

20 YEARS OF BENCHMARKING



2025 NextGeneration Benchmark Sustainability Report



2007

2015

2021

2022

2023

2026



First NextGeneration Benchmark report published



200+ homebuilder assessments completed



NextGeneration criteria publicly launched



NextGeneration Core and Project launched



400+ homebuilder assessments completed



20 years of NextGeneration Benchmarking

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Photo courtesy of Barratt Redrow plc

FOREWORD

This year, the NextGeneration Benchmark commemorates 20 years of assessing the UK homebuilding sector’s sustainability performance. Over the past two decades, homebuilders have continued to deliver more sustainable homes and places that support high quality living. To illustrate how the sector has evolved, the inaugural assessment included criteria such as “Company can provide an example of promoting sustainable living to customers prior to purchasing (e.g. via a green showhouse, or having leaflets on sustainable lifestyles in show homes)”, while the current criteria includes for example “Company records the average upfront carbon for homes completed in the past year (kgCO₂e/m²)”. This highlights how the Benchmark has progressed.

Fast forward to 2025, 28 homebuilders are now assessed against criteria across the eight sections of the NextGeneration Benchmark, spanning the full spectrum of sustainability issues.

The subsequent pages of this report provide an overview of the industry performance in 2025, followed by an in depth examination of what constitutes good business management amongst homebuilders and best practice for sustainable homes in this evolving landscape.

It should be noted that 2025 marks the start of a new NextGeneration benchmarking cycle, with criteria for 2025 refreshed to reflect increased industry performance and ambition. Typically, during the first year when criteria are updated, a reduction in homebuilder scores is observed, reflecting the increased stringency and ambition for the criteria. This was no different in 2025, with the industry average decreasing by 7. This reduction directly reflects the introduction of more challenging criteria designed to push industry performance forward.

2025 NextGeneration Facts:

£34,938m

Annual housing turnover of benchmarked companies

107,752

New homes completed by benchmarked companies

42,622

People directly employed by benchmarked companies

8

Sustainability focus areas assessed

38

Criteria assessed

20

Years of benchmarking

ABOUT NEXTGENERATION

NextGeneration is the sustainability assessment system for UK homebuilders. It provides homebuilders, governments – national, devolved and local – registered providers, investors, employees and the public with insights into the sustainability performance of benchmarked homebuilders' operations and the new homes they build.

NextGeneration 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 20 years, assessing homebuilders on whether, and how far, they go beyond the requirements of regulation. NextGeneration's strategic partnership with the Future Homes Hub has been instrumental in this collaborative approach, aligning our standards and measurement frameworks to enhance the accessibility of sustainability reporting and accelerate industry-wide adoption of best practices.

NextGeneration offers a range of services that are suitable for large 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.

Photo courtesy of London Square



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. NextGeneration Core supports a homebuilder to initially assess their sustainability performance against 14 key criteria, to rapidly identify their strengths and opportunities for development. This can then prepare homebuilders for joining the NextGeneration Benchmark as they grow, as data collection systems and processes will already be in place.

Case Study

Breck Homes demonstrated strong performance in the NextGeneration Core assessment, achieving full marks in both affordable housing delivery and living wage criteria. The assessment has supported Breck Homes continue to improve their sustainability performance and highlight their strengths to the market.



NEXTGENERATION BENCHMARK

This is a comprehensive corporate sustainability benchmark for the largest 25 homebuilders in the UK, alongside any smaller homebuilders that want to voluntarily participate.

For more information on the NextGeneration Benchmark, please see page 3.



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 the sustainability of the homes they build and improving their performance. 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.

Case Study

Kelvin Properties' Kelbourne Street development was awarded the first NextGeneration Project Gold Award (In Design) for a Purpose-Built Student Accommodation project. The award recognised the development's transition from a fossil fuel based heating system and achievement of seven rigorous sustainability criteria, including efficient resource use and payment of the Living Wage to site employees.

THE PROCESS

Selection of Homebuilders

NextGeneration selects the largest 25 homebuilders in the UK for benchmarking, based on their housing turnover and annual completions. Homebuilders may also voluntarily participate in the Benchmark. This year, the Benchmark assessed 28 homebuilders.

Phase 1

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

Phase 2

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

Results

The Benchmark data is analysed, with the results published in this report, and detailed insights provided for member homebuilders.

ABOUT THE NEXTGENERATION BENCHMARK

The NextGeneration Benchmark consists of 38 criteria, which cover the following eight sections: 1) Strategy & Reporting, 2) Health, Safety & Environmental Management, 3) Procurement, 4) Energy & Carbon, 5) Circular Economy, 6) Ecology & Water, 7) Communities, Customer Engagement & Placemaking, 8) Socio-Economic Development. These sections are weighted based on their overall impact, with Energy & Carbon being the highest weighted.

2025-2027 Criteria Refresh

The benchmark criteria have historically been updated on a three-year cycle to ensure they remain relevant and ambitious, drive continuous improvement within the homebuilding sector, address changing best practice metrics and exceed minimum standards. 2025 marks the start of a new NextGeneration benchmarking cycle, with criteria refreshed to reflect increased industry performance and ambition. The refresh focused on streamlining criteria to reduce the reporting burden and focusing on data where possible to minimise subjectivity.

The full spectrum of environmental, social and governance issues are covered, with focus given both to the sustainability of homebuilders' operations and the homes they build. Central to this refresh was our collaboration with the Future Homes Hub to ensure alignment on best practice definitions and measurement approaches, creating standardised sustainability reporting that drives consistent industry-wide improvement.

Limitations

All data used in this report are based on homebuilders' publicly available information. Some homebuilders may be doing further work that is not publicly communicated. A full NextGeneration assessment for a member incorporates internal information, which is only reported in the 2025 NextGeneration Benchmark Results on page 4 and 5. Phase 1 assessments were completed between July 2025 and October 2025. Information published after this date is not included.

2025 BENCHMARK RESULTS

Overall Analysis

Latimer has secured top position in the NextGeneration Benchmark in 2025. After ranking fourth in 2023 and second in 2024, this achievement highlights Latimer’s dedication to enhancing the sustainability of their homes and operations in alignment with the NextGeneration criteria. London Square showed substantial improvement, moving from fourth to second place, while Bellway gained 10 points, rising from 9th to 3rd place and surpassing the Gold Award threshold. Rounding out the top five are Hill Group and Taylor Wimpey, both achieving Silver Awards. There has also been a notable score improvement from non-member Keepmoat, who has risen from 11th to 6th place, with an increase of 4 points from 2024.

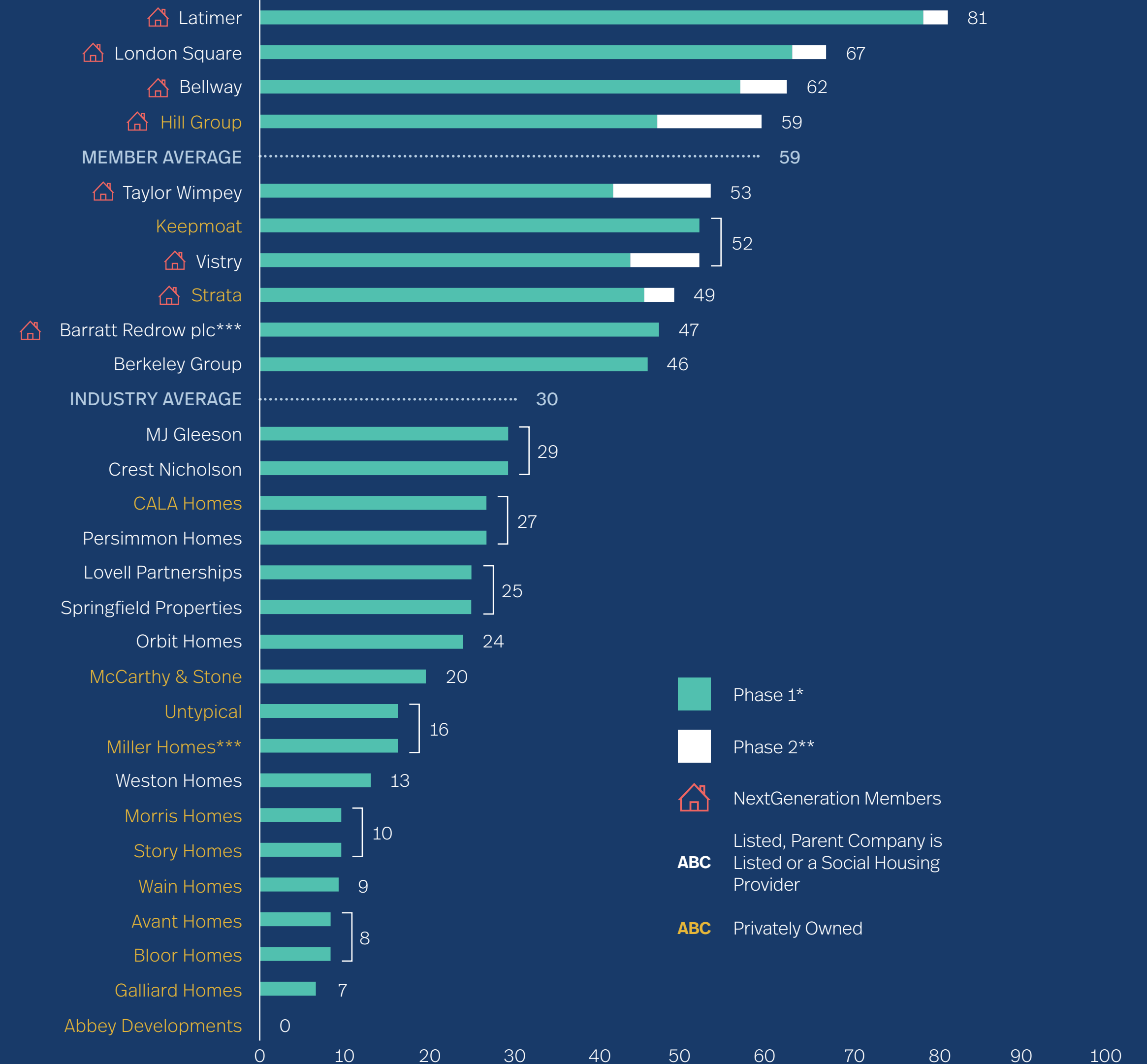
Company Rankings

2025 marks the start of a new NextGeneration benchmarking cycle, with the criteria refreshed to reflect increased industry performance and ambition. Typically, when the criteria are updated, a reduction in score for homebuilders is observed, reflecting the increased stringency and ambition for the criteria. This is no different in 2025, where the member average has reduced from 66 to 59, and the industry average has decreased from 37 to 30. This reduction directly reflects the introduction of more challenging criteria designed to push industry performance forward.

We would encourage any developer, listed or non-listed, to engage with initiatives like NextGeneration to learn from industry leaders, improve their transparency and demonstrate their credentials.

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.

Photo courtesy of Barratt Redrow plc



*All companies assessed on information in the public domain

**Members invited to submit further information

*** Homebuilders that have undergone merger activity during or shortly before the assessment period often record temporarily lower scores, as they look to transition and integrate their systems and reporting processes. This year both Barratt Redrow plc and Miller Homes have been impacted by this alongside the criteria refresh, having scored 82 and 39 respectively in 2024.

2025 AWARD WINNERS

“The NextGeneration Benchmark has been a great tool for us to measure our sustainability performance each year. From starting our sustainability journey five years ago we have been able to see the results of our efforts reflected in our NextGeneration score, and confirm our progress to become the highest scoring not-for-profit housebuilder. Having a clear set of criteria has allowed us to set suitable targets and provide direction to our project teams, who are ultimately the people behind our successes.”

James Parker
Senior Sustainability Manager, Latimer

“The NextGeneration Benchmark is a valuable tool for the housebuilding industry. “NextGen” allows us to compare performance against peers in our sector, and the detailed methodology also helps to inform our responsible business strategy. We find the team at JLL well informed and engaging, and the process is a positive experience for everyone involved.”

Simon Park | Head of Sustainability (Group Office), Bellway

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

“Participating in the NextGeneration benchmark is about far more than a ranking. It provides us with a robust, independent measure of how effectively we are embedding sustainability into our strategy, governance and day-to-day operations. In an industry that plays such a critical role in shaping communities and making decisions with real long-term impact, this focus on transparency and accountability is essential. With a wide ranging focus on environmental and social sustainability, NextGeneration enables us to demonstrate to communities, customers and partners that we are managing today’s most pressing societal issues in a structured, forward-looking way.”

Lucy Hawkins
Head of HR & Sustainability, London Square

“At Taylor Wimpey, we are members of NextGeneration because it provides an independent, industry-specific benchmark that goes well beyond minimum standards, helping the industry understand what good sustainability practice looks like in both our operations and the homes and places we build. By openly assessing performance and raising expectations, NextGeneration plays an important role in driving meaningful, long term change across homebuilding.”

Rose Sandell
Group Communities Director, Taylor Wimpey

NextGeneration is delighted to announce that Latimer is the winner of the 2025 Crystal Award. 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.

Photo courtesy of Bellway

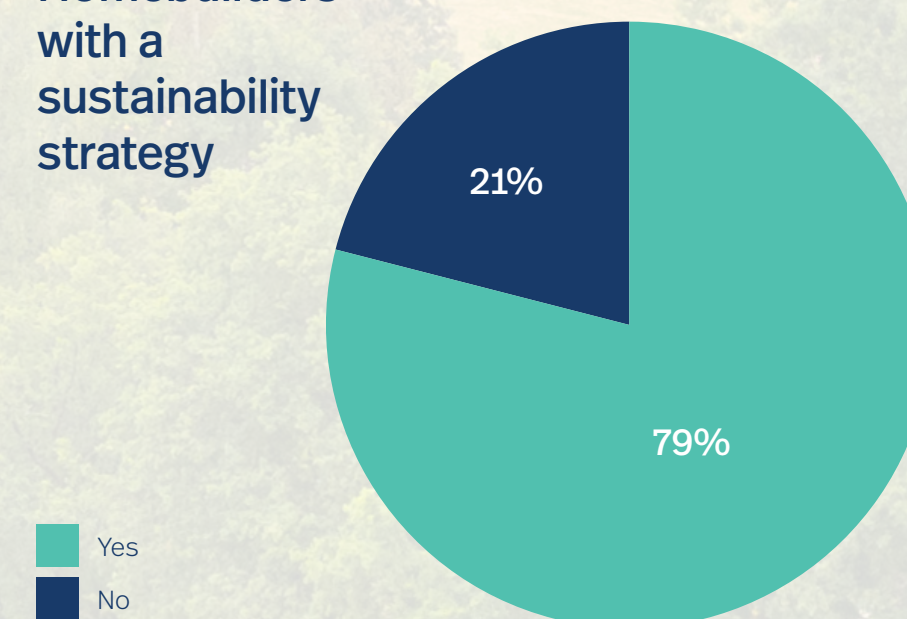
NEXTGENERATION 2025 BENCHMARK INSIGHTS

Operating responsibly and building sustainable homes are critical to homebuilder success. In this section we use benchmark insights to provide a state of the market assessment.

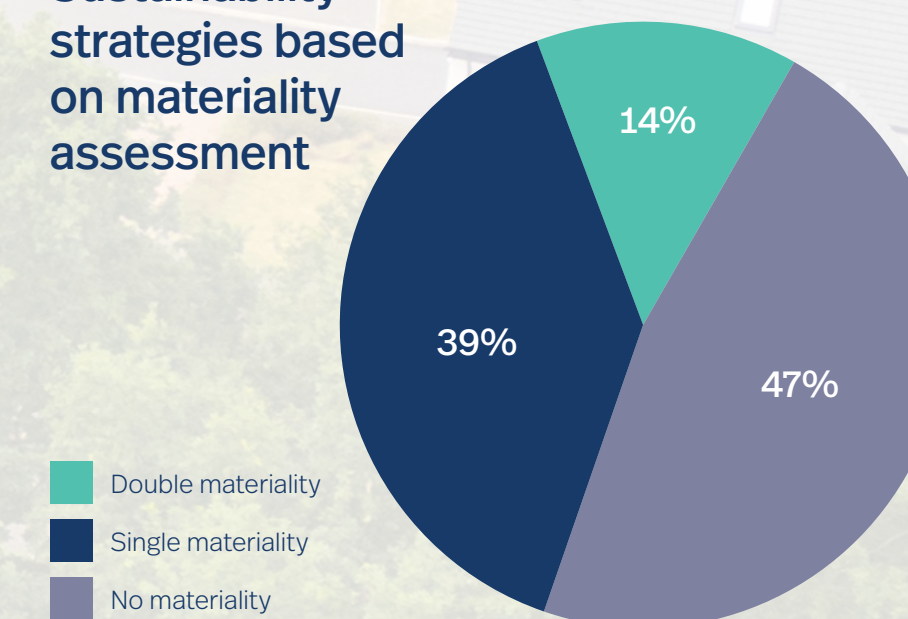
Pillar 1: Governance & Strategy

Governance & Strategy continues to be an area of strength for the homebuilding sector, where 79% of homebuilders have a publicly available sustainability strategy, communicating their ambitions to investors, lenders, employees, buyers and local authorities. However, only 14% have developed strategies based on the findings of a double materiality assessment.

Homebuilders with a sustainability strategy



Sustainability strategies based on materiality assessment



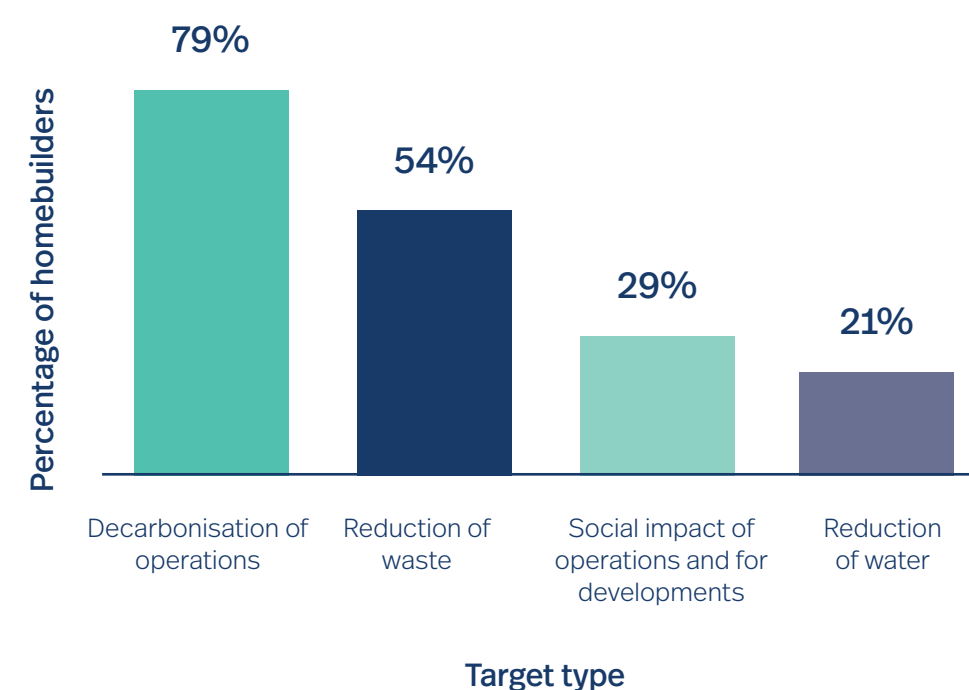
INSIGHT 1:

What does good business look like?

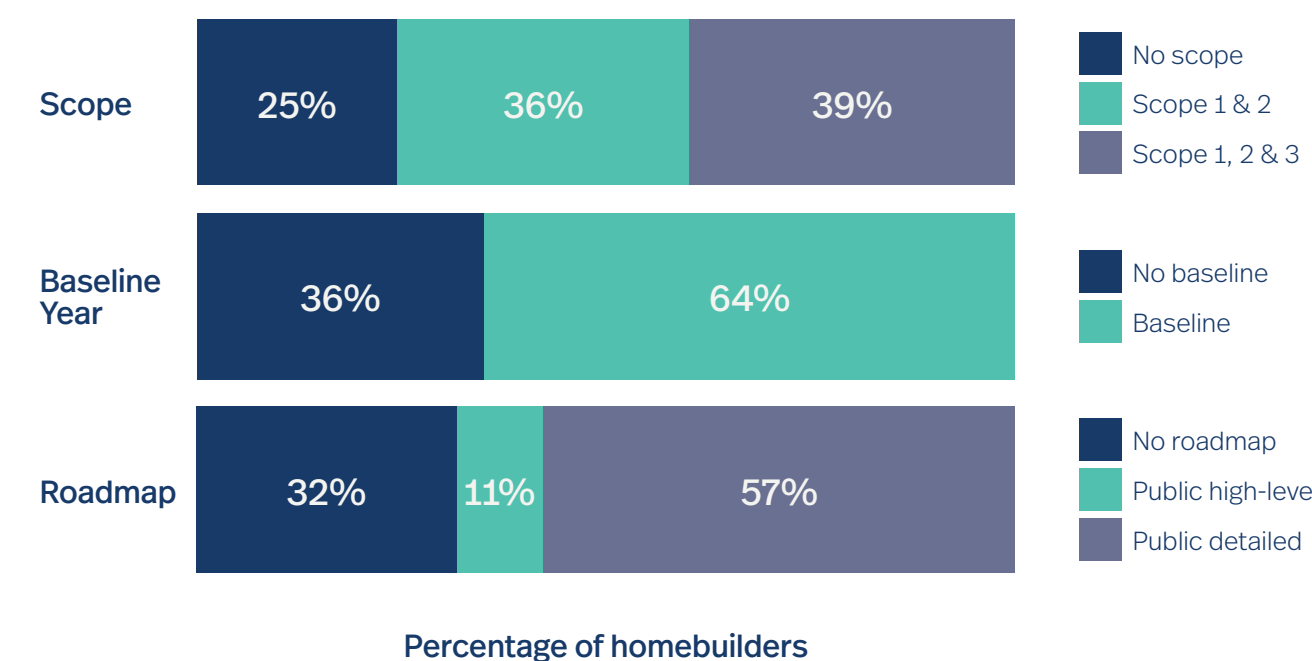


To successfully deliver their sustainability programmes, homebuilders continue to increase the sophistication of the key pillars for delivery: 1) Governance & Strategy, 2) Embedded Processes, and 3) Measurement & Reporting. Through 20 years of NextGeneration Benchmarking, we can provide a window into continued homebuilder action alongside best practice performance.

Homebuilders with sustainability targets



Breakdown of decarbonisation targets



A fundamental part of developing a sustainability strategy is setting time-bound, measurable targets—most commonly decarbonisation targets. Bloomberg found the top 10% of profitable firms are 3.5 times more likely to have net zero targets than the bottom 10%¹.

Effective target setting requires clear scope (e.g., net zero waste covering construction, demolition and excavation), a defined baseline year for monitoring, and a detailed roadmap. Performance varies considerably: while 79% of homebuilders have set decarbonisation targets, only 39% include scope 1, 2 & 3, 64% have a baseline year, and 57% include a detailed, publicly available roadmap.

Pillar 2: Embedded Processes

Embedded operational processes are essential for translating sustainability strategies and targets into tangible results. Within the Communities & Placemaking section, homebuilders are demonstrating leadership. 32% of homebuilders have established a placemaking process to ensure high-quality design across all their developments, with an additional 14% implementing such processes on a project-by-project basis. Furthermore, community engagement is a key focus, with 21% of homebuilders adopting best practice frameworks for community involvement on all projects. However, there is room for improvement, as 36% either do not apply their community engagement process universally or their process does not reference established best practice.

A notable area for development is the integration of local needs assessments. While 18% of homebuilders conduct these assessments on all developments, a larger portion, 29%, do so selectively. This highlights a significant opportunity for the industry to enhance its contribution to social value. Local needs assessments provide an essential understanding of a community's needs and challenges at a local level, serving as the bedrock for developing effective strategies to meet community needs and maximise positive social impact². To rapidly identify local needs, the Index of Multiple Deprivation (separate versions are available for England³, Scotland⁴ and Wales⁵) is a publicly available data source.

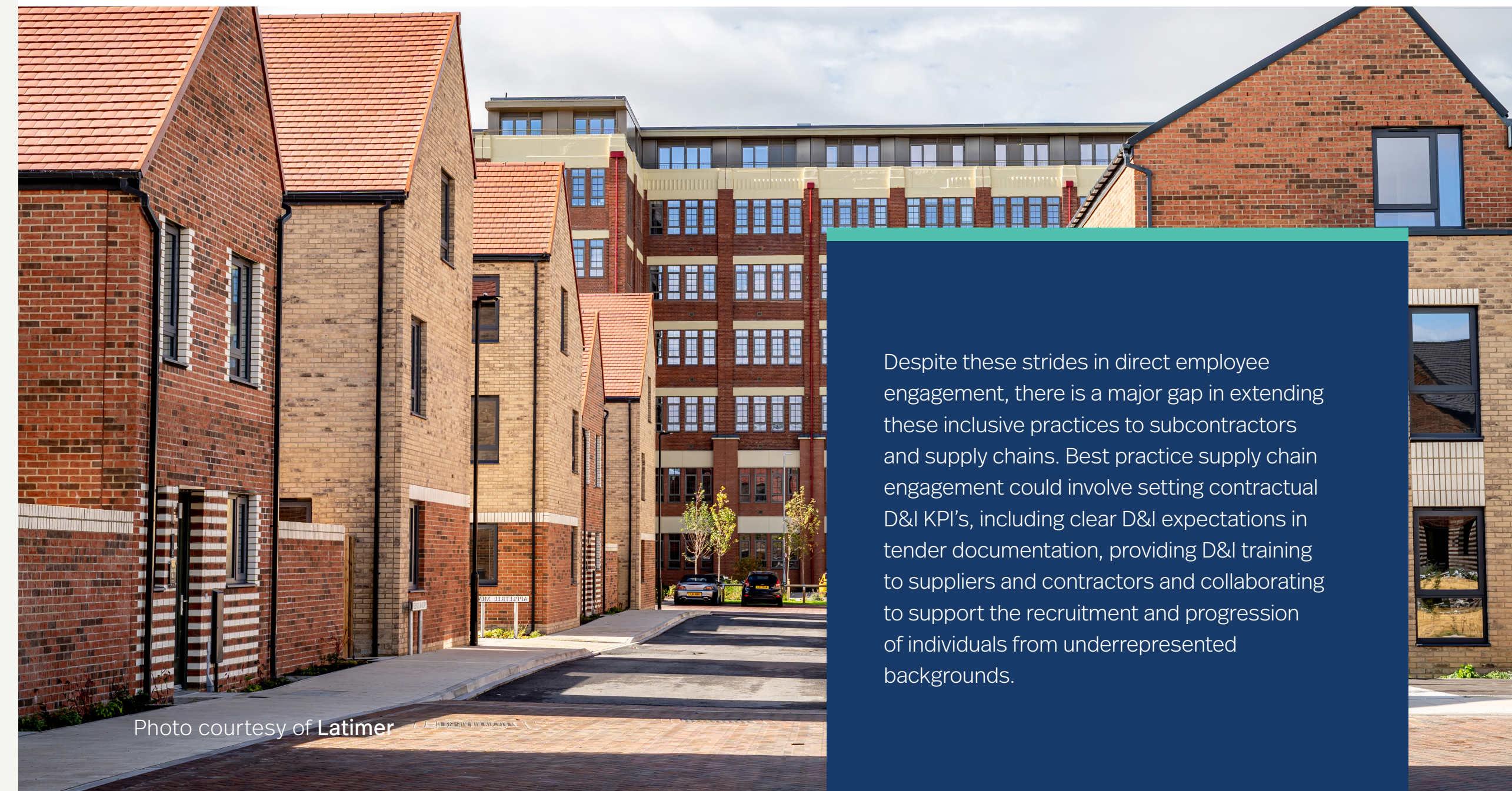
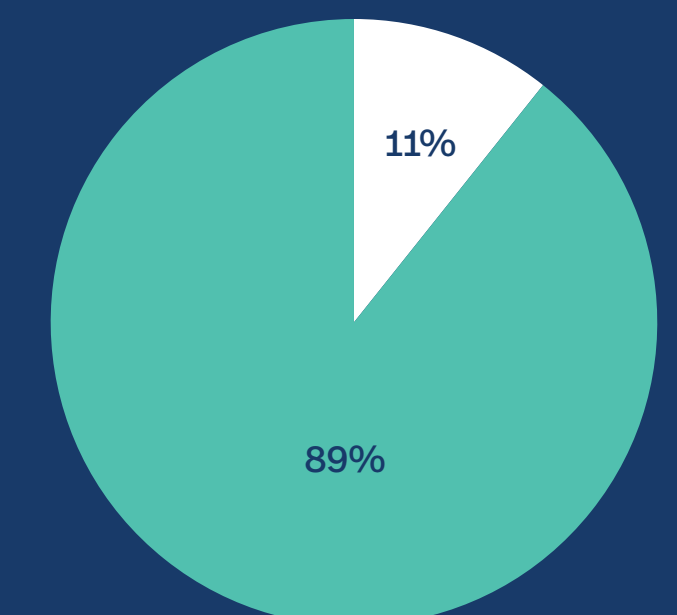


Photo courtesy of Latimer

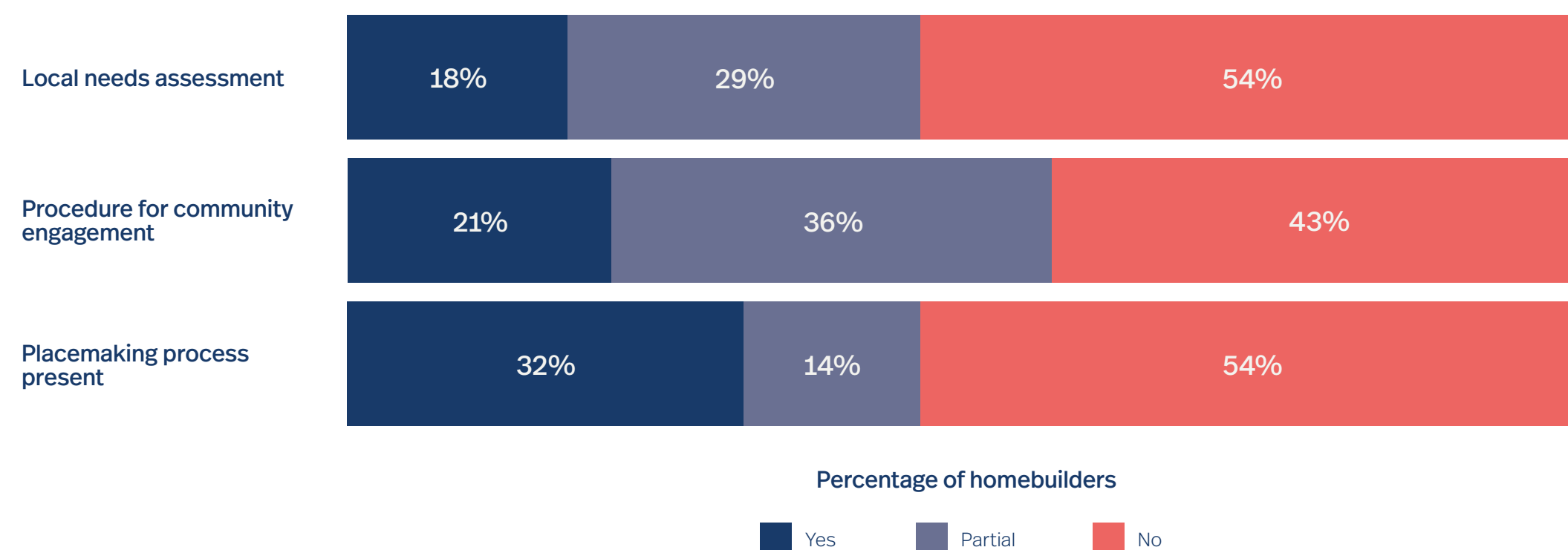
Despite these strides in direct employee engagement, there is a major gap in extending these inclusive practices to subcontractors and supply chains. Best practice supply chain engagement could involve setting contractual D&I KPI's, including clear D&I expectations in tender documentation, providing D&I training to suppliers and contractors and collaborating to support the recruitment and progression of individuals from underrepresented backgrounds.

Homebuilders D&I engagement with the supply chain



Supply chain engagement
No supply chain engagement

Homebuilders with placemaking guidelines



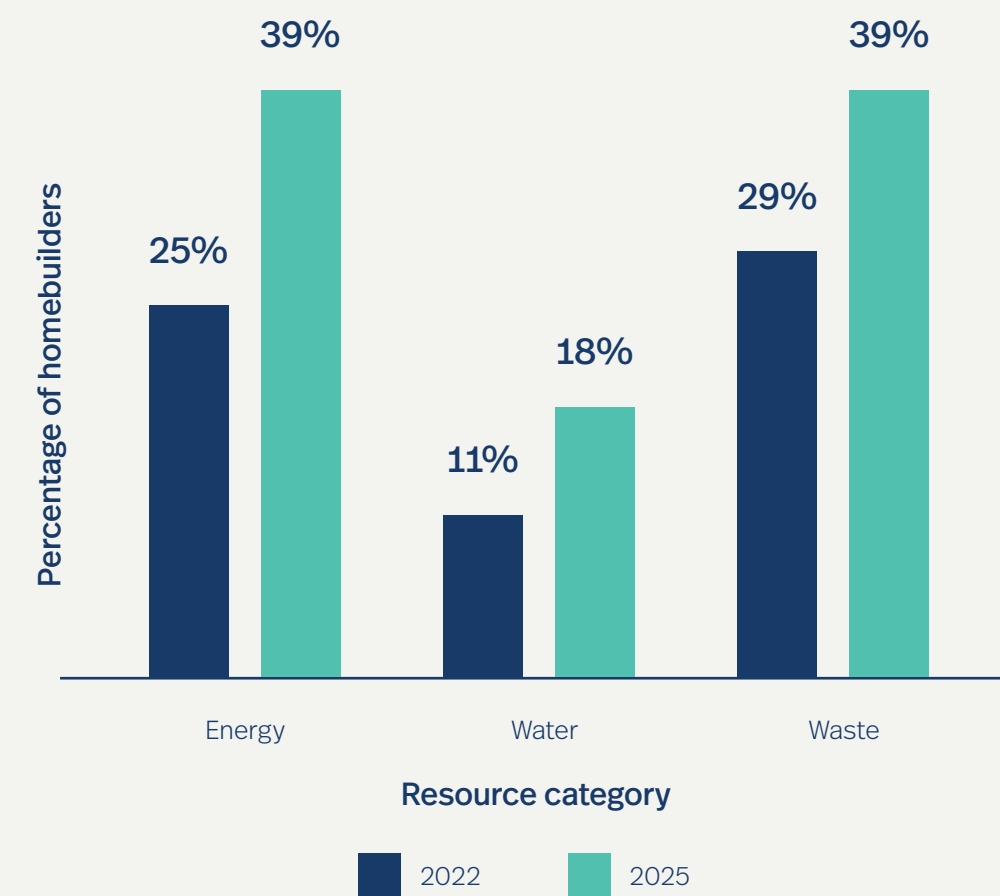
The construction industry needs to foster a more inclusive environment to enhance diversity and improve workforce wellbeing, resulting in a more resilient workforce in the future. 2025 saw positive momentum, with 75% of homebuilders actively engaging with their direct employees on Diversity and Inclusion (D&I). A strategic approach to D&I with clear objectives and targets is vital to attract a wider talent pool, particularly from under-represented groups. This focus on D&I is increasingly important, as approximately 77% of Gen Z workers and 63% of millennials consider a company's diversity and inclusion policies when choosing an employer⁶. This is especially pertinent for the homebuilding sector, which is grappling with a skills gap exacerbated by an aging workforce, exemplified by the fact that 35% of workers in the industry are over 50 and only 20% are under 30⁷. It is predicted that the industry will need to recruit the equivalent of 239,000 extra workers over the next five years to meet expected demand⁸.

Pillar 3: Measurement and Reporting

The sector's leading organisations are embedding data-centric, structured processes to accelerate their environmental and social sustainability performance. A direct correlation exists between strategic planning and successful decarbonisation. 100% of organisations that recorded a decrease in normalised scope 1 and 2 GHG emissions over the past three years had a formal energy and carbon roadmap in place, 80% of these were detailed roadmaps which included intermediary targets or had a Science Based Targets initiative (SBTi) approved target in place. This finding is reinforced by a recent report from the SBTi which revealed that 86% of companies with science-based targets reported an acceleration in their pace of decarbonisation⁹.

This commitment to planning is mirrored by a broader improvement in performance monitoring. The proportion of homebuilders collecting normalised scope 1 and 2 GHG data has risen from 25% to 39% over the last three reporting periods. Reporting on normalised water and waste generation has also increased over the past three years. Enhanced data collection is providing the foundation for transparent reporting and informed decision-making, which is crucial as investors and regulators increasingly demand credible sustainability data¹⁰.

Homebuilders monitoring normalised energy, water and waste generation in 2022 vs 2025



Social value generated by homebuilders in the past reporting year

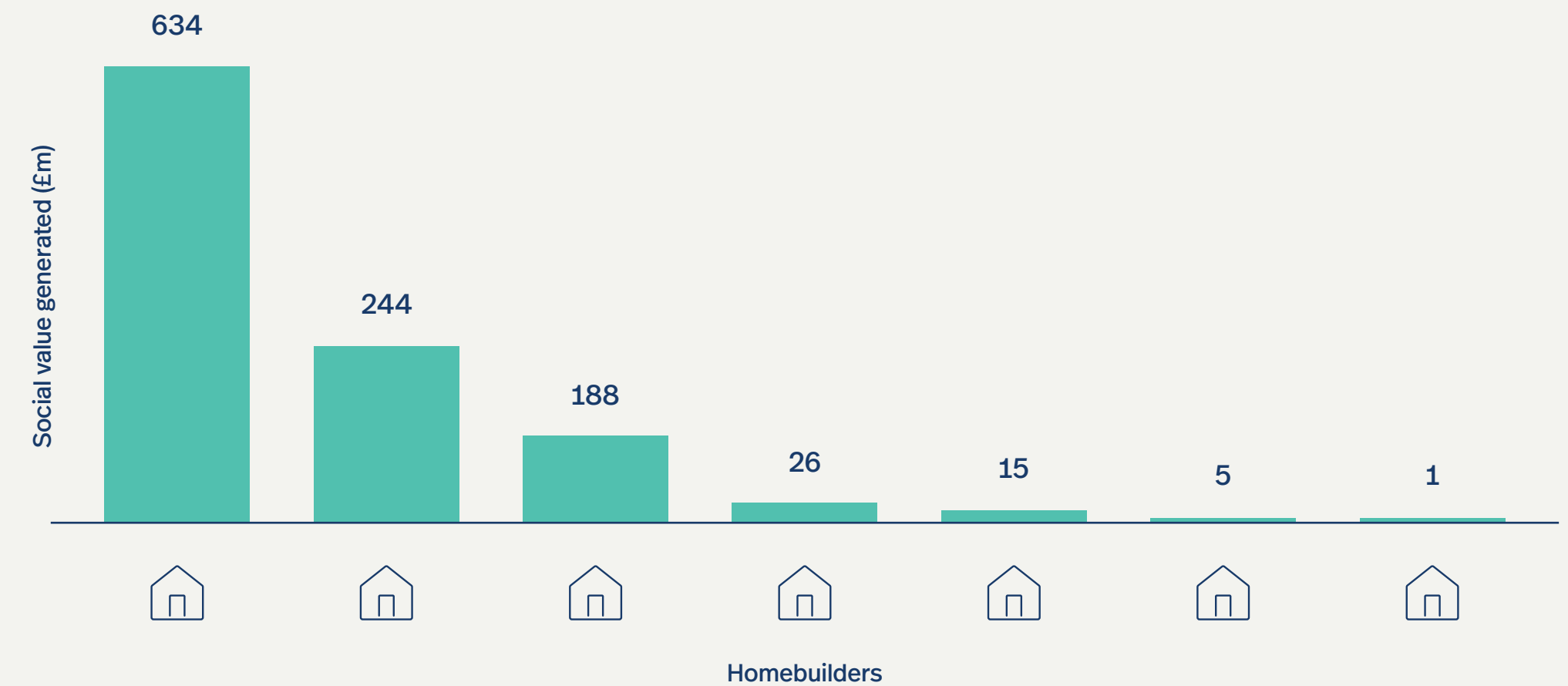


Photo courtesy of Bellway

Beyond environmental metrics, there is a pronounced and growing emphasis on social value. The number of homebuilders setting specific social value targets has seen a marked increase, climbing from 14% in 2024 to 29% in 2025. This trend is largely driven by frameworks such as the UK's Social Value Act, which mandates that public sector commissioners consider the wider social benefits of their procurement decisions¹¹.

This has spurred companies to not only set targets, but to also quantify their social value contributions. Currently, a quarter of benchmarked homebuilders monitor and report the social value they generate, using recognised frameworks to translate these initiatives into a financial proportion of their revenue. The values reported by individual homebuilders can range significantly, for instance, from £633.5 million down to £1.2 million, most likely reflecting the diverse methodologies and scopes for social value measurement across the sector.

INSIGHT 2:

What does a sustainable home look like?



Average SAP Rating

NextGen Threshold: ≥ 86

Sector Average: 85*

Best Performing: 87

*One outlier removed when calculating the sector average.

Average Biodiversity Net Gain (BNG) (Habitat Units)

NextGen Threshold:

Peer ranked (Scoring in top 25%)

Sector Average: 18%*

Best Performing: 3626%

*Sector average calculated excluding the best performing figure as this is an outlier.

% Fossil-fuel Free Homes

NextGen Threshold: ≥ 60

Sector Average: 24

Best Performing: 64

Average Water Efficiency (lpppd)

NextGen Threshold: ≤ 95

Sector Average: 103

Best Performing: 84

% Modern Methods of Construction (MMC)

NextGen Threshold: ≥ 50

Sector Average: 37

Best Performing: 100

Average Upfront Carbon (kgCO₂e/m²)

NextGen Threshold: ≤ 500

Sector Average: 584

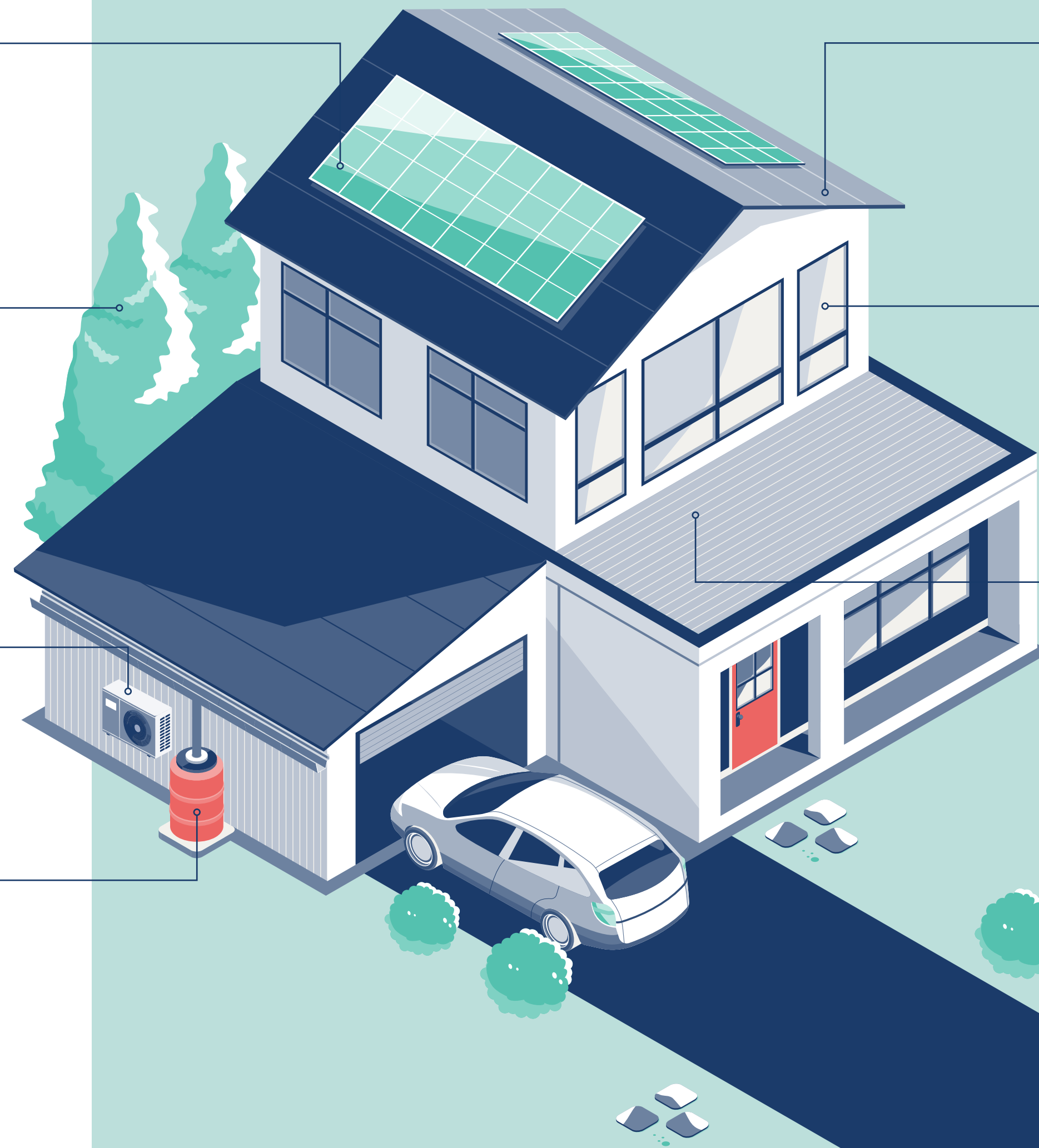
Best Performing: 553

Average Carbon Operational Intensity (kgCO₂e/m²)

NextGen Threshold: Unweighted

Sector Average: 14

Best Performing: 11



Differentiating on sustainability can pay dividends: up to 64% of homebuyers would be willing to pay a premium for a more energy efficient home¹². However, based on NextGeneration data, homebuilders are not differentiating themselves on energy efficiency, with average SAP ratings reported by homebuilders ranging narrowly from 84 to 87.

Comparatively, the transition to low-carbon heating systems reveals one of the most substantial differences in performance, where only one homebuilder delivered above the NextGeneration threshold of 60%+ homes completed with low-carbon heating sources (i.e. no gas boilers). Furthermore, only 32% of homebuilders reported figures and of those that did, the sector average was 24% (2024: 27%), indicating an area requiring attention. This is particularly important given the recent publication of the Future Homes Standard, which practically eliminates fossil-fuel heating in new developments¹³.

Beyond energy, homebuilders continue to deliver BNG, with an average percentage increase of 18% achieved in 2025. While BNG does incur costs during development, the provision of green space continues to be prioritised by homebuyers, with more than 80% stating it is important when considering where to buy or rent¹⁴.

Focusing on the operational delivery of new homes, construction inflation costs have been challenging for the sector. According to Building Cost Information service (BCIS), these costs are expected to increase 15% from Q4 2025 to Q4 2030¹⁵. In terms of material costs, driving operational efficiency continues to be part of the solution, with the average normalised waste generation for 2025 being 7 tonnes/100m² of completed floor area.

Targeting more sustainable specifications supports the delivery of higher quality places that reduce environmental impact, which can also improve business resilience, create more attractive homes for customers and result in premium sale prices.

Note: All metrics are based on homes completed in the past year, except for average Biodiversity Net Gain (BNG), which reflects approved planning submissions for developments that received planning approval in the past year.



Photo courtesy of Taylor Wimpey

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The housebuilding sector’s transition to Net Zero is fundamental to the resilience of both the industry and wider UK economy. We must deliver high quality, low carbon homes, that are fit for purpose to ensure we create inclusive and sustainable communities. The NextGeneration Benchmark helps to provide a roadmap to housebuilders and developers to turn ambition into credible action and delivery.”

Chris Yau | Director of Housing & Sustainability,
Lloyds Corporate & Institutional Banking



To accelerate the delivery of high-quality, sustainable homes, industry collaboration is essential. The Future Homes Hub is therefore delighted to have partnered with NextGeneration to align our respective reporting frameworks. This alignment streamlines data collection metrics, reducing the reporting burden on homebuilders with the desired goal of making sustainability reporting and benchmarking more accessible across the industry.”

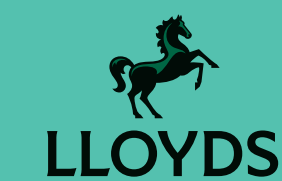
Ed Lockhart | Chief Executive,
Future Homes Hub



nextgeneration-initiative.co.uk

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