

# 2024 NEXTGENERATION SUSTAINABILITY BENCHMARK REPORT

Homebuilders are balancing  
their sustainability priorities  
amid an uncertain market



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## FACTS

**£36,268,000**

Annual housing turnover of benchmarked companies

**119,189**

New homes completed by benchmarked companies

**43,619**

People directly employed by benchmarked companies

**69**

Criteria assessed

**15**

Sustainability focus areas assessed

**19**

Years of benchmarking

# 2024 BENCHMARK HIGHLIGHTS



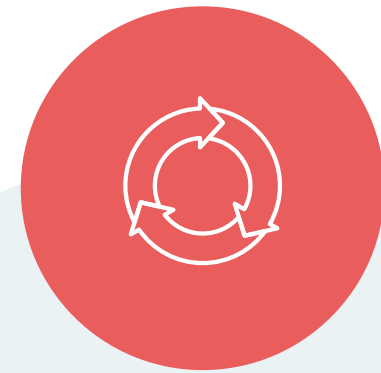
## REPORTING

45%

of benchmarked homebuilders now submit a TCFD report.

38%

of homebuilders publicly report they have full external assurance of their greenhouse gas data, a 10% increase from 2023 & 83% increase from 2022.



## WASTE & CIRCULAR ECONOMY

11

tonnes of waste per 100m<sup>2</sup> of completed floor area is generated on average by benchmarked homebuilders.

28%

of benchmarked homebuilders report they have conducted a Whole-Life Carbon Assessment.



## SOCIO-ECONOMIC DEVELOPMENT

2

homebuilders publicly report conducting research into the direct and indirect socio-economic impact of at least three of their developments.

19%

increase in homebuilders developing diversity, equity and inclusion strategies over the past three years.



## ADDITIONALLY...

17%

of homebuilders outline how they will provide a just transition, including a plan and targets, a 14% increase from 2022.

34%

of homebuilders publicly report that they have their own system for delivering high-quality placemaking that integrates sustainable community considerations into the design and planning stages of development.

# ABOUT NEXTGENERATION

NextGeneration is the sustainability benchmarking system for UK homebuilders. NextGeneration provides homebuilders, governments – national, devolved and local – registered providers, investors, employees and the public with insights into the sustainability of benchmarked homebuilders' operations and the new homes they build. It aims to drive change in the industry by promoting transparency and identifying best practice. The criteria have been developed in collaboration with the industry over 19 years, assessing homebuilders on whether, and how far, they go beyond the requirements of regulation.

NextGeneration offers a range of services that are suitable for top-tier as well as small and medium-sized homebuilders. These are NextGeneration Benchmark, NextGeneration Core and NextGeneration Project. The criteria for each service are available to download from the [NextGeneration website](#). All UK homebuilders are encouraged to use this resource to assess their current performance and guide them to further improve the sustainability of their homes and operations.



## NEXTGENERATION BENCHMARK

This is a comprehensive corporate sustainability benchmark for the largest 25 homebuilders in the UK, alongside any smaller homebuilders that are advanced in their sustainability journey.

**For more information on NextGeneration Benchmark, please see pages 5 and 18.**



## NEXTGENERATION CORE

Launched in 2022, this is an assessment based on a core set of sustainability criteria selected from the NextGeneration Benchmark. It is designed to assess the corporate sustainability of a wide range of homebuilders and to support them in improving their sustainability performance.

**For more information on NextGeneration Core, please see page 19.**



## NEXTGENERATION PROJECT

Also launched in 2022, this checklist allows homebuilders to assess the sustainability of individual developments, with different awards provided depending on the number of criteria achieved. This is to support them in communicating their sustainability strategies and improving their performance.

**For more information on NextGeneration Project, please see page 19.**

# ABOUT THE NEXTGENERATION BENCHMARK

The NextGeneration Benchmark consists of 60+ criteria, which cover the following 15 sections: Company Strategy and Governance, Reporting, Future Proofing, Environmental Site Management, Design Standards, Ecology, Energy and Carbon, Water, Circular Economy, Transport, Procurement, Health and Safety, Community and Customer Engagement, Design and Placemaking and Socio-Economic Development.

These sections are weighted based on their overall impact, with Energy and Carbon currently being the highest weighted. The criteria are re-evaluated and updated on a three-year cycle to remain pertinent to the ever-evolving sustainability sector, while allowing homebuilders to benchmark their progress over time.

## FIND OUT MORE...

Visit our website:  
[nextgeneration-initiative.co.uk](https://nextgeneration-initiative.co.uk)

For any other questions, please reach out at:  
[Iona.Deacon@jll.com](mailto:Iona.Deacon@jll.com)



## THE PROCESS

**Selection of homebuilders:** NextGeneration selects the largest 25 homebuilders in the UK for benchmarking, based on their housing turnover and annual completions, alongside any further homebuilders interested in Benchmark membership. This year, membership from Bellway Homes extended the Benchmark to 29 homebuilders.

## PHASE 1

Homebuilders are assessed on their publicly available sustainability information against the public criteria of the Benchmark.

## PHASE 2:

NextGeneration members paying an annual subscription fee provide internal sustainability information to be benchmarked.



## LIMITATIONS

All data and statistics used in this report are based on homebuilders' publicly available information. Some homebuilders may be doing further work that is not publicly communicated and is not reported within the four spotlight sections on pages 7 to 14 of this report.

A full NextGeneration assessment for a member incorporates internal information, which is only reported in the Benchmark Results on page 15 and the Award Winners' section on pages 16 and 17.

Assessments were completed between April and July 2024. Information published after this date will not be included.

# FOREWORD

Over the course of 2024, pressure has started to ease for UK homebuilders, with both interest and inflation rates declining.<sup>1</sup> However, this report reflects on performance from 2023, a year where homebuilders faced a multitude of challenges, from labour and materials supply issues to high inflation and increasing mortgage rates.<sup>2</sup> It is therefore unsurprising that sustainability progress has slowed amongst homebuilders, despite mounting climate, nature, and social pressures experienced across the UK and globally.

Homebuilders' environmental performance has declined over the past year, according to the NextGeneration Benchmark, likely due to their shifting priorities in response to political and economic uncertainty. Nevertheless, there is hope for improvement, as the new Labour government has committed to build 1.5 million homes during their leadership,<sup>3</sup> of which 300,000 annually will be eco-friendly and have high sustainability standards.<sup>4</sup>

Whilst this benchmarking cycle has witnessed a decline in environmental performance, it is encouraging to note that homebuilders have made advancements in their socio-economic performance. This is expected to continue, bolstered by the Labour government's recognition of the necessity for green construction training programmes,<sup>4</sup> as well as their efforts to drive social housing and infrastructure projects through Section 106 measures.<sup>3</sup>

The 2024 NextGeneration Benchmark results highlight homebuilders' efforts to enhance the sustainability of their operations and homes. In 2024, 29 homebuilders were assessed against criteria across the 15 sections of the NextGeneration Benchmark, spanning the full spectrum of sustainability. The subsequent pages provide an overview of this performance, based on publicly available information, followed by a deep dive into three main sections: Reporting, Circular Economy, and Socio-Economic Performance.

# SPOTLIGHT 1

# SECTION COMPARISON

## HOW HAS THE INDUSTRY PERFORMED ACROSS THE 15 SECTIONS OF THE BENCHMARK?

The 2024 NextGeneration results reveal a deceleration in sustainability progress in the face of strong economic headwinds.

The data used for this analysis is from the NextGeneration Benchmark's Phase 1 results, detailed on page 15. The graphic to the right highlights that while one-third of the topics assessed witnessed improvement compared with 2023, two-thirds declined.\*

For the fourth consecutive year, Company Strategy and Governance is the highest scoring section of the Benchmark, with a score of 62.2%. Notably, there was a 6.9% increase in homebuilders with high-level sustainability committees in place, positively demonstrating the integration of sustainability into core business strategies. Meanwhile, performance across Water, Circular Economy and Ecology sections declined. This was likely driven by homebuilders adjusting their focus in times of uncertainty, with above-target inflation and base rates rising to a 15-year high, resulting in higher borrowing rates, tighter household budgets and a slowdown in price growth.<sup>5</sup>

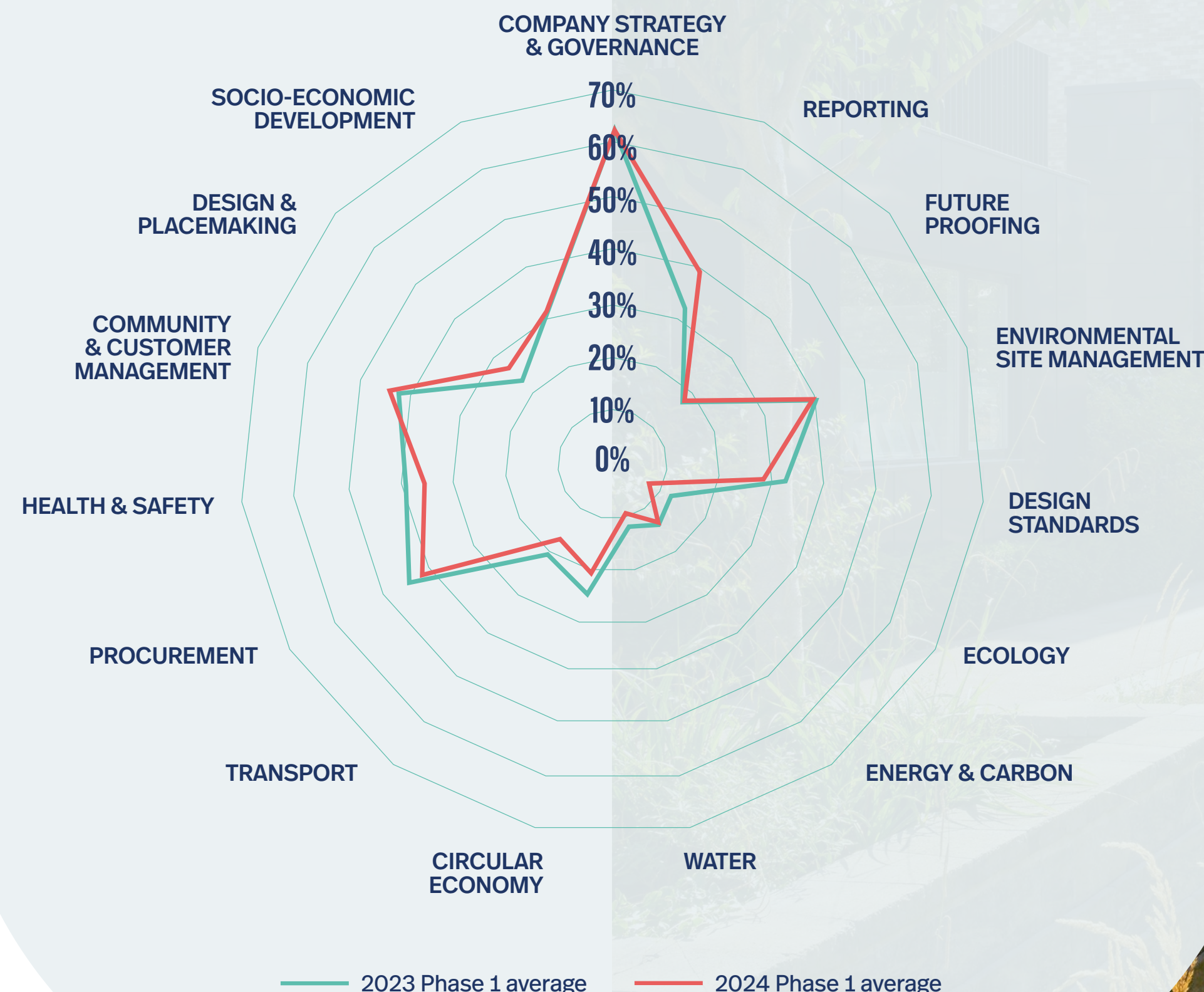
In contrast, Energy and Carbon performance has shown stability, likely resulting from regulatory mandates and market interest, with only a minor 0.3% score decrease compared to a more substantial 4% drop in Circular Economy. JLL's 2024 Buyers and Tenants Survey demonstrated that residents are prioritising energy efficiency because of spending greater amounts of time at home due to hybrid working. In fact, 70% state that over the past year their home's energy efficiency has become of increasing importance, with the same percentage willing to pay up to a 20% premium for a more environmentally friendly home.<sup>6</sup>

**COMPANY STRATEGY AND GOVERNANCE REMAINS THE TOP-SCORING SECTION WITH AN AVERAGE SCORE OF...**

**62.2%**

## PROPORTION OF MARKS ACHIEVED AGAINST EACH OF THE 15 SECTIONS OF THE BENCHMARK

**2024 Benchmark shake-up:**  
Performance in a third of sections thrives, whilst two-thirds dive...



\*Unless otherwise specified, all percentages listed relate to changes in average score compared to last year.

## SPOTLIGHT 1 CONTINUED

Meanwhile, Reporting improved by 7.5%, likely driven by greater standardisation of the UK reporting landscape, supported by the government’s mandate for Task Force on Climate-related Financial Disclosures (TCFD) aligned reporting for large private sector entities.

While performance has declined across several environmental-focused sections, homebuilders have demonstrated resilience in delivering improvements across Design and Placemaking and Community and Customer Engagement. This has been propelled by post-pandemic shifts in attitudes, particularly evident through the rise of the Build to Rent sector, which underscores the increasing demand for ‘lifestyle communities’ that foster social connections.<sup>7</sup> Homebuilders are valuing community involvement, as seen by the 1.8% increase in the Community and Customer Engagement section, where 69% of homebuilders have internal guidelines in place for involving local communities within the design of developments.

Furthermore, the industry remains resilient across other socially-focused sections, including Socio-Economic Development, which saw a steady 0.5% increase despite navigating a labour shortage, exacerbated by a green skills gap and a decline in foreign labour. This shortage is linked to broader social issues, including the need for the construction industry to become more inclusive to improve its diversity and workforce wellbeing, and to promote socio-economic development. Restrictive immigration policies have also reduced the availability of foreign labour, making it essential to address these challenges for a robust workforce. For example, the Construction Industry Training Board believe 224,900 extra workers are required to meet project demands, highlighting the critical need for an influx of graduates, trainees and apprentices into the industry to sustain future home delivery.<sup>8</sup>

REPORTING SAW THE LARGEST IMPROVEMENT IN 2024 OF...

7.5%



### FOUR OF THE TOP PERFORMING SECTIONS REMAIN LARGELY UNCHANGED FROM 2023, WITH REPORTING AS A NEW ADDITION TO THIS MIX:

- 1 COMPANY STRATEGY AND GOVERNANCE (1<sup>ST</sup> IN 2023)
- 2 COMMUNITY AND CUSTOMER ENGAGEMENT (3<sup>RD</sup> IN 2023)
- 3 PROCUREMENT (2<sup>ND</sup> IN 2023)
- 4 REPORTING (NOT RANKED IN 2023)
- 5 ENVIRONMENTAL SITE MANAGEMENT (5<sup>TH</sup> IN 2023)



### HOMEBUILDERS CONTINUE TO SCORE LOWER ACROSS THE SAME FIVE SECTIONS AS 2022 AND 2023:

- 1 ECOLOGY (1<sup>ST</sup> IN 2023)
- 2 WATER (2<sup>ND</sup> IN 2023)
- 3 ENERGY AND CARBON (3<sup>RD</sup> IN 2023)
- 4 TRANSPORT (5<sup>TH</sup> IN 2023)
- 5 FUTURE PROOFING (4<sup>TH</sup> IN 2023)

SPOTLIGHT 2

# REPORTING

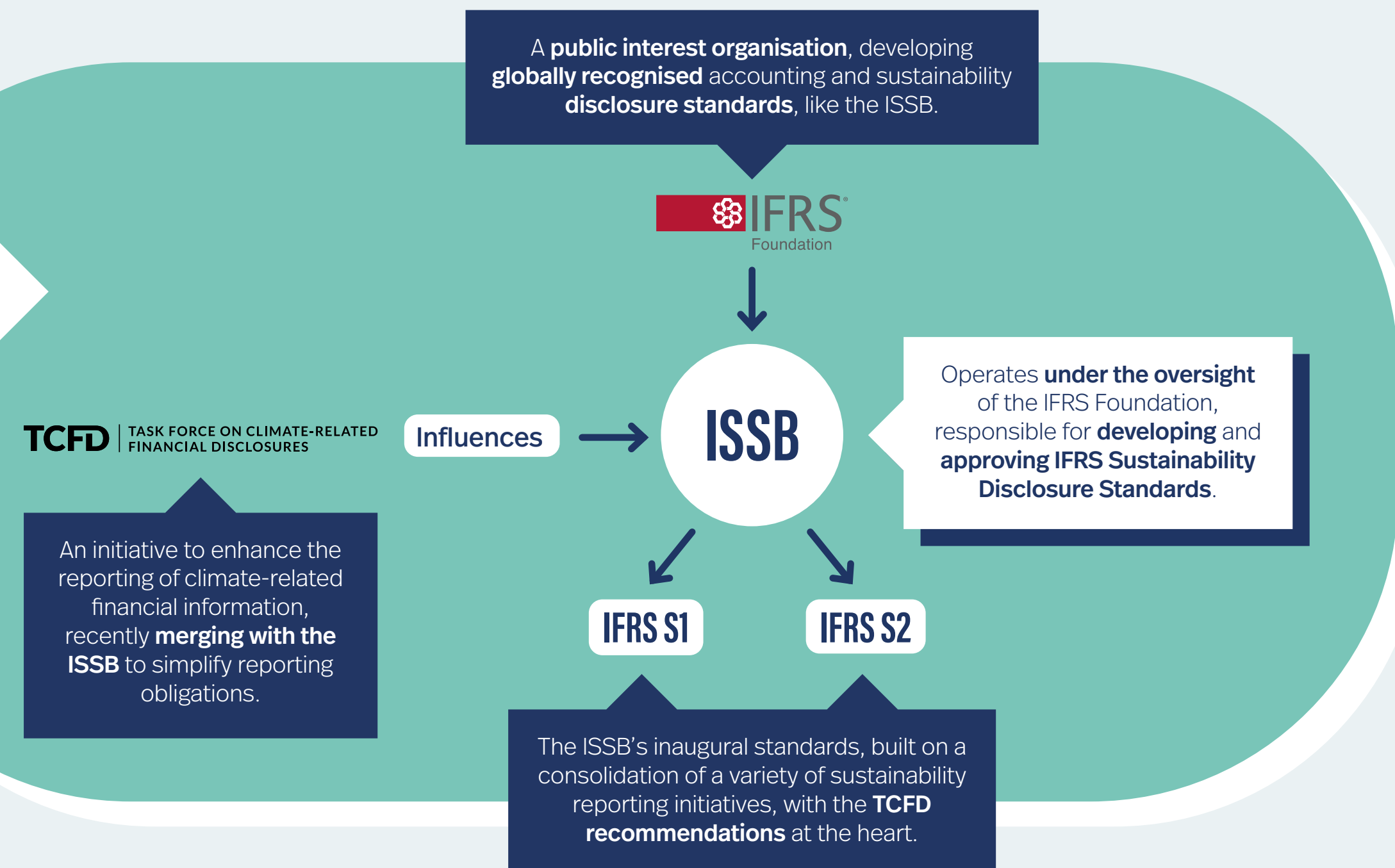
To meet the evolving landscape of regulations, global frameworks and investor expectations, homebuilders are tightening up their ESG reporting practices, as evidenced by a significant 7.5% increase in the average score for this section against 2023 scores.

## ADVANCING SUSTAINABILITY-RELATED FINANCIAL TRANSPARENCY IN REPORTING

In 2021, the UK Government mandated TCFD-aligned reporting for large private entities and all listed companies, significantly advancing climate-related financial transparency.<sup>9</sup> In response, the UK's sustainability reporting landscape has matured, prompting the homebuilding sector, amongst others, to evaluate the scope and quality of its climate-related reporting. Impressively, 45% of benchmarked homebuilders now submit a TCFD report, a considerable 27% increase since 2022. By adopting TCFD reporting, organisations are better prepared to manage climate risks, enhance resilience and align their operations to the transition to a low-carbon economy.

### NAVIGATING NEW REPORTING STANDARDS...

In 2023, the International Sustainability Standards Board (ISSB) announced that it would assume the responsibilities of the TCFD. Whilst adoption of the ISSB standards is currently voluntary, the UK Government has confirmed its intention to establish ISSB disclosure requirements in 2025.<sup>10</sup>



If the Government decides to adopt and endorse the International Financial Reporting Standards (IFRS) S1 and S2, UK homebuilders will face additional reporting requirements. It is, therefore, important to understand the key distinctions between the TCFD and the ISSB standards, which are summarised below:

- 1. Structure:** IFRS S1 and S2 are standards with specific compliance requirements, whereas the TCFD is a framework that provides guidance on organising and preparing information.
- 2. Scope:** TCFD focuses solely on climate-related issues, whilst IFRS S1 encompasses a broader range of sustainability-related topics.
- 3. Emissions reporting:** IFRS S2 mandates reporting of scope 3 emissions.
- 4. Industry specific disclosures:** ISSB requires disclosures relevant to specific sectors for effective benchmarking.
- 5. Financial materiality:** ISSB focuses on disclosing sustainability-related risks and opportunities from a financial perspective.

In contrast, the European Union (EU) Corporate Sustainability Reporting Directive (CSRD) mandates a wide range of sustainability topics for EU companies and those with EU subsidiaries. The CSRD introduces:

- **Double materiality:** Where companies must assess both the impact of their activities on people and the environment (impact materiality) and how sustainability issues might affect their financial performance (financial materiality).
- **External assurance:** Required for all material sustainability data.

With the ISSB and CSRD significantly expanding sustainability reporting obligations globally, these developments offer a glimpse into the potential future requirements for companies in the UK.

## SPOTLIGHT 2 CONTINUED

### BOOSTING DATA CREDIBILITY THROUGH EXTERNAL ASSURANCE

ESG data has a history of lacking the accuracy, reliability, and consistency that financial data holds, making it hard for stakeholders to effectively utilise the reported information.<sup>11</sup> To address this, many organisations are seeking external assurance for their ESG data, ensuring it undergoes the same rigour and scrutiny as their financial data. This trend is evident amongst the benchmarked homebuilders, with 38% now publicly reporting full external assurance of their greenhouse gas (GHG) data, a 17% increase since 2022, along with an additional 10% obtaining external verification. This enhanced scrutiny improves homebuilders' ability to communicate ESG progress and make informed decisions on mitigation efforts.

However, despite a 10% increase since 2022, only 14% of benchmarked homebuilders seek external assurance for their waste data, despite the construction industry generating 62% of the UK's total waste and 32% of landfill waste.<sup>12</sup>

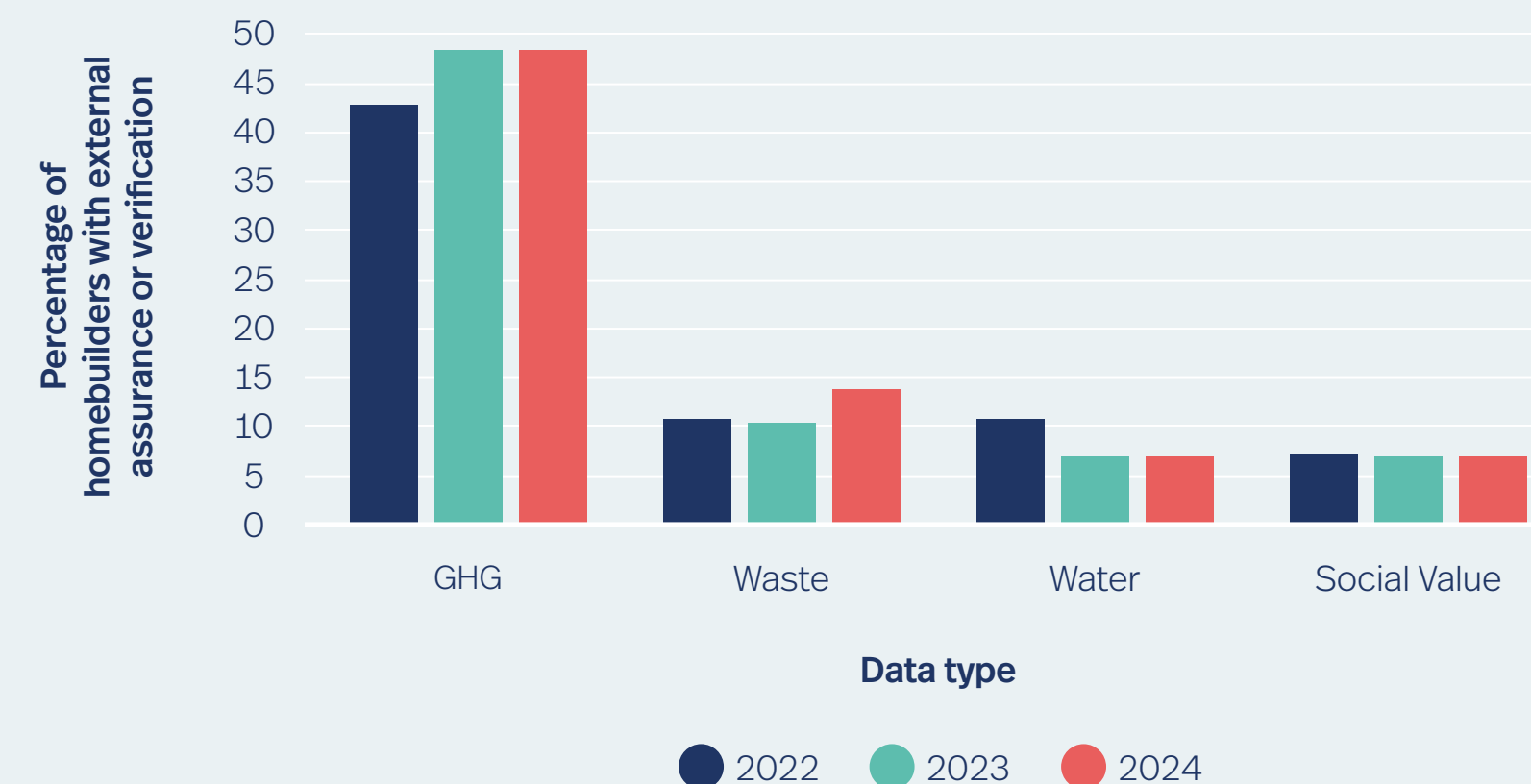
Similarly, only 7% of benchmarked homebuilders obtained external assurance for their water data, and only one homebuilder received external assurance for their social value data, making them the first benchmarked homebuilder to do so.

While external assurance of GHG data is not currently mandatory in the UK, the United States' (US) Security and Exchange Commission's recent mandate that public companies obtain external assurance for their scope 1 and 2 emissions suggests similar changes may be on the horizon for the UK. Additionally, the CSRD will introduce more comprehensive requirements for EU companies to receive assurance of their sustainability data, requiring companies to:

1. Obtain assurance of all sustainability data deemed material to the business, determined through a double materiality assessment.
2. Achieve a higher level of assurance known as 'reasonable assurance' by October 2028, which is more comprehensive in nature.

These advancements in the US and EU provide insights into what the future may hold for UK homebuilders, who may eventually be required to assure their waste, water and social value data as rigorously as their GHG emissions data.

### EXTERNAL ASSURANCE OR VERIFICATION OF SUSTAINABILITY DATA



### BEST PRACTICE TAKEAWAYS FOR REPORTING

**Initial action:** Identify and disclose at least four environmental and social sustainability risks as part of a whole company or sustainability risk register.

**Intermediate action:** Undertake climate change due diligence on all sites prior to acquisition, and disclose the risks assessed and the thresholds for acquisition.

**Stretch action:** Externally assure all sustainability performance data for material sustainability topics.

### WHAT IS THE DIFFERENCE BETWEEN EXTERNAL ASSURANCE AND EXTERNAL VERIFICATION?

**External assurance:** This is conducted by an external, accredited auditor and involves evaluating and verifying information, systems, processes or controls. This process is performed in line with an assurance standard and in accordance with pre-defined criteria, to provide confidence that reported information is accurate and reliable, and that the methods used to prepare this information are operating effectively.

**External verification:** This involves an external party confirming the accuracy and correctness of a claim, statement or specific aspect of reported information. Although it verifies the validity of the information, it may not encompass the comprehensive evaluation of systems and processes, characteristic of external assurance.



Photo courtesy of London Square

SPOTLIGHT 3

# WASTE & CIRCULAR ECONOMY

Efforts to address emissions from the UK’s built environment have predominantly focused on operational energy performance, whilst construction waste has received comparatively less attention despite the industry’s extensive resource consumption and waste generation.<sup>13</sup> This section examines how homebuilders are setting targets, tracking progress and implementing initiatives to shift from a linear to a circular economy.

The average score for the Circular Economy section fell by 3.6% from 2023, driven by fewer homebuilders with waste targets in place, alongside declines in waste diversion and waste reduction performance.

## HOMEBUILDERS NEED TO PRIORITISE WASTE REDUCTION...

In the UK, organisations that produce waste are subject to landfill tax, which stands at £103.70 per tonne for active (biodegradable) waste and £3.30 per tonne for inactive (inert construction and demolition) waste.<sup>14</sup>

Encouragingly, UK homebuilders continue to achieve a high waste diversion rate of 97%, compared to France, which recovered only 67% of non-hazardous construction waste from landfill in 2020.<sup>15</sup> Whilst it is positive that 69% of homebuilders report waste diversion, only 20% of these include construction, demolition and excavation waste in their figures, demonstrating substantial opportunities to improve waste reporting. Diverting waste from landfill generates direct cost savings for homebuilders as well as environmental benefits. Whilst diverting waste is commendable, homebuilders should prioritise waste prevention, in alignment with the waste hierarchy.<sup>16</sup> Despite this, waste generation has remained high amongst benchmarked homebuilders in 2024, at 11 tonnes of waste per 100m<sup>2</sup> of completed floor area, which is substantial given that the Home Quality Mark standards for site waste are between 1.9 and 8.5 tonnes of waste per 100m<sup>2</sup> of internal floor area, excluding demolition and excavation waste.<sup>17</sup>

## HOMEBUILDERS REPORTING THEIR WASTE GENERATION

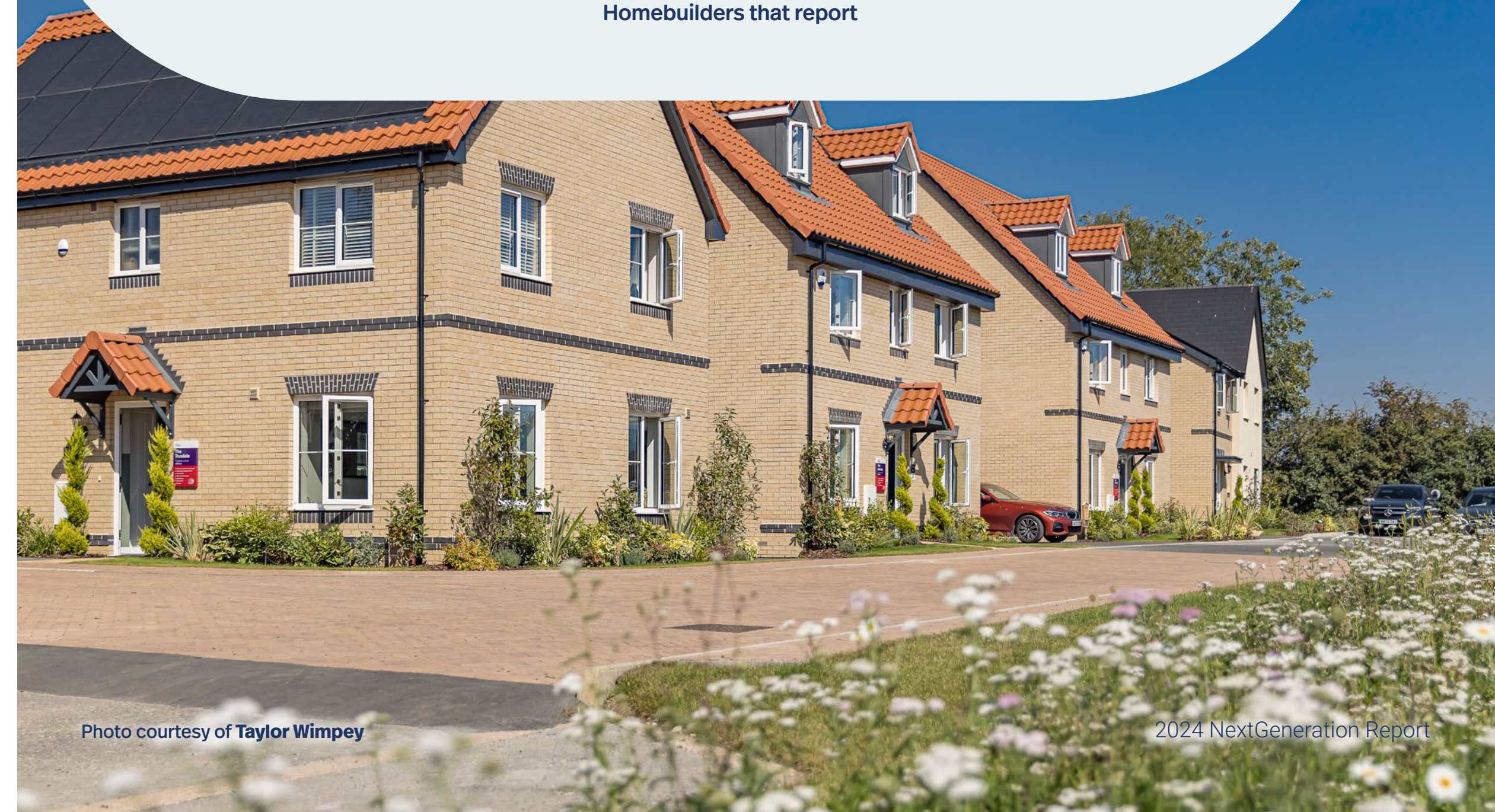
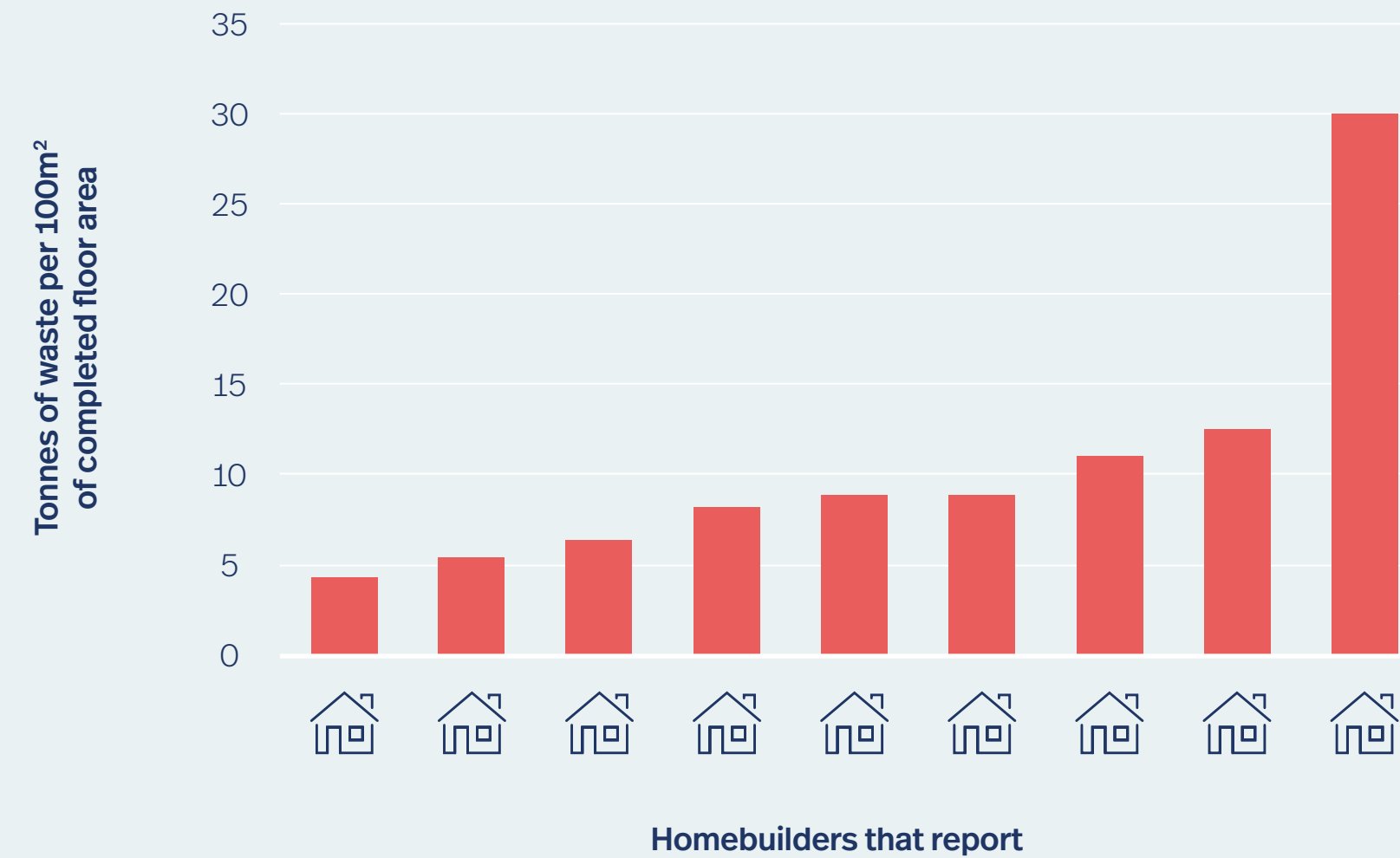


Photo courtesy of Taylor Wimpey

## SPOTLIGHT 3 CONTINUED

### WHOLE-LIFE ASSESSMENTS ARE KEY TO REDUCING LIFE CYCLE WASTE AND CARBON EMISSIONS...

**Number of homebuilders conducting a WLCA of the impact of constructing a dwelling, which includes the below components:**

a. Scope of “cradle-to-practical completion” [A1-A5]



b. Scope of “cradle-to-grave” [A1-A4]



c. Inclusion of benefits and loads beyond the system boundary [D]



d. Reference study period of 60+ years



e. Building elements (demolition and facilitating works where appropriate, substructure, superstructure and finishes)



f. Assessment timing at design stage



= One homebuilder

Homebuilders can reduce waste and carbon emissions through Whole-Life Circular Economy Assessments (WLCEA) and Whole-Life Carbon Assessments (WLCA).<sup>19</sup> It is, therefore, encouraging that the score for Whole-Life Assessments increased by 1.2% from 2023. In 2024, one of the NextGeneration members conducted a WLCEA, scoring full marks for components A-F. Meanwhile, eight homebuilders conducted a WLCA, 100% of which incorporated cradle-to-practical completion analysis (covering raw material supply to assembly), with 75% including cradle-to-grave analysis (covering raw material supply to disposal).

Adopting a cradle-to-grave perspective is crucial, as it reveals carbon hotspots throughout the asset’s life cycle stages and provides a more comprehensive view than cradle-to-practical completion.<sup>20</sup> Understanding these carbon hotspots will enable homebuilders to implement effective mitigation measures.

With projections suggesting that global waste generation will triple by 2100, and material extraction expected to follow suit in the next 30 years<sup>21</sup>, homebuilders must transition to a circular economy. Alongside the numerous environmental benefits, tackling waste also offers significant cost savings through procuring the correct amount of materials and reducing landfill tax.

### WHOLE-LIFE ASSESSMENT TERMINOLOGY

**WLCEAs:** Highlight how to reduce waste across an asset’s life cycle through reducing material demands and disassembling building components for re-use.

**WLCAs:** Provide visibility to the embodied carbon, operational carbon and user carbon generated across an asset’s life cycle.<sup>19</sup>

**System boundary:** Covers what is included in the assessment. Common boundary conditions are cradle-to-gate, cradle-to-practical completion, cradle-to-grave and cradle-to-cradle.<sup>18</sup>



### BEST PRACTICE CIRCULAR ECONOMY CASE STUDY

Sekisui House, one of Japan’s largest homebuilders, attach integrated circuit tags on construction site waste, to facilitate precise tracking.<sup>22</sup> Once tagged, waste materials are sorted into 80 categories and dismantled by personnel and machinery at the company’s purpose-built Resource Management Centre.<sup>22</sup> This process recycles 95% of the waste into new construction resources, with the remaining 5% converted into thermal energy, achieving a 100% recycling rate.<sup>22</sup>



### BEST PRACTICE TAKEAWAYS FOR WASTE AND CIRCULAR ECONOMY

**Initial action:** Report the percentage of total construction, demolition and excavation waste diverted from landfill.

**Intermediate action:** Undertake a WLCA.\*

**Stretch action:** Undertake a WLCEA.\*

\*For further details, please see the NextGeneration Benchmark criteria.

## SPOTLIGHT 4

## SOCIO-ECONOMIC DEVELOPMENT

The average score for Socio-Economic Development improved from eighth place in 2023 to seventh, with a steady increase of 0.5%. While this change is minor, it highlights the potential that exists for homebuilders to expand their impact through concentrated efforts in the realm of socio-economic development.

Homebuilders can drive socio-economic benefits by committing to provide positive social impact by creating jobs and local economic opportunities, while prioritising inclusivity and diversity.

Despite research revealing that companies embracing diversity are 25% more profitable due to enhanced creativity and decision-making,<sup>24</sup> the construction sector's commitment to Diversity, Equity and Inclusion (DEI) remains insufficient, perpetuating a male-dominated industry and exacerbating the skills shortage.<sup>25</sup> Progress in diversity and inclusion initiatives for benchmarked homebuilders only increased by 0.6% in 2024, highlighting slow progress in this key area.

### QUANTIFYING THE IMPACT OF LOCAL ECONOMIC DEVELOPMENT

Homebuilders have a proven capability to deliver significant socio-economic benefits to local communities. This is exemplified by the creation of 310 jobs in construction and the supply chain, three construction apprenticeships, graduate placements, or traineeships as well as £1.2 million in annual spending by residents in the retail and leisure sector for every 100 homes built.<sup>23</sup> Conducting economic analysis is crucial for homebuilders to understand the impacts of their development activities, identify opportunities for improvement, and maximise the social benefits they provide. However, in 2024, only two benchmarked homebuilders publicly reported conducting research to measure the socio-economic impact of at least three of their developments.



### BEST PRACTICE TAKEAWAYS FOR SOCIO-ECONOMIC DEVELOPMENT

**Initial action:** Report the percentage of the direct workforce that are trainees (graduates, apprentices, sheltered employment for those returning to work and employment; offering upskilling opportunities).

**Intermediate action:** Develop a diversity and inclusion strategy with clear objectives and targets for direct employees, sub-contractors and suppliers.

**Stretch action:** Set a social impact target that:

- States the scope of the target
- States the target year
- Has a defined process to measure positive and negative impacts
- Defines value beyond financial value
- Has a process to map stakeholders and receive feedback from those stakeholders
- Provides a detailed roadmap to achieve the target

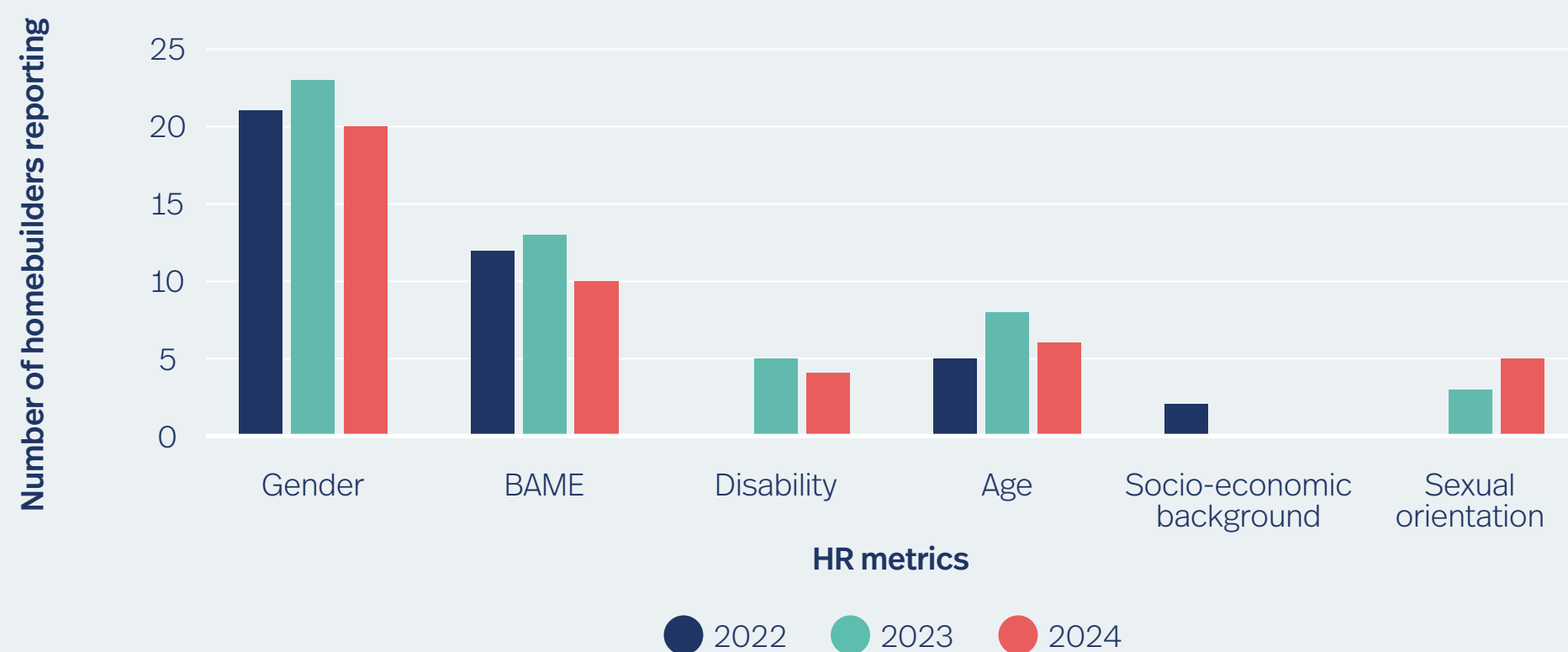


Photo courtesy of London Square

## SPOTLIGHT 4 CONTINUED

### THE IMPORTANCE OF REPORTING HR METRICS

#### HOMEBUILDERS REPORTING DEI METRICS



The construction industry still has significant room for improvement regarding DEI, with only 15% of the workforce comprising of women, 6% from ethnic minority backgrounds, and 6% with disabilities.<sup>25</sup> Publicly reporting Human Resources (HR) metrics provides an important means to evaluate the success of DEI strategies and inspire further action.

Gender remains the most widely reported DEI metric over the past three years, with 69% of homebuilders reporting in 2024. However, only 35% of homebuilders reported on Black, Asian, and Minority Ethnic (BAME) representation, 14% on disability representation, and none on socio-economic backgrounds. While reporting on gender is essential, homebuilders should also disclose a broader range of HR metrics to drive DEI performance forward.

### PERSISTENT CHALLENGES IN DEI IMPLEMENTATION

Although many organisations have long been engaged in improving DEI in their workforces, this has increased in prominence over the past four years following the global anti-racism protests of 2020.<sup>26</sup> This is reflected in the results of the Benchmark, through a 19% increase in homebuilders developing DEI strategies over the past three years.

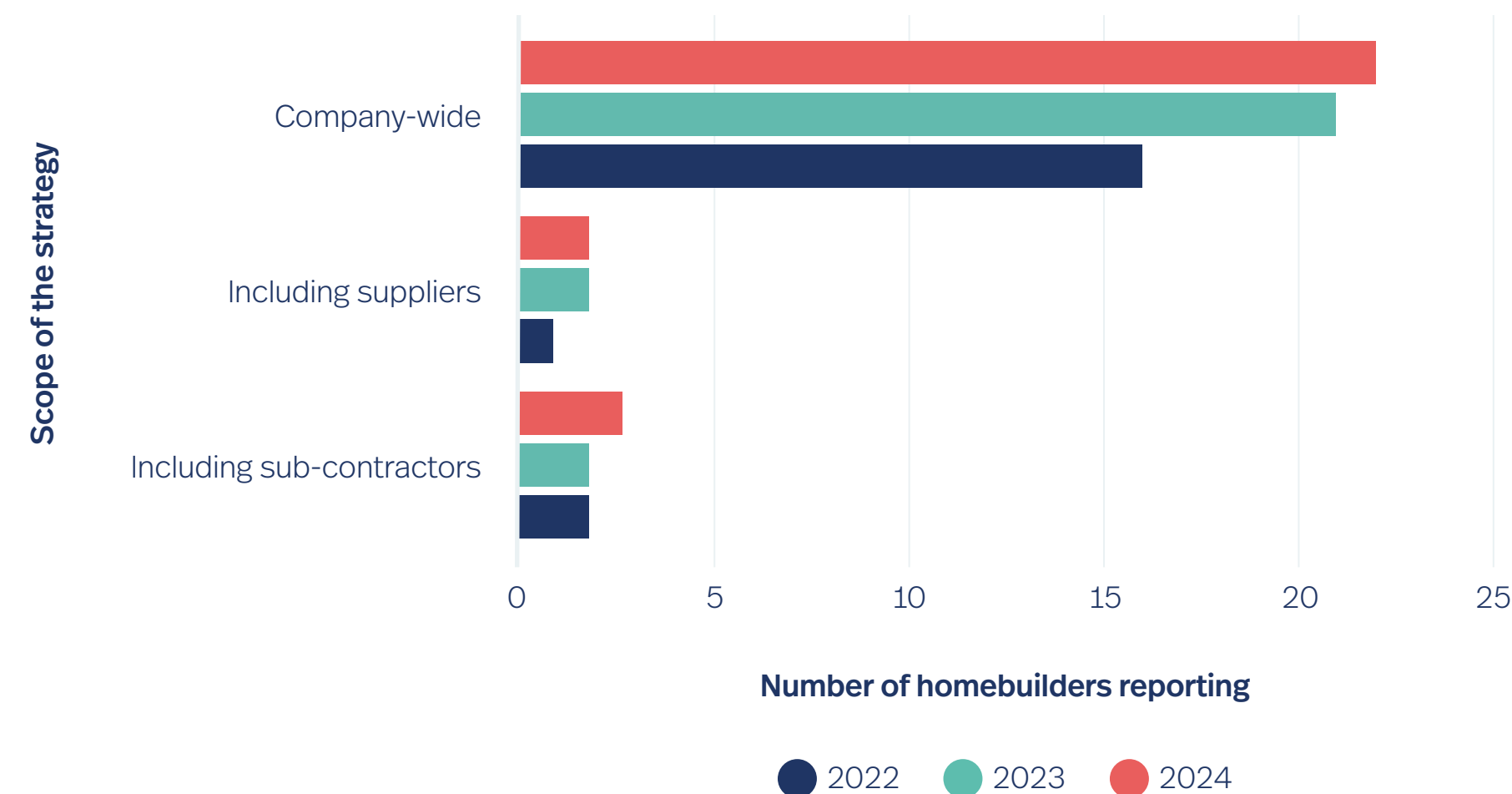
Despite these efforts, the construction sector continues to display low levels of diverse representation. This lack of diversity poses challenges to addressing the sector’s skills shortage, as diverse workplaces are known to attract and retain talent.

Homebuilders are making some progress by extending their DEI strategies to include sub-contractors and suppliers. In 2024, three homebuilders developed DEI

strategies for sub-contractors and two homebuilders developed DEI strategies for suppliers, showing a steady increase over the past three years. This requires alignment with company values, aiming to accelerate change across the industry, the results of which should become more evident over the coming years.

To realise the full socio-economic potential that homebuilders can deliver through their development and operational activities, they must commit to social impact targets, comprehensive DEI strategies and initiatives, and the measurement of their socio-economic benefits. Such efforts will maximise homebuilders’ positive impacts by promoting local economic growth, cultivating inclusive work environments, and improving the sector’s economic resilience.

#### HOMEBUILDERS WITH DEI STRATEGIES IN PLACE



# 2024 BENCHMARK RESULTS

## OVERALL ANALYSIS

Barratt Developments PLC has secured the top position in the NextGeneration Benchmark, ranking as the highest-rated national homebuilder. After four consecutive years in 2<sup>nd</sup> place, this achievement underscores its steadfast dedication to enhancing the sustainability of its homes and operations. Latimer has displayed substantial improvement, rising from 3<sup>rd</sup> to 2<sup>nd</sup> place, while Hill Group rose to 3<sup>rd</sup> place, gaining five points and surpassing the Gold Award threshold. Rounding out the top five are London Square and Taylor Wimpey. There has also been a notable score improvement from Strata, the 2<sup>nd</sup> smallest homebuilder in the Benchmark, who has risen from 16<sup>th</sup> place to 10<sup>th</sup> place, with an increase of 18 points from the previous year.

The Benchmark was excited to welcome Bellway Homes as a new member this year, reflecting the sector's expanding commitment to sustainability.

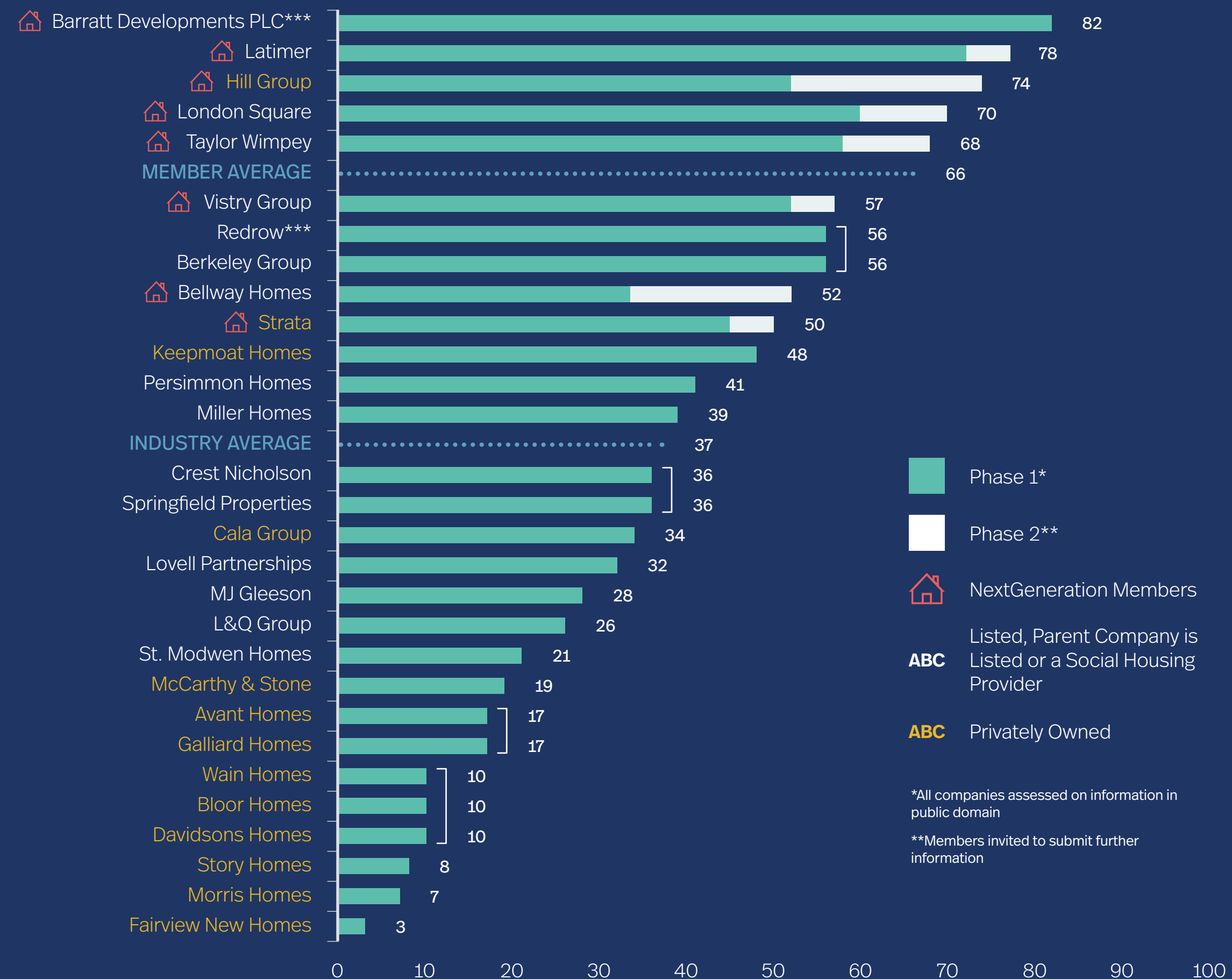
## COMPANY RANKINGS

NextGeneration's 2024 rankings reveal a significant trend towards enhanced transparency, evidenced by rising Phase 1 scores among 58% of homebuilders. This shift underscores the industry's growing commitment to embracing and openly communicating sustainability initiatives. By increasing transparency in their sustainability approaches, homebuilders can effectively capitalise on their ESG investments and address the evolving concerns of increasingly discerning stakeholders.

NextGeneration members continue to lead, with their average score climbing from 61 to 66. However, the severe economic challenges of 2023 have clearly impacted the sector, as reflected in the decline of the industry average score from 39 to 37. The widening gap between member and industry averages highlights the tangible benefits of expert guidance, peer learning, and the more comprehensive disclosure of sustainability information by Benchmark members.

We would encourage any developer, listed or non-listed, to engage with initiatives like NextGeneration to learn from industry leaders, improve their transparency, demonstrate their credentials, and enjoy the benefits of membership. It should be noted that publicly available information collected in Phase 1 is given a higher weighting of 60%, while the internal evidence reviewed in Phase 2 accounts for 40% of a homebuilder's final score. This is to recognise the added value of sharing sustainability knowledge within the industry and being transparent, and to encourage homebuilders to further share their sustainability information in the public domain.

## 2024 RESULTS



\*\*\*Barratt Developments PLC and Redrow feature on the Benchmark as separate entities as the assessment was completed in advance of the merger. They will be assessed as one entity (Barratt Redrow PLC) in 2025.

# AWARD WINNERS

Top performing companies in the Benchmark are awarded Gold, Silver and Bronze Certificates. Beyond helping companies communicate their efforts and accomplishments to customers, these awards enable stakeholders to identify homebuilders that are committed to sustainability.

“2024 felt like the era of the sustainability accountant had arrived! There was a plethora of new national and international climate, nature, social and sustainability standards defining how, what and where to report, and a greater emphasis on standardised metrics and data quality and assurance. Pressure is mounting on sustainability teams who are often not well resourced for this challenge and must balance time spent on reporting versus operational delivery.”

**Taylor Wimpey**  
Ian Heasman, Director of Sustainability

“We are proud to have maintained our Gold Award with the NextGeneration Benchmark. At Latimer, we use the Benchmark to measure our progress against key industry sustainability metrics and are delighted to see a year-on-year improvement in our score for the third year in a row. It has been a tough year for house building and housing associations, which could have easily pushed sustainability down the pecking order of priorities. However, it is good to see sustainability remain a strong focus with the NextGeneration Benchmark members and beyond.”

**Latimer by Clarion Housing Group**  
James Parker, Senior Sustainability Manager

“London Square takes a proactive and progressive stance on sustainability, reflected in our outstanding achievements across a diverse portfolio of brownfield sites, working in partnership with like-minded stakeholders such as PIC. As a medium-sized business, we are incredibly proud of our team and the results they deliver and achieving NextGeneration Gold this year is fantastic recognition of this. Now London Square is part of the Aldar group of companies, we share a vision and absolute commitment to creating world-class sustainable developments. This is at the heart of our new chapter of growth.”

**London Square**  
Adam Lawrence, Chief Executive Officer

“We are delighted to be recognised by NextGeneration in its latest assessment as the highest-ranked private housebuilder in the UK – and to have won our first Gold Award. We have been working hard to progress our 2030 ESG strategy and this achievement is a testament to Team Hill, our partners and supply chain. Their dedication, hard work and commitment are the true drivers of our success; together we are dedicated to continuing our responsible growth story.”

**Hill Group**  
Andy Hill, Founder and Group Chief Executive

“We are delighted that our approach to transparent disclosure continues to be recognised by the NextGeneration Benchmark. Looking ahead, core to the new combined Barratt Redrow Group is our commitment to delivering excellence and driving innovation through quality, service and sustainability.”

**Barratt Redrow PLC**  
Sarah Pratt, Acting Group Sustainability Director

## 2024 AWARDS

2024 WINNER



**BARRATT DEVELOPMENTS PLC**

**LATIMER**  
by Clarion Housing Group

**Hill**  
The Hill Group


**LONDON SQUARE**  
An Aldar Company

2024 WINNER



**Taylor Wimpey**

2024 WINNER



**REDROW**

**Vistry Group**

**Berkeley Group**

**Bellway**

**strata**



Photo courtesy of Hill Group

# AWARD WINNERS

## INNOVATION AWARD



The Innovation Centre, based within the four model houses, serves as a training hub, not only for Bellway Homes employees and contractors, but also for SME homebuilders who lack access to comparable resources. Bellway Homes plans to train at least 30 SME homebuilders and heating contractors by July 2025. Additionally, Bellway Homes is actively developing a network to facilitate the sharing of knowledge and insights derived from the Innovation Centre.

This year, the Innovation Award was given to Bellway Homes for its Future Homes Innovation Centre in Bolton. Bellway Homes has designed four houses to align with the proposed Future Homes Standard (FHS), which are equipped with Air Source Heat Pumps (ASHPs), triple glazing, PV panels and other energy-efficient features. The design and implementation of these features, especially the ASHPs, have been informed by its extensive collaboration on the Future Homes project, developed within The University of Salford’s highly advanced Energy House 2.0 climate chamber. This innovative project closely mirrors the specifications of the FHS, ensuring the homes at its Future Homes Innovation Centre meet future industry sustainability standards.

Furthermore, Keepmoat Homes was awarded the 2024 Innovation Commendation for its partnership apprenticeship scheme with the NHBC at the Scotswood Bricklaying Hub, along with its subsequent Social Return on Investment (SROI) analysis. This commendable initiative, carried out in collaboration with the NHBC, paved the way for up to 80 apprenticeships per year, fostering the growth of construction skills, and enhancing local employment opportunities and community engagement. The SROI analysis revealed that the Scotswood Bricklaying Hub generated £1.496 million in social value, “transformed youth trajectories”, and addresses the skills-gap within the construction industry.

## CRYSTAL AWARD



NextGeneration is delighted to announce that Barratt Developments PLC is the winner of the 2024 Crystal Award for the fourth year running. As highlighted in Spotlight 1 on pages 7 and 8 of this report, transparent communication of sustainability information is continuing to be a priority focus within the sector, not just as a response to mandated reporting requirements, but also as an opportunity for homebuilders to demonstrate progress against their sustainability targets.

Introduced in 2019, the Crystal Award recognises the highest performing homebuilder during Phase 1 of the benchmarking process, in which homebuilders’ publicly available information is assessed. The winner of the prestigious Crystal Award places clearly stated sustainability targets, performance data and case studies within the public realm, giving stakeholders a detailed understanding of its strategic approach and the positive change it is delivering on the ground.



# THE VALUE OF NEXTGENERATION

The NextGeneration Benchmark provides value to a range of different stakeholders, as outlined here:



## HOMEBUILDERS

**NextGeneration Benchmark promotes transparency within the industry and enables homebuilders to:**

- Compare performance against peers
- Demonstrate sustainability credentials to local authorities, investors, staff and customers
- Capture cost-saving opportunities and create value through sustainability
- Access insight into best practices across the homebuilding sector

**Member companies benefit from:**

- Detailed insights into market trends
- A clear understanding of industry best practices and sustainability performance compared to the market
- Enhanced assessments and bespoke reports to help improve their sustainability performance
- Networking and knowledge-sharing events, to aid collaboration and create solutions
- Demonstrating their commitment to sustainability to stakeholders, including financial institutions



## LOCAL AUTHORITIES AND COMMUNITIES

**NextGeneration Benchmark rewards homebuilders who:**

- Build a range of housing types and mixed-tenure communities to serve local people
- Create jobs, improve skills and provide training
- Engage with communities through proactive engagement and consultation



## INVESTORS

**NextGeneration Benchmark helps investors to:**

- Identify companies who are managing short and long-term risks
- Create opportunities to generate long-term value
- Discern innovative sector leaders with good management and potential for future growth
- Have an independent assessment of sustainability performance for the issuing of sustainability-linked loans



## CUSTOMERS AND RPS

**NextGeneration Benchmark encourages homebuilders to:**

- Deliver energy-efficient homes that reduce utility bills
- Improve quality of life through quality housing
- Provide exemplary levels of customer service



Photo courtesy of Barratt Redrow PLC

# THE VALUE OF NEXTGENERATION

In 2022, NextGeneration launched two new services, NextGeneration Core and NextGeneration Project, to support SME and mid-corporate homebuilders, as well as larger organisations at the early stages of their sustainability journey. Both Core and Project are built upon the NextGeneration Benchmark, but contain fewer criteria making them more accessible to homebuilders across the market. Core and Project can support a range of homebuilders to clearly communicate sustainability performance to their stakeholders, support best practice and demonstrate to investors the progress being made on sustainability issues.



## NEXTGENERATION CORE:

Is an intermediate corporate sustainability assessment, containing a set of 14 core criteria that cover a range of sustainability issues including: Sustainability Governance and Reporting, Ecology, Energy and Carbon, Water, Waste, Transport, Health and Safety, Design and Placemaking and Socio-Economic Impact.

NextGeneration Core supports a homebuilder to initially assess their sustainability performance against a robust set of criteria and prepare them for entry into the full NextGeneration Benchmark as they improve their sustainability performance, as well as increase in size.

## SERVICE BENEFITS

- Understanding their performance compared to the market
- Suggestions of industry best practice
- Demonstrating their sustainability commitment to stakeholders, including financial institutions
- Meeting with the NextGeneration Team to identify optimal next steps to improve
- Paving the way to become full members of the Benchmark as they progress



## NEXTGENERATION PROJECT:

Involves a project level sustainability assessment, which draws down 12 criteria from the NextGeneration Benchmark, adapted for an individual project. These cover a range of environmental and social issues from the water efficiency of homes, to building wellbeing and worker pay.

NextGeneration Project supports a homebuilder to initially assess the sustainability of an individual development and if used consistently, track improvements in the sustainability performance of a portfolio.

The criteria largely align with that of NextGeneration Core and, therefore, as a homebuilder starts to collect their sustainability data for projects using NextGeneration Project, they can then transition to reporting on their corporate sustainability performance and across all developments.

## SERVICE BENEFITS

- Understanding of a developments' sustainability performance compared to the market
- Indicating the sustainability credentials of a development to customers
- Demonstrating their sustainability commitment to stakeholders, including financial institutions
- Initiating data collection processes that can be duplicated across future developments, facilitating the collection of data that is required for NextGeneration Core

# CASE STUDY

Peter Craven of Anwyl Homes shares his thoughts on NextGeneration Core, the corporate sustainability assessment for small to mid-sized homebuilders.



## WHY NEXTGENERATION CORE?

Lloyds Banking Group made us aware of the NextGeneration Initiative and, after speaking with JLL (the secretariat) who introduced us to the full service offering of Benchmark, Core and Project, we selected Core as the features and benefits aligned best with Anwyl Homes' sustainability agenda. The assessment focused on key sustainability issues and would allow us to benchmark ourselves against the market for these issues.

## WHAT BENEFIT HAVE YOU EXPERIENCED FROM SUBMITTING AN ASSESSMENT TO NEXTGENERATION CORE?

Completing the confidential NextGeneration Core assessment has brought focus to our sustainability ambitions for the coming years. It clearly identified where we are performing well and the areas where we should focus our attention moving forward. Overall, the NextGeneration Core assessment has been the catalyst for us as a business to be more curious about sustainability, and how we can take the next steps on this journey.

## WHAT SHOULD OTHER HOMEBUILDERS KNOW ABOUT THE NEXTGENERATION CORE ASSESSMENT?

Do not be daunted by the initial request for information. Working together as a team allowed us to deliver all the relevant information and JLL was always on hand to help us if needed.

It is worth the effort to gather the evidence, as we now have a clear benchmark of where we are, and we were pleasantly surprised with how well we performed. Next year, it should be easy to complete an update to the assessment as we are now familiar with the criteria and requirements of the process.

## HOW HAS NEXTGENERATION CORE HELPED ANWYL HOMES TO PROGRESS ON YOUR SUSTAINABILITY JOURNEY?

We have identified what we are doing well in terms of sustainability and now have a clear focus for the future!

## WANT TO PARTICIPATE?

To find out more about the Core and Project assessment process, visit our website: [nextgeneration-initiative.co.uk](https://nextgeneration-initiative.co.uk)

For any other questions, please reach out at: [Sarah.Williams2@jll.com](mailto:Sarah.Williams2@jll.com)

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“Homebuilders face complex challenges amid difficult economic and political conditions. The government’s target of 1.5 million homes in its first term will require an unprecedented alignment of stakeholders to bring land, new funding mechanisms and resilient infrastructure to deliver communities which embrace all social and demographic needs. NextGeneration continues to support UK homebuilders by providing essential tools and guidance to navigate these intricate issues and implement profound change.”

**Simon Hodson**

Residential & Living – Sustainability Lead Director  
UK Capital Markets  
JLL

“Access to quality housing is a fundamental human need with affordable and stable homes giving people a foundation on which they can thrive. We are committed to expanding the availability and affordability of safe, quality and sustainable housing in places people want to live. Working alongside housebuilders and developers across the country to make this a reality, NextGeneration serves as a vital platform to guide and support the industry. It is essential that the homes we build today do not create issues for future generations and, by enabling homebuilders to integrate sustainability standards into their developments, we’re making progress to a more sustainable and inclusive future.”

**David Willock**

Managing Director, Corporates, Sustainability Advisory  
Lloyds Bank

“The NextGeneration Benchmark continually encourages the homebuilding sector to adopt and exceed best practice and implement innovative solutions for a more sustainable industry. By setting ambitious yet attainable criteria, NextGeneration pushes companies to improve their environmental and social performance year on year. The wide range of initiatives evaluated under the Benchmark showcase the progress being made in sustainable homebuilding, reflecting the sector’s sustained dedication to environmental responsibility and community wellbeing.”

**Robert Stone**

Technical Director  
Homes England

“The escalating climate crisis necessitates immediate and decisive action across all sectors, and particularly the built environment. Addressing the climate emergency requires innovative, proactive approaches that go beyond carbon reduction to encompass resilient and regenerative practices in construction and community development. In this context, the NextGeneration Benchmark serves as an invaluable tool, offering a comprehensive assessment of the industry’s current status and highlighting the advancements needed to ensure a sustainable future.”

**Simon McWhirter**

Deputy Chief Executive  
UK Green Building Council



[nextgeneration-initiative.co.uk](https://nextgeneration-initiative.co.uk)

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