom status and replace with a new scheme.
 - Move current budget into balance.
 - Debt must be falling as a share of the economy by the fifth year of the forecast.
- Introduce workforce and training plans for sectors such as health and social care, and construction to end reliance of overseas workers.
- Invest in HMRC to reduce tax avoidance.
- Cap Corporation Tax at the current level of 25%.
- Establish Skills England to address the skills shortage.
- Reform the Apprenticeship Levy.
- Create a National Wealth Fund to advance growth and clean energy objectives.
- Increase role of the OBR to foster economic stability.
- Review EU/UK Brexit deal in 2025.

Lib Dems

- Protect the independence of the Bank of England, keep the inflation target of 2% and ensure that all fiscal events are accompanied by independent forecasts from the OBR.
- Reverse the tax cuts for the big banks, restoring Bank Surcharge and Bank Levy revenues to 2016 levels in real terms.
- Increase the Digital Services Tax on social media firms and other tech giants from 2% to 6%.
- Reform capital gains tax:
 - Increase annual tax-free CGT allowance from £3,000 to £5,000.
 - Create three new CGT bands:
 - 20% tax for £5,000 - £50,000.
 - 40% tax for £50,000 - £100,000.
 - 45% for over £100,000.
- Introduce a 4% tax on the share buyback schemes of FTSE-100 listed companies.
- Impose a one-off windfall tax on the profits of oil and gas producers and traders.
- Freeze rail fares.
- Replace Apprenticeship Levy with Skills and Training Levy.
- Abolish the lower apprentice rate.
- Set 20% higher minimum wage for people on zero-hour contracts.
- Establish an independent review to recommend a genuine living wage across all sectors.

Energy and Sustainability

Conservative

- Lower green levies on household bills each year of the next Parliament.
- Reform the Climate Change Committee to consider household costs and UK energy security.
- Not introduce new green levies, road pricing schemes, or frequent flyer levy.
- Maintain the energy price cap to protect households.
- Review and reform standing charges to keep them low.
- Implement PumpWatch to share live petrol prices.
- Invest £6 billion in energy efficiency over three years.
- Fund an energy efficiency voucher scheme for all households to install energy-saving measures and solar panels.
- Treble offshore wind capacity.
- Ensure democratic consent for onshore wind with local community benefits, including potential energy bill discounts.
- Support solar on brownfield sites and rooftops, not on prime agricultural land, and prevent clustering of solar farms.
- Retain the moratorium on fracking.
- Legislate for annual licensing rounds for North Sea oil and gas production.
- Promote new gas stations for reliable energy on non-renewable days.
- Build first two carbon capture and storage clusters.
- Invest £1.1bn into the Green Industries Growth Accelerator.
- Scale-up nuclear power.
- Aim to make the UK a net exporter of electricity.

Labour

- Establish Great British Energy, a publicly owned company to build clean and cheap domestically generated power.
- Create a National Wealth Fund to advance growth and clean energy objectives.
- Green Prosperity Plan to make targeted investment in renewables.
- Support transition to electric vehicles by accelerating rollout of charge points and restore phase-out date of 2023 for new cars with internal combustion engines.
- Introduce a National Warm Homes Plan aiming to improve energy efficiency of 19 million homes within a decade.
- Deliver clean power from a zero-carbon electricity system and double onshore wind, triple solar power, and quadruple offshore wind by 2030.
- Support the development of new energy technologies.
- Reform planning for renewable energy and grid infrastructure projects to streamline the process.
- Not grant new oil and gas licences in the North Sea.
- Establish a Flood Resilience Taskforce with the aim of identifying vulnerable areas and introducing adaptation strategies.
- Unlock unused energy potential including appropriate priority to the role of brownfield sites and rooftops for solar energy.

Lib Dems

- Pass Clean Air Act.
- Double nature by 2050.
- Appoint Chief Secretary for Sustainability to support delivery of net zero by 2045.
- Remove restrictions on new solar and wind power.
- Build grid infrastructure required and reduce access costs for grid connections.
- Build more electricity interconnectors between the UK and other countries to ensure supply security.
- Reform the energy network to permit local energy grids.
- Expand incentives for households to install solar panels and heat pumps.
- 10-year emergency home upgrade programme, starting with free insulation and heat pumps for those on low incomes.
- Require all new homes and non-domestic buildings to be built to a zero-carbon standard.
- Reintroduce requirements for landlords to upgrade the energy efficiency of their properties to EPC C or above by 2028.
- Introduce a new subsidised Energy-Saving Homes scheme.
- Ensure new developments result in significant net gain for biodiversity, with up to a 100% net gain for large developments.

Contacts

Research

Jennet Siebrits

Head of UK Research
jen.siebrits@cbre.com

© Copyright 2024. All rights reserved. This report has been prepared in good faith, based on CBRE's current anecdotal and evidence based views of the commercial real estate market. Although CBRE believes its views reflect market conditions on the date of this presentation, they are subject to significant uncertainties and contingencies, many of which are beyond CBRE's control. In addition, many of CBRE's views are opinion and/or projections based on CBRE's subjective analyses of current market circumstances. Other firms may have different opinions, projections and analyses, and actual market conditions in the future may cause CBRE's current views to later be incorrect. CBRE has no obligation to update its views herein if its opinions, projections, analyses or market circumstances later change.

Nothing in this report should be construed as an indicator of the future performance of CBRE's securities or of the performance of any other company's securities. You should not purchase or sell securities—of CBRE or any other company—based on the views herein. CBRE disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CBRE as well as against CBRE's affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.