The Low Carbon Products Team
3 Whitehall Place
London
SW1A 2AW

By email only:
consultation.lowcarbonproducts@energysecurity.gov.uk

19 September 2025

Dear Sir/Madam

RE: Growing the market for low carbon industrial products: policy framework – Department for Energy Security and Net Zero consultation

I am writing on behalf of the London Property Alliance CPA/WPA ("LPA") to respond to the consultation on the 'Growing the market for low carbon industrial products: policy framework'.

LPA is a not-for-profit membership body and advocacy group representing more than 300 of the leading owners, investors, professional advisors and developers of real estate operating in the Cities of London and Westminster, via our respective associations City Property Association ("CPA") and Westminster Property Association ("WPA"). LPA provides a unified voice for the real estate sector across London's Central Activities Zone ("CAZ"). You can see a full list of our members for our respective bodies here and here.

We recognise the importance of the built environment sector being part of the solution to the challenge of climate change, and to continue to innovate in our practices and improve our building stock and the wider built environment. Indeed, the commercial property sector is leading the way in this regard. The planning system is increasingly considering the impact of demolition, construction and the use of construction materials on carbon emissions as a consideration in making planning decisions.

We have made repeated calls for greater clarity and guidance at a national level to guide developers, policy makers and decision takers in respect of the assessment of carbon emissions from development, including embodied carbon from construction.

We:

- Support the Government's efforts to consider an appropriate framework, such as the Embodied Emissions Reporting Framework ("EERF"). Any framework should be voluntary at this stage.
- Support the continued use of Environmental Product Declarations ("EPDs"), as an existing and established approach, to streamline carbon reporting processes and ensure accurate product level reporting.

More generally, however, we are concerned at the increase in regulatory barriers with which industry is faced. These risk holding back the investment required to successfully help deliver economic growth and decarbonise the built environment by adding significantly greater costs, risks and uncertainty to an already challenging town planning process both in London and nationally. Regulation around low carbon industrial products, insofar as it relates to the built environment and construction, must be integrated into sector specific regulatory regimes, namely planning and building control, rather than forming part of an entirely separate system that risks misalignment or duplication with existing arrangements.

We support the Government's commitment to achieving net zero. However, this has to be delivered in the context of other nationally important priorities, including delivering new housing and development to enable economic growth. Our members, which particularly comprise of commercial developers and investors, have grasped the challenge of delivering buildings and spaces which are highly sustainable but also provide best-in-class accommodation for businesses, which is essential for London's world city status.

Our paper, *Retrofit First, Not Retrofit Only: Future-proofing national policy to support sustainable development (July 2024)*, makes recommendations for changes to planning policy which would provide a framework for assessing the relative merits of building retention, partial refurbishment or complete replacement.

We are concerned, however, that insufficient data and justification for the proposed introduction of embodied carbon limits for buildings has been included in the consultation document. We query how the proposed limits would be introduced and enforced (through legislation or planning policy) and whether the economic impacts of prescriptive limits have been robustly tested within a UK context. This issue must be considered in the context of planning policy, as it potentially has a direct effect on the deliverability of other policy objectives, rather than as a subset or vanguard of separate proposals for product regulation.

Should the Government be minded to consider overall carbon limits on building construction, we would strongly urge that the potential impact this may have on the development industry be considered, assessed and consulted on with a range of stakeholders including the industry. The relationship of any such regulation with emerging planning policy must be considered as part of this. We recognise the important role of target setting in driving down the carbon associated with construction, but to avoid unintended consequences – including the underuse of scarce urban land – this must be done flexibly, recognising that circumstances will vary from site to site and that other circumstances and public policy objectives may indicate a different approach in some cases.

It must also recognise a degree of volatility and fluctuation in the supply chain for construction material and their availability. Any system should not introduce additional risk and complexity in this sector and should be integrated into existing regulatory regimes rather than forming an additional layer.

We welcome the opportunity to respond to this consultation on behalf of our members and would welcome any further opportunity to engage with the Government this topic. Our comments in response to the consultation questions have been included at Appendix 1 and should be read alongside this letter – please note that we have not responded to all questions.

If you would like to discuss any aspect of this letter and our representations further, please do not hesitate to contact me.

Yours faithfully,

Charles Begley
Chief Executive, London Property Alliance

Enc. Appendix 1 – London Property Alliance – Representations Growing the market for low carbon industrial products: policy framework – Response to consultation questions

Question 2.1 Do you agree or disagree that producers and buyers of in-scope products are the main intended end users of the EERF? Are there any additional end users that should be considered? Please explain your reasoning.

[Yes, Strongly agree; Yes, Agree; Maybe/Undecided; No, Disagree; No, Strongly disagree; Don't Know]

Whilst not in direct response to the question, we wanted to address the point made within the consultation document which states:

"The Government intends to encourage reporting of embodied emissions for industrial products by utilising existing frameworks, such as EPDs, rather than creating a new one to avoid unnecessary costs and duplication. This builds on previous consultation aims to streamline carbon reporting processes, ensuring more consistent, transparent, and accurate product level reporting."

We would support the use of EPDs, as an existing framework, for this purpose to streamline carbon reporting processes and ensure accurate product level reporting.

Question 2.6: Do you agree or disagree with the Government's proposal to initially introduce the EERF on a voluntary basis? Please explain your reasoning.

[Yes, Strongly agree; Yes, Agree; Maybe/Undecided; No, Disagree; No, Strongly disagree; Don't Know]

Yes, strongly agree.

If the EERF is introduced, it should be on a voluntary basis. Any mandatory system should be developed over time in conjunction with stakeholders, including the property industry, taking into account feedback from how the voluntary system has worked.

It is vitally important that, if the EERF is introduced, the Government thoroughly assess and consider the impact upon the property industry, and the ability of the sector to deliver homes and places for economic growth, not only nationally but within central London also. Particularly within central London, the mechanics of delivering development can often be very complex and not comparable with a more generic national scenario. Any policy brought forward must support and enable London's growth and not work counter-productively.

In our report, *Good Growth in Central London (2024)*, we demonstrate how a 'balanced growth' scenario, supported by flexible planning and growth policies, investment in local infrastructure and business support could lead to substantially more homes and growth within London's Central Activities Zone and Isle of Dogs compared to other scenarios where development is limited. Enabling sustainable, good growth in central London is essential not only for London's success but also for the rest of the country. It is imperative that any frameworks which are brought forward are done so in collaboration with the development industry, to find a system that mutually works towards net zero and economic growth. Our members are keen to engage with and help shape the systems that drive innovative approaches to delivering sustainable buildings.

In recent years, the number of matters which have to be considered and taken into account at planning application stage has grown considerably. This is against a backdrop of a worsening economic climate as well as increases in inflation and build costs. It is important that any regulatory requirements brought forward are proportional and do not further reduce the ability of developers to deliver homes and workplaces for businesses.

Question 7.7 Should the Government explore any of the long-term policies suggested in this section? Please explain your reasoning. [select all that apply]

Option 1: Collaborative procurements and buyers' alliances

Option 2: Near-zero emission material mandates or quotas, and minimum content regulations

Option 3: Embodied carbon limits on end products

Option 4: Other (please specify)

Option 5: None of the above

"Regarding Option 3 (embodied carbon limits on end products), we believe the consultation document does not provide sufficient information about the proposed introduction of embodied carbon limits for entire buildings. We recommend significant caution in this area.

We have long advocated for a 'Retrofit First, Not Retrofit Only' approach and our report (*Retrofit First, Not Retrofit Only: A focus on the retrofit and redevelopment of 20th century buildings*) strongly outlines that whilst retrofit is often an optimal option to deliver growth in a sustainable way, it is not the only option. There is no 'one size fits all' solution and there are often scenarios where retrofit – or indeed being required to adhere to a specific embodied carbon target on a building as a whole - does not deliver the best solution or does not meet the Development Plan requirements for a site, and redevelopment can, and should, be justified. These scenarios can also deliver environmentally sustainable buildings in their use of innovative and creative building materials and technologies. In pursuit of 'sustainable development', as per the NPPF, developers and decision makers have to weigh up environmental considerations against economic and social considerations and benefits – and this includes providing the best quality accommodation for residents, workers and visitors. These considerations cannot be overlooked or sidelined.

Should the Government be minded to consider carbon limits on buildings, we would strongly urge that the potential impact this may have on the development industry be strongly considered, assessed and consulted on with a range of stakeholders including the development industry, and considered as part of wider planning policy.

In line with the proposed approach to the EERF, embodied carbon limits for buildings could be introduced on a voluntary basis in the first instance. We also request that alternative approaches are considered such as changes to the VAT system, as developers are currently required to pay VAT on retrofit materials but not new build materials.

Finally, the construction industry is especially vulnerable to fluctuations in supply chain and market availability. We would therefore not support any carbon limits on buildings which acted as a stronghold on growth and threatened the ability of the development industry to deliver on the Government's housing and economic growth aspirations.

Working towards net zero requires collaboration with developers, stakeholders and national and local government to find innovative solutions that delivers truly sustainable growth. We would be very happy to engage with Government further on this matter.