

Commercial real estate sector boosts contribution to UK economy and supports record numbers of jobs

2 years ago



The [latest analysis](#) of the commercial real estate sector carried out by property consultancy, Lichfield, for the British Property Federation shows the sector performed strongly in 2022, weathering the Covid-19 pandemic, supporting a record number of jobs and contributing the equivalent of more than 7% of total UK GVA.

The BPF's annual assessment of the commercial real estate's economic footprint, looks at the jobs and labour market, output and turnover, tax revenue and capital investment across the commercial real estate sector.

Through its extensive supply chain the commercial real estate sector directly and indirectly supported more than 2.6 million jobs in 2022, a 10% increase since 2019 and the equivalent of one in every 12 jobs.

The commercial real estate sector also makes an important contribution to the Exchequer through employment and transaction taxes and business rates – this amounted to £42.3 billion in 2022.

In 2022, the sector delivered £137.5 billion in economic output, a 28% increase on the year and 18% higher than pre-pandemic. Despite challenging economic conditions throughout 2022, businesses continued to invest heavily in capital with total capital investment reaching £72.6 billion and supporting 454,000 jobs.

Melanie Leech, Chief Executive, the British Property Federation, commented: “The commercial real estate sector has demonstrated its resilience and despite a challenging economic outlook during 2022 is now

supporting an even greater share of jobs across the country and contributing billions of pounds to the national economy.

“Businesses operating in the sector are continuing to navigate a combination of external pressures including build cost inflation, interest rates and skills shortages in key areas. At the same time they are fully committed to tackling the urgent need to reduce embodied and operational carbon emissions.

“This report shows what a significant economic partner the sector is to government and the importance of ensuring that it works effectively in partnership with the public sector not only to stimulate growth and increased productivity, but to create healthy sustainable communities across the whole country.”