



# Tackling Future Challenges – the Code for Sustainable Commercial Buildings

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Downloadable from [www.greenleases-uk.com](http://www.greenleases-uk.com)

# So what is it to do with us?



# Our contribution is very visible



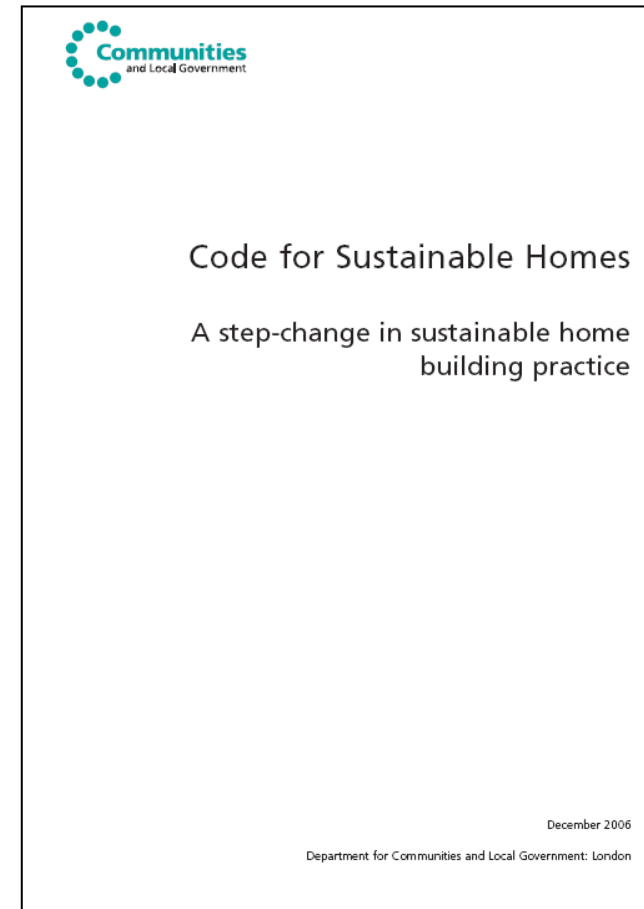
# New Build versus Existing Stock



# Government Focus on New Build Code for Sustainable Homes



- > A voluntary agreement between Government and Home Builders' Federation
- > Based on EcoHomes
- > Zero carbon new homes by 2016 (Code Level 6)
- > Minimum standards for water
- > Other design categories – material, surface water, waste, pollution, health and well-being, management, ecology
- > Minimum standards are above Building Regulations

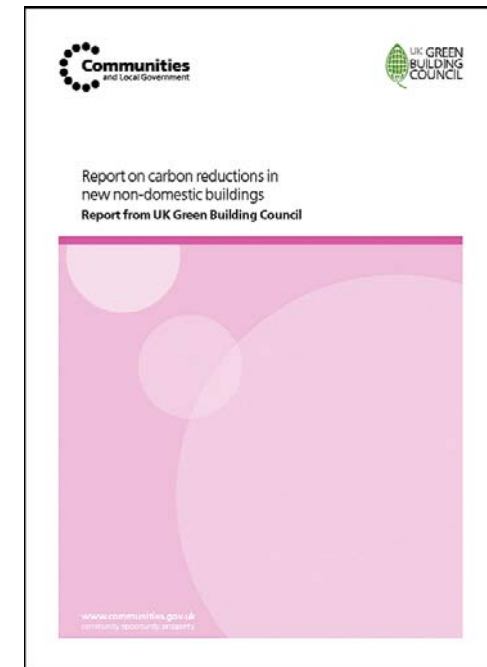


# Government Focus on New Build (2)



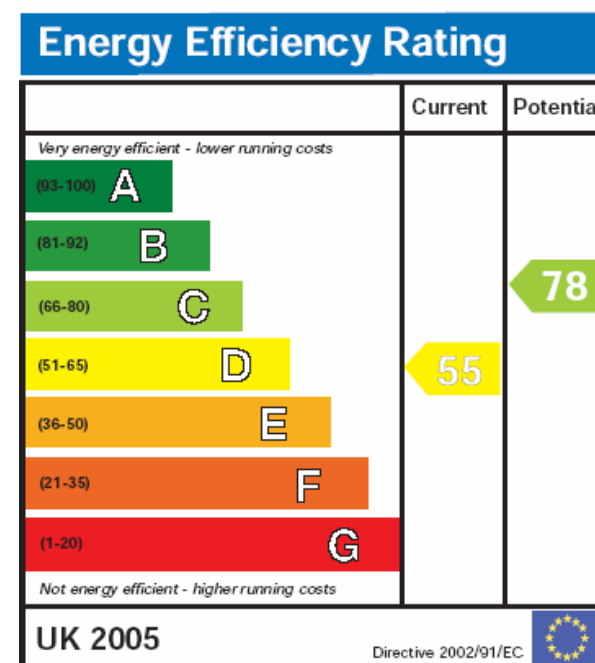
## The Non-Domestic Sector

- > Government/industry working group
- > UKGBC/Arup report
- > Informal soundings
- > Consultation Document expected shortly
- > To Code or not to Code....



# Government Plans for Existing Stock

- > Implementation of EPBD
  - > Pt L Building Regs
  - > EPCs/DECs
- > Carbon Reduction Commitment
- > Consultation on existing stock
  - > Regulatory changes
  - > Voluntary practices
  - > Fiscal measures



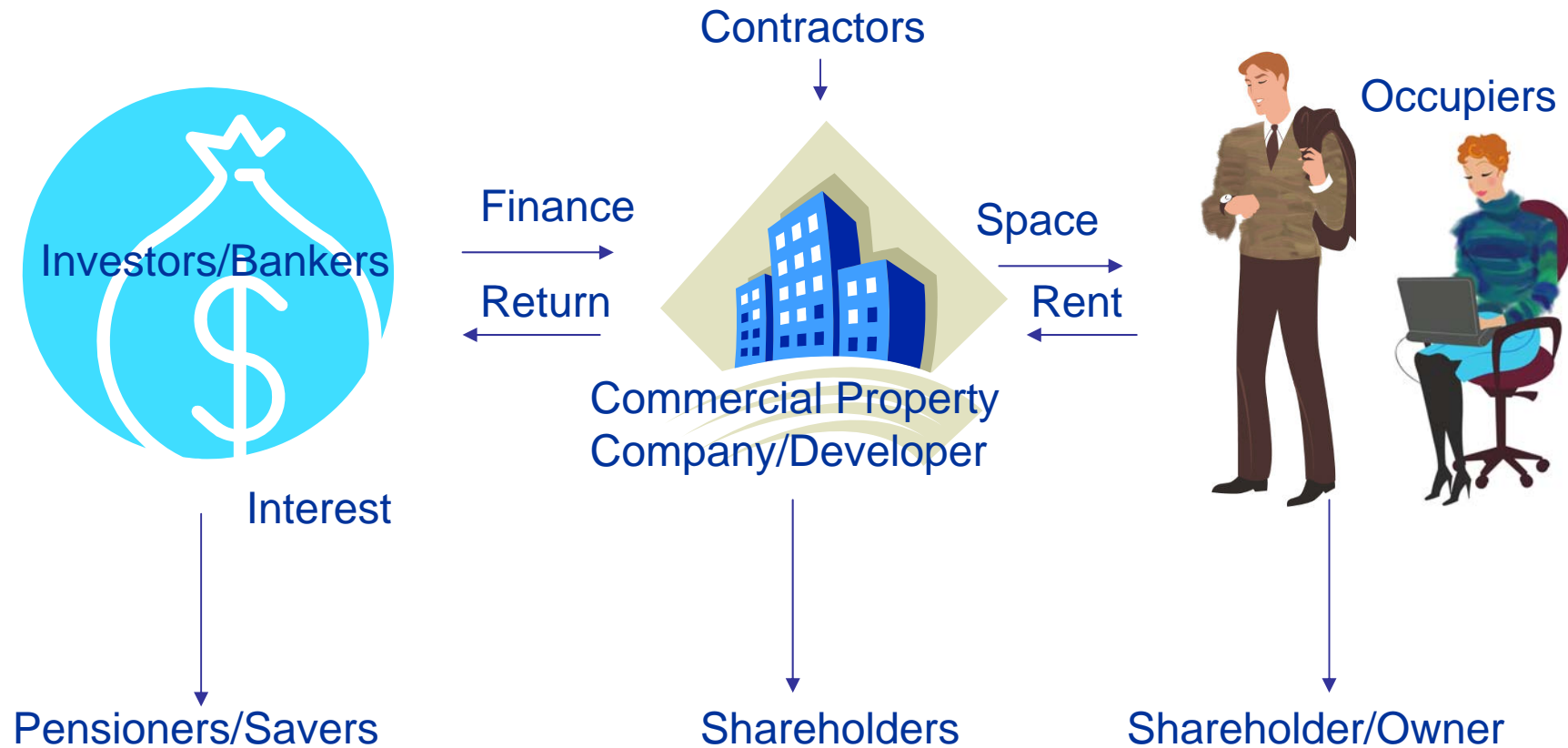
# The Investor/Developer Perspective



“For the investor, the likely increase in costs from going green has to be turned into a return”

Ian Marcus  
European Head of Real Estate  
Credit Suisse

# The Property Industry – not as simple as it sounds



## So where do the benefits arise?

- > Higher land values for well located sites (eg close to transport links)
- > Lower occupational costs – leading to a rental premium
- > More flexible/adaptable buildings last longer – worth more
- > Lower energy use attracts less regulatory penalties
- > Tenants’ desire for green buildings – higher rents
- > In numerical terms – who knows?

## But as well as value.....

- > Customers
  - > 56% of respondents of 2007 Occupier Satisfaction questionnaire thought property industry had made poor progress on sustainability
  - > Typical comment: In the future this [sustainability] will be a decisive factor in choosing a building
- > CSR/Reputation
  - > Dow Jones Sustainability Index (5 UK property company members)
  - > FTSE 4 Good
  - > Shareholder pressure
- > An opportunity for the industry to come good

# So what do we want? (1)



- > Just a little bit of clarity
  - Between Governments would be a start
- > Clear output based targets
  - Merton Rule bad, PPS1 good
- > Probably not a Code – but a framework of requirements – BREEAM modified?
- > Clarity over EPCs/DECs
- > Improved green energy supply

## So what do we want? (2)

- > Changes to the landlord/tenant relationship
- > Simple measurement/reporting system
- > Regulatory level playing field (but recognising costs!)
- > Financial incentives
  - > Speeded up permissions
  - > SDLT
  - > Rates
  - > Capital allowances

But some of this could take a while!



# And in the meantime.....

- > We can help ourselves
  - > Build to BREEAM Excellent
  - > Operate efficiently – use ISO 14000
  - > Measure and improve – use LES-TER
  - > Agree voluntary green leases
  - > Adopt our own industry index of relevant performance



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