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REAL ESTATE | GUIDANCE

UK Property tax after Andy Burnham

What commercial real estate should be watching

We have set out key commercial issues below, which ought to be monitored by landowners, developers, investors and agents as the political debate develops in the run up to the next General Election, which will be no later than 15 August 2029.

Issue	Potential impact
Holding costs	Annual charges could result in holding costs becoming more important in portfolio strategy, particularly for lower-yielding or vacant properties.
Strategic land and development sites	If future reform is designed to encourage productive land use, strategic land and phased development sites that might not be intended for immediate development may be scrutinised more closely.
Development viability	Recurring liabilities could affect residual land values and commercial viability, particularly when compounded by potential infrastructure and finance costs.
Valuation and pricing.	Valuations are becoming increasingly more nuanced, sometimes taking longer due to market conditions. Recurring liabilities could magnify these challenges and be priced into yields and capital values.
Business rates	Andy Burnham has indicated support for business rates reform in favour of smaller hospitality and leisure businesses, while potentially offsetting burdens on vacant properties and large online warehousing. The impact could, therefore, be very sector-specific and potentially reshape portfolio strategies.