

What are circular economy principles, and why do they matter?

A circular economy is a regenerative system aimed at minimising waste and making the most of resources. According to the Ellen MacArthur Foundation (EMF), it is based on three principles: **eliminating waste and pollution, circulating products and materials, and regenerating nature.**

- Currently, the construction industry produces 62% of the UK's waste, and 13% of construction materials are diverted straight to waste without being used.
- In the built environment, a circular economy emphasises **reuse, refurbishment, and recycling** of materials to extend the lifecycle of building components, reduce embodied carbon, and tackle climate change, biodiversity loss, waste and pollution.
- According to the EMF, a circular economy could **reduce global carbon emissions from building materials by 38% in 2050** and unlock more than half a trillion euros annually across the built environment value chain.
- The UK's circular economy regulatory landscape is evolving, with initiatives such as the [UK Government's Circular Economy Task Force](#) and emerging requirements around circularity in London setting an increasingly ambitious framework for sustainable resource use.
- For commercial property owners, circular economy principles can drive **resource efficiency, reduce operational costs**, and enhance the **resilience** of buildings against environmental and regulatory pressures.

“For commercial property owners, embedding the principles of the circular economy across all phases of the property lifecycle is critical if we are to reduce reliance on raw materials and improve resilience to both the transitional and physical risks of climate change. At the BBP we recognise the importance of working in partnership across the value chain to integrate these principles into decision making processes across the built environment sector.”

Janine Cole, Sustainability and Social Impact Director, GPE and Chair of the Better Buildings Partnership

How are BBP members leading on circularity?

GPE. GPE has introduced a '[Circularity Score](#)' to measure and enhance retention and reuse in its construction projects, aiming for a minimum score of 40% for projects starting after April 2025, with targets increasing to over 60% by 2040. This initiative supports GPE's strategy to achieve net-zero carbon by 2040 and inspired by the identification of over 1,500 tonnes of steel from the deconstruction of their [City Place House building](#) for reuse in their [30 Duke Street St James](#) building and the wider reuse market.

British Land British Land has published a full circular economy strategy, [Full Circle, Full Potential](#). The strategy sets out the business's approach to circularity, particularly around minimising waste and reducing raw material demand through material reuse, repair, and refurbishment in their developments. It also sets out an approach to creating materials passports, to capture key information about materials in their developments to facilitate future reuse.

DERWENT LONDON Derwent London has incorporated circularity principles into their Responsible Development Brief, and these principles are reflected in how Derwent manage their development and refurbishment projects. At the [Network W1 site](#), Derwent is implementing circular principles by reconditioning and reusing raised access floors from the existing building and sourcing refurbished ones for the new development. This approach significantly reduces waste and embodied carbon, supporting their ambitious low-carbon targets. In 2025 Derwent has partnered with Material Index and CollectEco to take a portfolio-level approach to optimise circular economy opportunities.

Landsec At [Timber Square](#), Landsec has integrated [circularity principles](#) to lower the embodied carbon of the development. They retained 80% of the existing structure and sourced 115 tonnes of reused steel, cutting approximately 276 tonnes of carbon. Raised access floor tiles have been salvaged from two other Landsec projects to be reused at Timber Square. As a result, the project is on track to achieve an upfront embodied carbon intensity around 50% lower than a typical office building.

CANARY WHARF GROUP PLC Canary Wharf Group has published an overview of its [Rethinking Resources](#) programme, having achieved zero waste to landfill from managed areas since 2009 and now aiming to go beyond this through the vision to create a fully circular urban neighbourhood. Its vision—'Building Circular, Working Circular, Living Circular'—is underpinned by a Circular Economy Action Plan and baseline study, embedding material reuse, operational innovation, and behavioural change across construction, estate management, and daily life.

CITY OF LONDON The City of London Corporation aims to lead the Square Mile's transition to a fully circular city by 2040 through a systematic shift in operations, procurement, construction, and public engagement. Anchored in its [Climate Action Strategy](#) and [Net Zero Design Standards](#), the Corporation's action plans focus on waste reduction, material reuse, circular supply chains, and empowering residents and businesses alike to embrace circular practices in daily life and development projects.

7% OF BBP MEMBERS HAVE PUBLISHED A DEDICATED CIRCULAR ECONOMY STRATEGY*

54% OF BBP MEMBERS HAVE INCORPORATED CIRCULARITY PRINCIPLES INTO THEIR ESG STRATEGIES*

How can the BBP's guidance and toolkits help with circularity?

The [BBP Green Lease Toolkit](#) integrates circular economy principles in its lease provisions, which encourage landlords and tenants to prioritise resource efficiency in building operations, fit-outs, and alterations. Key references include:

- **Circular Economy Principles for Landlord and Tenant Works:** Encourages the use of reclaimed, low-carbon, and recyclable materials in fit-outs and repairs.
- **Recycling of Waste Clause:** Requires landlords and tenants to minimise landfill waste, prioritise salvageable materials, and maintain a waste segregation system.
- **Yield-Up Provisions:** Promotes the reuse, repurposing, and recycling of materials when tenants vacate a space.

The [Responsible Property Management Toolkit](#) supports property managers to embed sustainability into day-to-day building operations. It encourages circular use of materials by promoting the use of existing, reclaimed and sustainable materials for fit-outs and repairs, alongside guidance on optimising waste streams and implementing effective recycling systems.

The [Acquisitions Sustainability Toolkit](#) guides real estate investors in embedding sustainability into due diligence and investment decision-making. It incorporates certain considerations relevant to circularity including consideration of building materials and embodied carbon, as well as waste management and material reuse.

For further insight into how circular economy principles are shaping the built environment, please see the following suggested further reading:

- The UK Green Building Council has published [guidance](#) on practically applying circular economy principles in construction projects.
- The [Building Prosperity](#) report by the Ellen MacArthur Foundation demonstrates the value of a circular economy that is also nature-positive by design.
- Arup, together with the Ellen MacArthur Foundation, have produced the [Circular Buildings Toolkit](#), which sets out a prioritized list of strategies and actions for real estate projects, both in the design phase and in operation.