

# Net zero for real estate

## Take Aim- Take Action

### The world is changing

The impacts of, and response to climate change are likely to bring wide-reaching changes in markets, technologies and trading conditions. Investors in real estate are seeking greater transparency of climate-related risk and mitigating actions being taken, and occupiers are expecting highly efficient green buildings.

### COVID-19

COVID-19 has caused a dramatic shift in the way that people live and work. This is expected to have a lasting effect on the way buildings are occupied, operated and valued. This presents an opportunity to incorporate net zero thinking into this new paradigm.

### Benefits

Companies that plan and have strategies to adapt their assets to a net zero economy stand the best chance of protecting and enhancing value as well as delivering environmental and social benefits.

A large, thick, cyan-colored curved graphic that starts from the top right and curves downwards and to the left, ending near the bottom right. It has a smooth, organic shape, resembling a stylized 'C' or a partial circle.[Find out more](#)

# Net zero for real estate

Take Aim- Take Action

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## Your net zero journey

Taking the net zero journey can be broken down into 4 steps



### 1. Establish Status

First establish what stage you are at on your net zero journey and what your business aims and objectives are for the future.

[Find out more](#)



### 2. Set targets

Set your net zero aims with a clearly defined pathway. Include realistic milestone targets to track and celebrate progress.

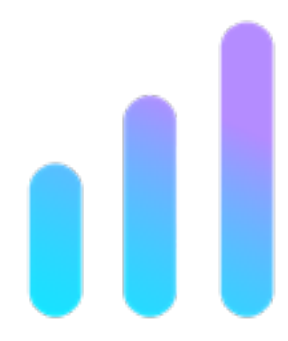
[Find out more](#)



### 3. Implement

Identify and Implement those projects that will achieve the milestones most efficiently. Engage stakeholders to build interest, knowledge and capability.

[Find out more](#)



### 4. Report

Track your progress and ensure that reporting effectively communicates your success to stakeholders across the business and identifies scope for further improvement.

[Find out more](#)

# Establish status



## How to do it

Getting a full understanding of your position on the net zero journey will allow you to effectively plan and give you a view on the size of the work ahead.

## What to consider

Review your current position by asking yourself :

1. Does your leadership understand net zero and buy into it?
2. Do you have the tools to accurately and reliably report GHG emissions (Scope 1, 2 & 3) and realise reductions?
3. Have you set ambitious company level targets which have been operationalised into the business?
4. Have you developed the skills, knowledge and resources within the organisation to achieve Net Zero?
5. Do you have a detailed reduction plan to achieve net zero and understand how green energy and offsets might feature?
6. Do you have the strategy and means to implement the plans and achieve your targets?

## Benefits abound

- Plans will be realistic and in line with business objectives.
- Quick wins will build engagement and momentum.

## Supporting your journey

We have a range of support options from a structured net zero maturity assessment which would involve stakeholder engagement and interviews through to providing more ad hoc consultancy to fill in any of the gaps you might have. Another popular activity is the completion of a peer review looking at how your competitors and industry leaders are tackling the problem.

# Establish status

## What this means for you in your role

### Asset manager

Net zero will require consideration of a wide range of interventions covering landlord, tenant and supplier activities.

### What to consider in your role

You will need to understand how to factor net zero into your short and long term asset plans and align action with key intervention points. The embodied carbon of refurbishments will become more important as operational emissions reduce due to grid decarbonisation.

### Sustainability manager

There will be a wide range of views on the best approach across the business from net zero pioneers to climate change cynics.

### What to consider in your role

Ensure that your net zero programme is underpinned by robust and comprehensive data.

- Build skills and knowledge on the subject across the business.
- Use pilot programmes to build confidence in new technologies and approaches and rapidly deploy at scale once proven.

# Establish status

## Dave's tips



### Engage

The scale of the net zero challenge is such that everyone needs to be on board from the earliest point possible and understand what this will mean for their role. An all-company briefing is a great way to start your net zero journey.

### Plan

Top down pathways need to be complimented by detailed bottom-up plans to unlock what will be significant levels of investment over the next decade. Make sure you develop a data strategy, as well as one for specific project initiatives.

### Implement

Invest in low carbon alternatives to existing plant and infrastructure on a no regrets basis, taking early action to avoid the risk of stranded assets.



**Dave Worthington**

Managing Director

# Set targets



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## How to do it

Define your net zero goals and map a pathway to achieve this. Key milestones along the way will enable you to better track progress and make the task ahead more manageable.

## What to consider

There are many different frameworks for the development of net zero pathways so find the best fit for your organisation and assets.

Consider your ability to influence indirect emissions from your suppliers, tenants and purchased goods and materials, as well direct emissions from purchased energy.

## Benefits abound

The adoption of a net zero target should materially reduce a company or portfolio's exposure to climate-related risk and represent an important market differentiator.

## Supporting your journey

Our Aim for Zero service gives you costed pathways to achieve zero carbon complete with milestone targets and the structure for achieving them.

We have helped 10 major clients on the pathway to achieve zero carbon by 2050.

[Find out more about Aim for Zero](#)

# Set targets

**What this means for you in your role**

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## Asset manager

Net zero pathways can highlight when an asset might become stranded if no action is taken.

## What to consider in your role

Asset plans should target a reduction in Energy Use Intensity (EUI) as well as carbon emissions.

## Sustainability manager

Net zero targets and strategies need to be bold and engaging but also robust and deliverable.

## What to consider in your role

- How will the targets translate to asset-level action and how will you track progress?
- Should you seek external verification of your pathway?



# Set targets

## Leah's tips



### Consider baseline

Consider your baseline year carefully to make sure this is representative of normal practice and does not lead to unachievable targets.

### Understand peers

Take note of peer commitments but recognise differences between portfolios and organisational priorities.

### Stakeholder benefits

Understand what the adoption of a net zero target means for each role in the business and how everyone can benefit from this.



**Leah McCabe**

Senior Consultant Aim for zero (Real Estate)



# Implement



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## How to do it

Review the alternative project options for achieving the milestones in your net zero pathway in terms of the costs and benefits as well as how quickly a project can be achieved.

## What to consider

Stakeholder engagement has a significant impact on the success or failure of a project. Ensure this is part of the project plan.

Quick wins early on will encourage a positive attitude to further activity as well as freeing up funds for future investment.

## Benefits abound

- Carbon reduction initiatives can reduce operational costs for landlords and tenants and increase asset values.
- Assets which have taken action on the path to net zero will become increasingly attractive to investors looking to reduce their exposure to transition risk.

## Supporting your journey

Our Deliver for Zero service enables you to identify the best projects and implement them with success. Our teams will work with all of your key stakeholders.

We have identified >£20m savings across >1,000 projects.

[Find out more about Deliver for Zero](#)

# Implement

**What this  
means for  
you in your  
role**

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## **Asset manager**

Have you got the right combination of technology and skills in your supply chain to deliver high quality projects?

## **What to consider in your role**

Projects can be people, process and technology-related or a combination. All are important but require different approaches.

Technology is a critical enabler of low carbon initiatives, finding hidden opportunities, automating processes and generating actionable insights. Engineers' time can then be focussed on the highest value add activities.

## **Sustainability manager**

How can project data be aggregated up to fund and house level?

## **What to consider in your role**

Property Managers and FMs will need an intuitive platform to manage project workflow and feed data back to a central data hub.

Monitoring & Verification techniques should be used to compare measured savings with business case estimates.

# Implement

## Bethan's tips

### Reduce demand

Reduce energy demand as much as possible before replacing heating and cooling plant with lower carbon alternatives leading to smaller plant sizes and greater total cost reductions.

### Act early

The sooner a project is completed, the greater the cumulative savings by the target year so early action really pays.

### Whole systems

Take a whole systems approach, unlocking greater savings through the combination of complementary technologies e.g. energy efficiency, solar, demand response controls, energy storage and EV charging.



**Bethan Phillips**

Principal Consultant Deliver for Zero (Real Estate)

# Implement

## Case study

### Building Summary

- 8 floor, 16,000m<sup>2</sup> central London office

### Direct Impacts

- 10% reduction in year 1 primarily delivered through optimisations & fault detection with improved occupant comfort
- Additional Value
- FM capacity building including skills, tools and tenant engagement
- Insight into systemic issues such as FM approach and tenant influence

# Report



## How to do it

Getting a full understanding of your position on the net zero journey will allow you to effectively plan and give you a view on the size of the work ahead.

## What to consider

Effective reporting is a critical component of a transformative net zero strategy. This should use:

- Best available technology to automate data collection and validation
- Customised dashboards and data visualisations to provide relevant information to each user
- Advanced analytics and technical experts to identify performance trends and anomalies

## Benefits abound

- Data automation allows the team to focus on insights and action.
- Simplified reporting drives ownership of performance.
- Data insights identify most material areas to address.

## Supporting your journey

We partner with industry-leading software Envizi and create bespoke data visualisation and reporting dashboards using PowerBI.

We have completed >£250bn AUM performance reporting.

# Report

**What this means for you in your role**

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## Asset manager

How should you embed net zero performance reporting into standard asset operation?

### What to consider in your role

The demands of a net zero programme can represent a significant change in responsibilities for Property Managers and introduce new training needs. Specialist advisors, combined with intuitive software platforms can help teams make this transition and build capacity and efficient processes.

## Sustainability manager

How can you provide meaningful information on the progress to net zero to investors, business leaders and occupiers?

### What to consider in your role

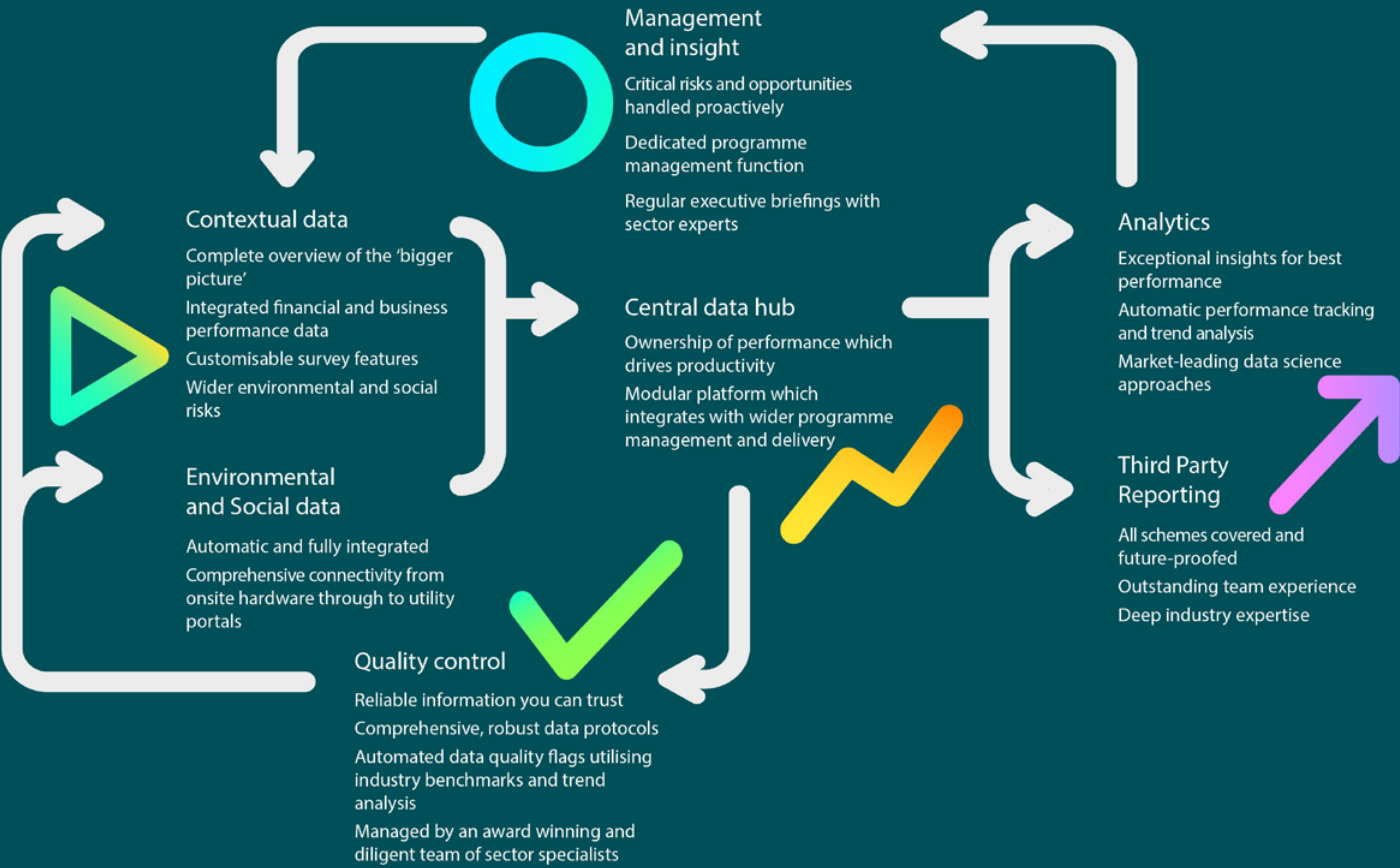
Create a tailored dashboard for each user with a clear performance narrative covering:

- Headline KPIs
- Reasons why assets are ahead or behind pathway
- What cost and opportunity remains
- Cumulative savings from projects already implemented
- Cost/risk of inaction



# Report

Industry leading  
software fit for the  
future.



# Report

## Adam's tips

### Automate

Use metering and data harvesting technologies to automatically collect data on landlord and tenant consumption so data can be aligned with agency to act.

### Drive ownership

Drive ownership of data at an operational level, giving users real time visibility to understand performance and act quickly when anomalies are automatically identified.

### Formalise process

Use formalised protocols and ways of working to maximise data quality and completeness, providing a robust platform for action.



**Adam Stewart**

Senior Consultant Report for zero (Real Estate)




# Take aim- Take action

We take a joined-up approach: We help set targets and implement projects.

Aims are realistic and action gets the right results.

**verco**



-  Expert pathway strategies for leadership
-  Stunning analytics for insight and disclosure
-  Project identification and implementation for optimum performance

[Find out more](#)

# What next?

## Visit our website

Find out more about us and the services we provide.

Visit our website

## Join our mailing list

We will keep updated on the latest compliance requirements, opportunities for funding and upcoming webinars and events that are relevant to you.

Join our mailing list

## Call us for a free 30 minute phone consultation

We are here to help you achieve zero and love talking to businesses about how they can meet their net zero targets. Arrange a call with one of our consultants to discuss your needs and the options available to you.

Book a consultation

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