



# Pathway to Net Zero



The Institute of Residential Property Management  
Winter Conference

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Dan Jestico | Director – Sustainable Design | Savills Earth

## Part 1 – Organisational Net Zero Carbon

- Net Zero Carbon Pathways
- Understanding Your Emissions
- Emissions Scopes Explained
- Strategies for Delivery

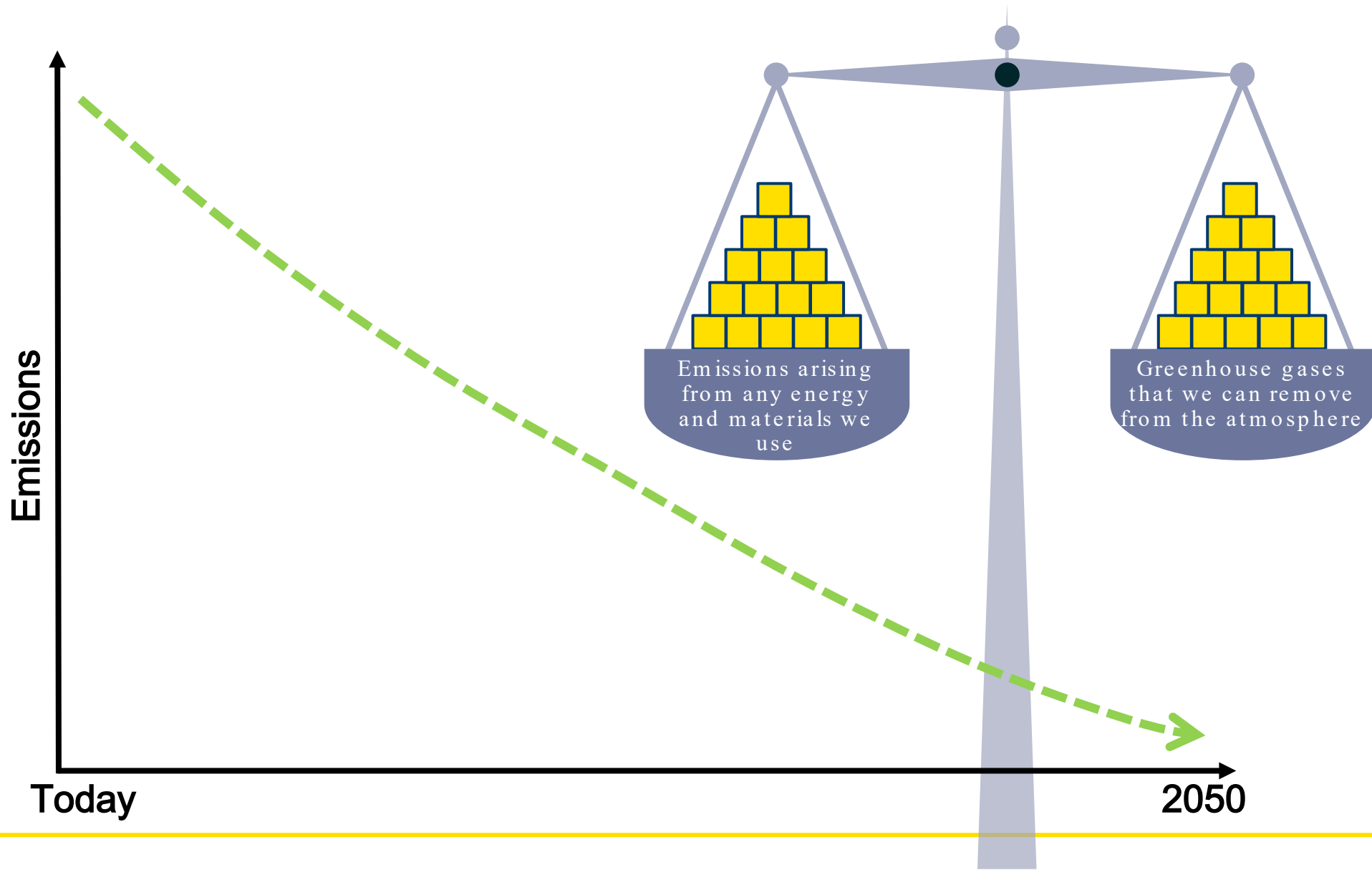
## Part 2 – National Policy Landscape

- The National Net Zero Carbon Pathway
- The Scale of the Problem
- Proposed Policy Interventions
- Issues and Unintended Consequences

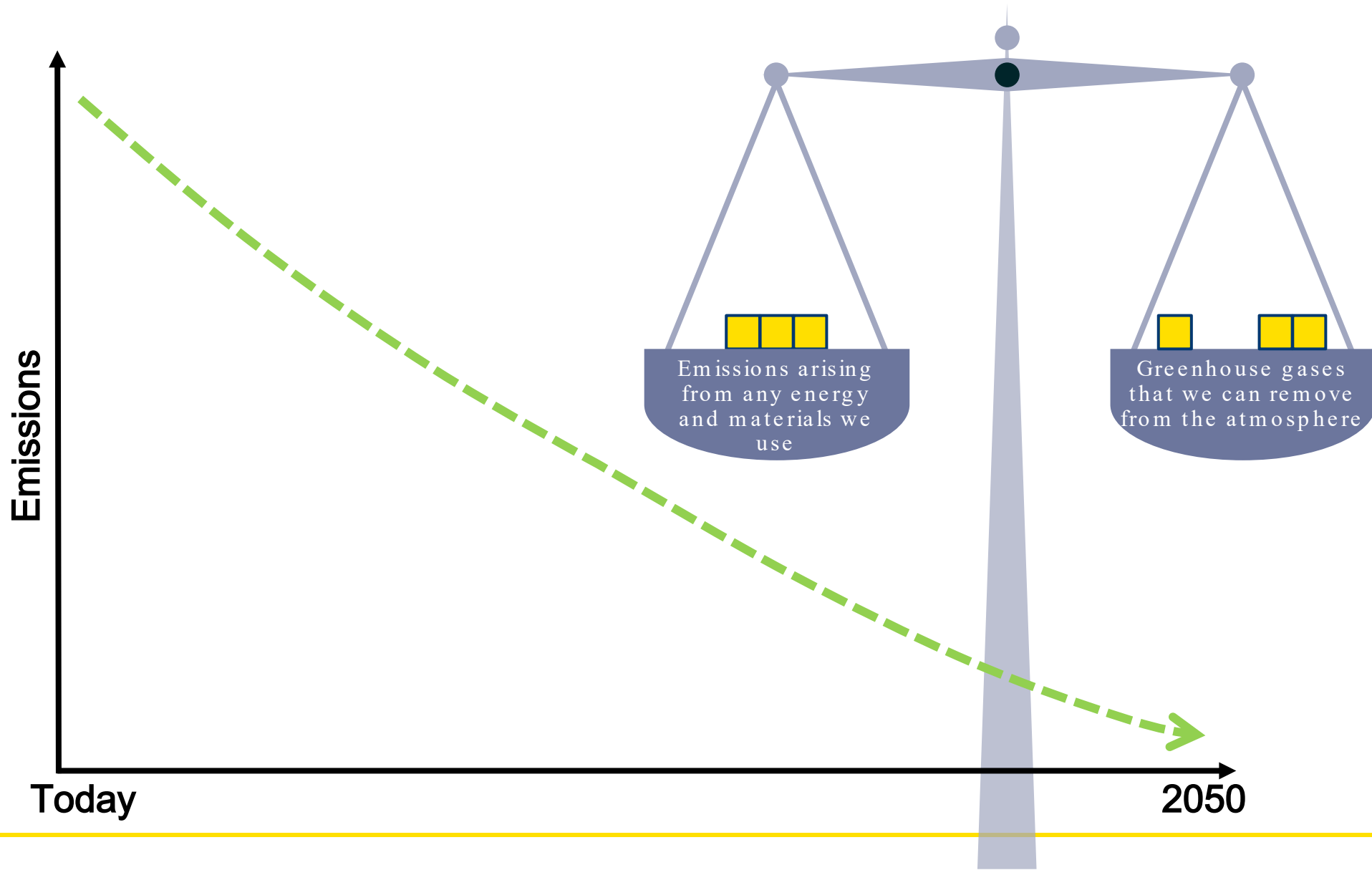
# Net Zero Carbon Pathways



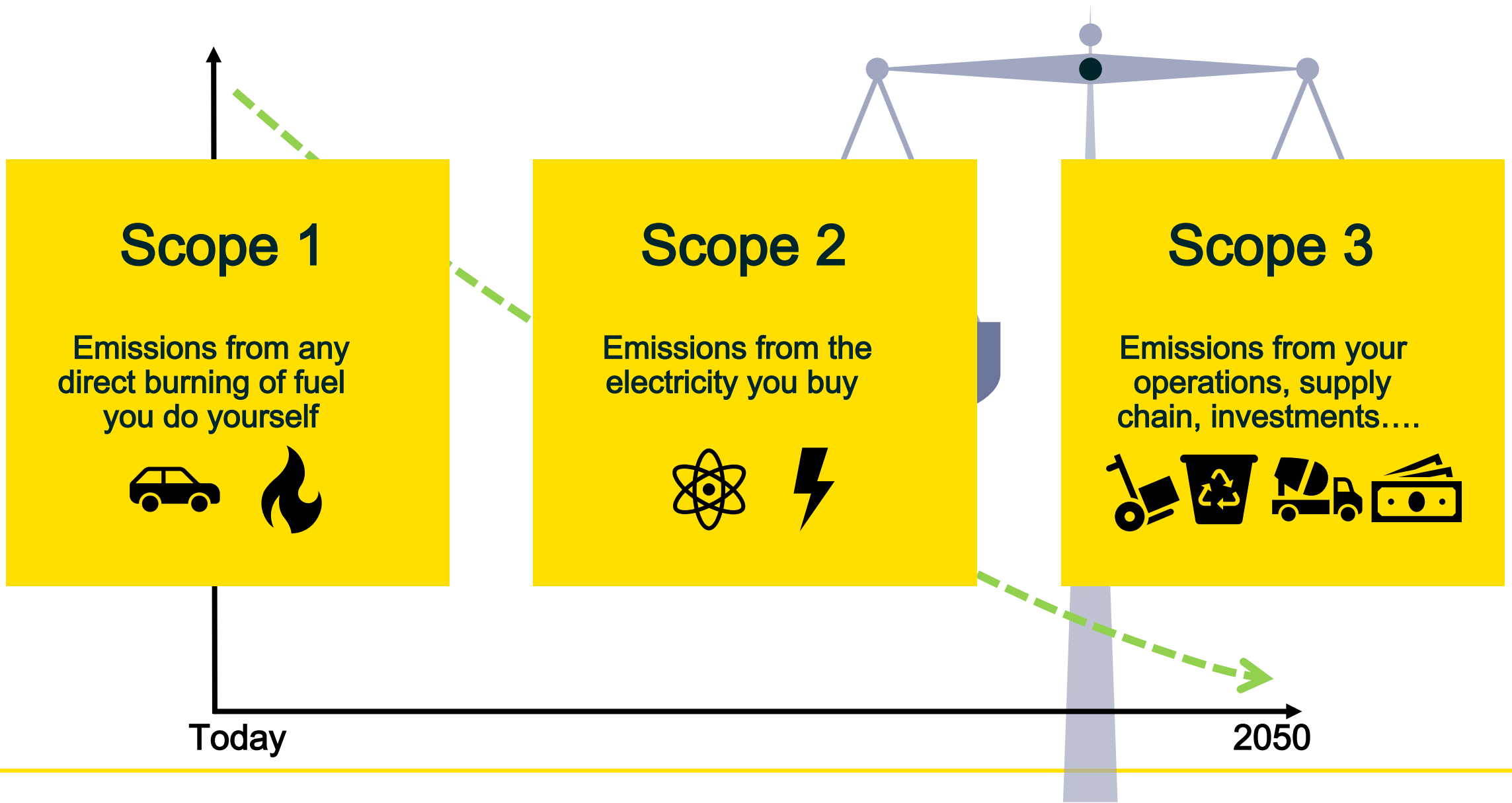
# What do we mean by Net Zero?



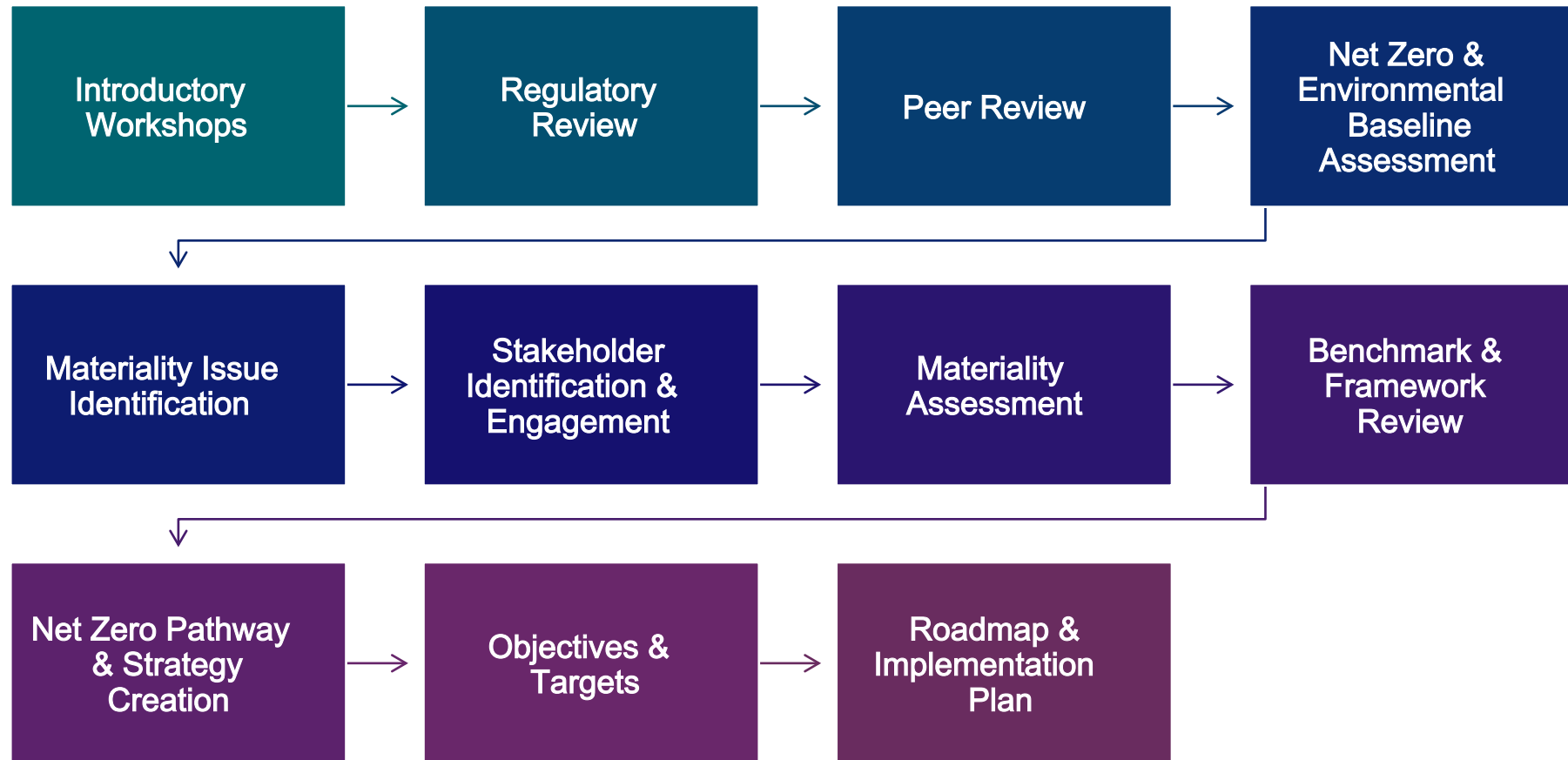
# What do we mean by Net Zero?



# A quick emissions explainer:



# Defining Net Zero Carbon Strategies

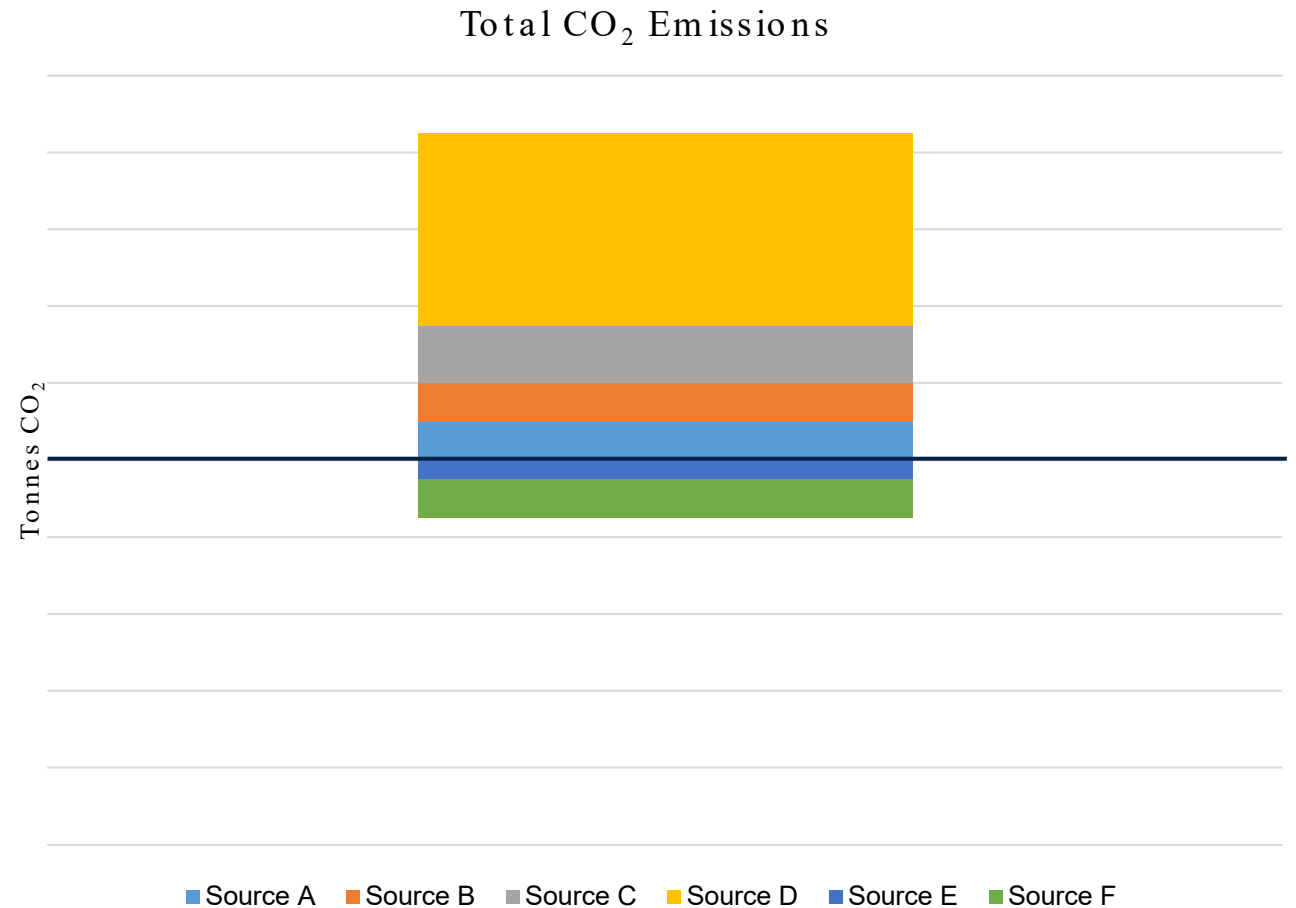


- Strategies will be bespoke to each organisation
- Utilise existing reporting frameworks (GHG Corporate Protocol)
- Understand organisational boundaries to identify GHG emissions sources
- Understand operational boundaries to identify upstream and downstream influences
- Scope 1 and 2 emissions data relatively easy - based on metered/recorded data
- Scope 3 more difficult – upstream and downstream activities
  - Business travel
  - Supply chain
  - Investments
  - Leased assets
  - Operational waste
- Not an overnight process



# Net Zero Strategy Implementation

- Use baseline data to understand relative impact
- Target interventions strategically
  - Green energy providers
  - Low energy lighting
  - Staff engagement
  - Carbon offsets
- Continue to monitor and report



# Performance and Disclosure

Focus Area	Target	Target Year
Health, Safety and Wellbeing	Continue to ensure all incidents are resolved within the required timeframe	2020 onwards
	Achieve over 90 % scores on Health & Safety Risk Rating across all managed properties	2021 onwards
	Develop a tenant and community engagement programme to promote health and wellbeing initiatives	2021
ESG Disclosure and Transparency	Achieve GOLD Standard for disclosing in line with EPRA sBPR	2021
	Achieve 3 star GRESB rating	2022
	Align the company's sustainability objectives with the UN Sustainable Development Goals	2020
	Strengthen alignment with the TCFD recommendations	2020 onwards
Managing Environmental Impacts	Develop a sustainability action plan for all operationally managed assets	2021
	Procure 100 % renewable electricity for all landlord-controlled areas	2022
	Achieve 10 % reduction in like-for-like energy intensity for our managed offices, measured against 2019 baseline, m3/ m2	2023
	<b>Develop a pathway for achieving Net Zero carbon in operation</b>	<b>2021</b>
	Maintain zero waste to landfill	2020 onwards
	Improve measurement of water consumption and waste management	2021
Sustainable Building Design	Commit to and promote a set of chosen standards for sustainable design for New Construction, Fit Out and Refurbishment	2021 onwards
	Engage occupiers to support the delivery of their sustainability programmes for Fit Out and Refurbishment	2021 onwards

## PROGRESS AND ACHIEVEMENTS



### GRESB REAL ESTATE SUSTAINABILITY BENCHMARK

- Achieved 52/100 score in the 2020 survey, a 15 point improvement from 2019.
- Achieved 'Green Star' status.



### EPRA SUSTAINABILITY BEST PRACTICE RECOMMENDATIONS

- Achieved the Gold Award.
- Awarded a 'Most Improved Award' for 2020.



# Net Zero Strategy - Summary

Strategies need to be:

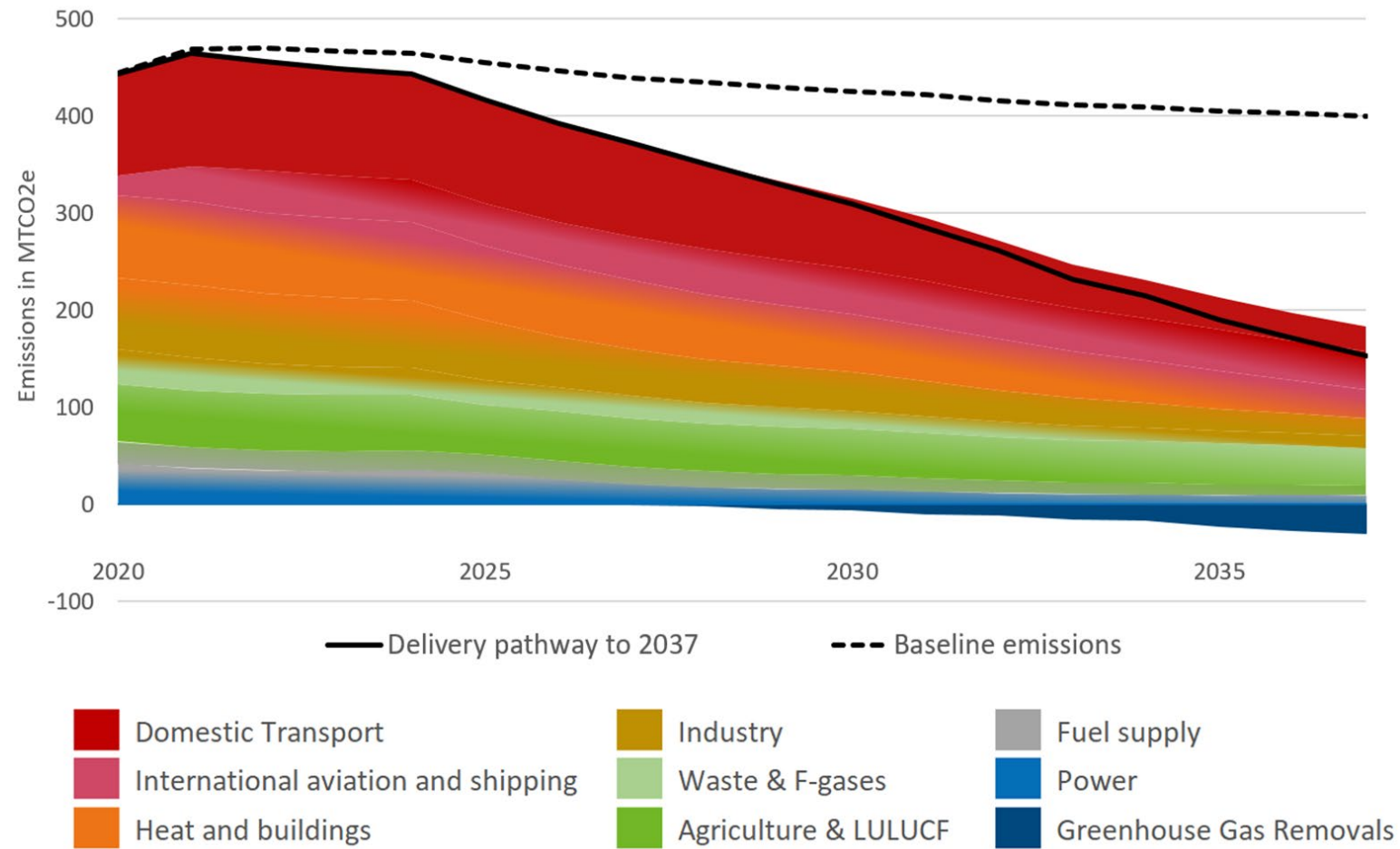
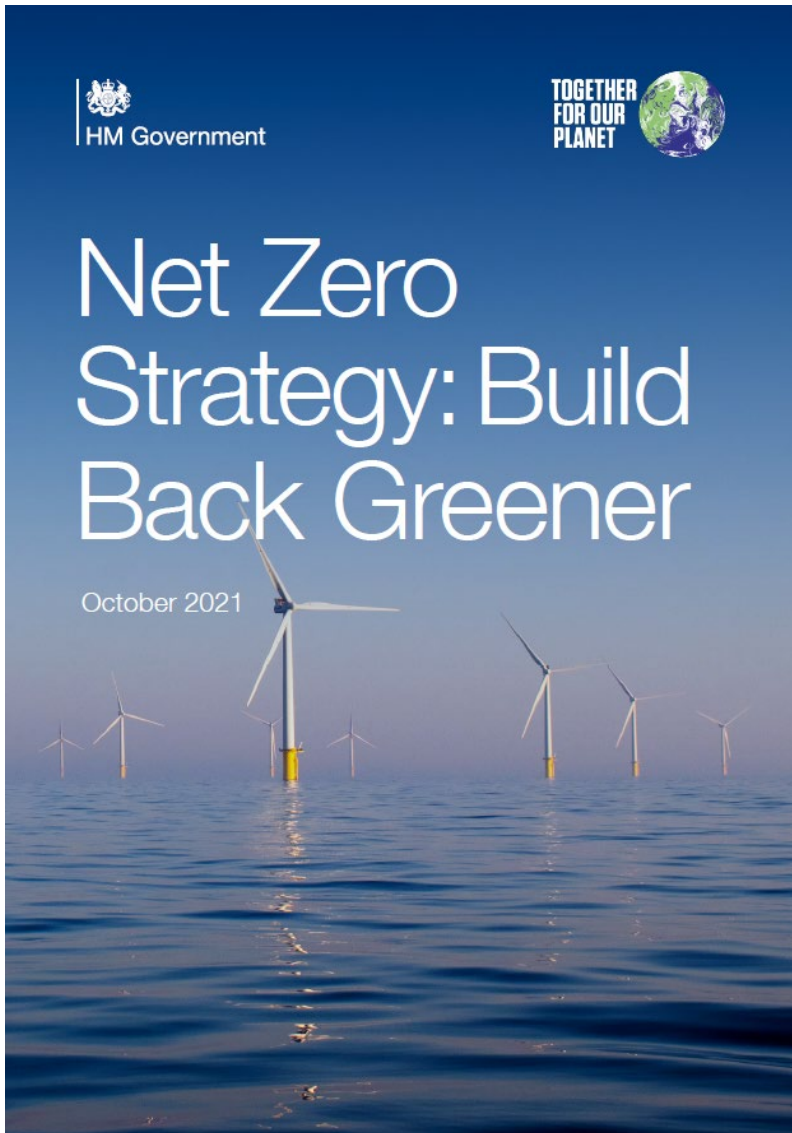
- Based on data
- Credible
- Achievable

Successful strategies will build:

- Investor confidence
- Reputation
- Marketability
- Longevity

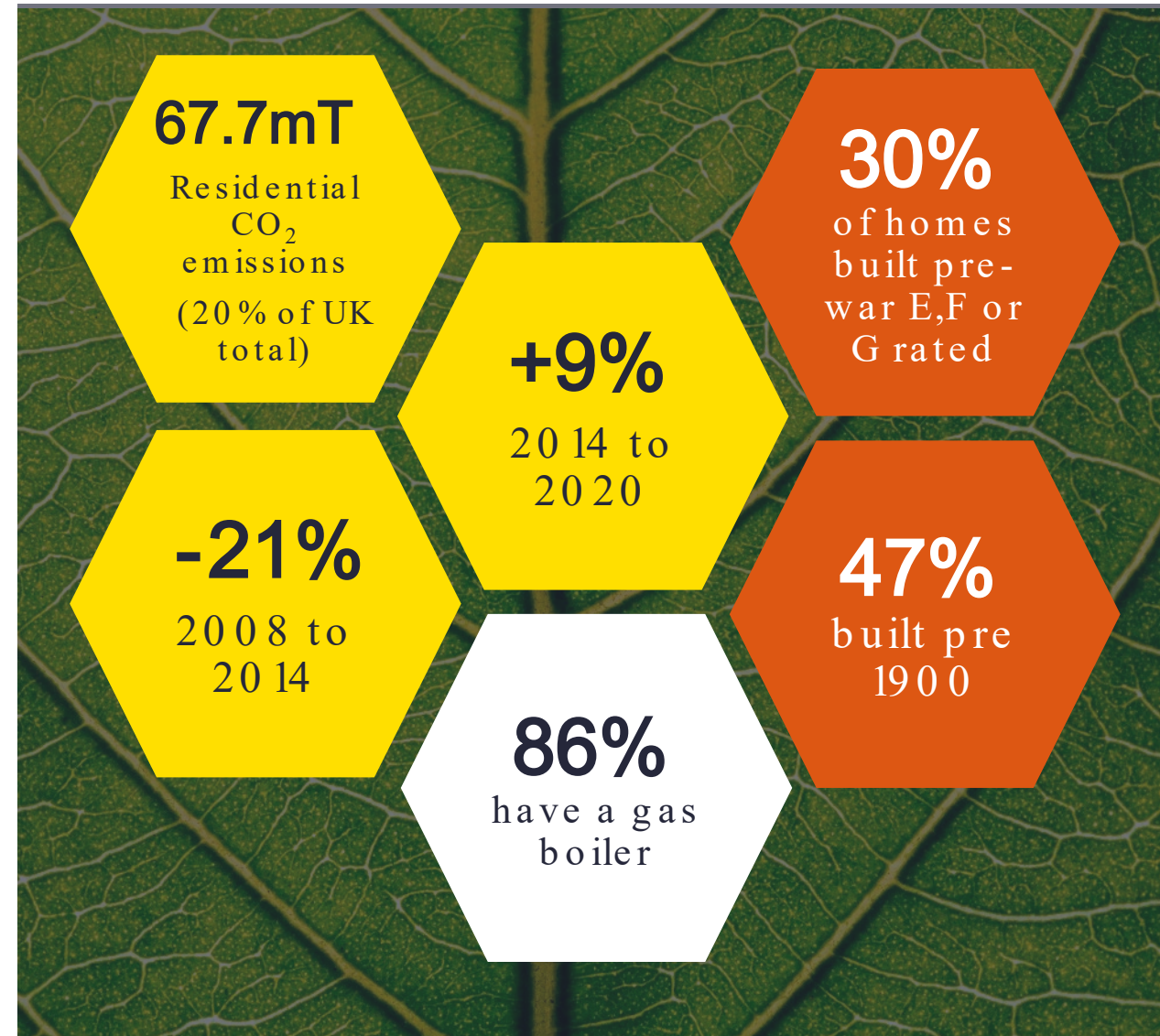
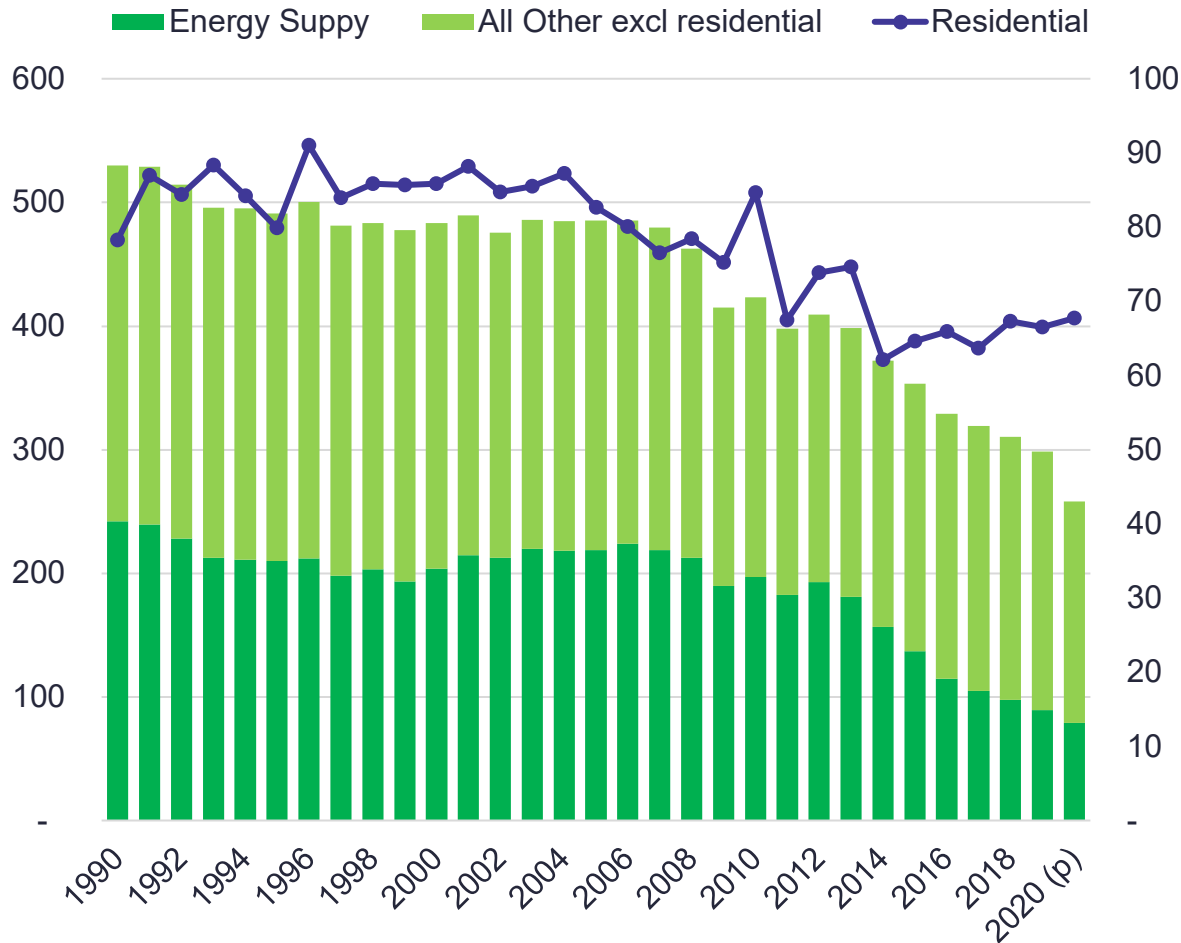


# National Net Zero Carbon Strategy



# The Scale of the Problem

## Total CO<sub>2</sub> Emissions



## Affordable Housing Sector

5.08 million homes

54% A, B or C

9% E, F or G

Zero carbon by 2050 via the  
Decent Homes Standard

Average anticipated  
improvement cost £20,600 per  
dwelling

17% of homes could be  
uneconomic: redevelopment,  
stock sales & offsetting

## Private Rented Sector

5.57 million homes

39% A, B or C

18% E, F or G

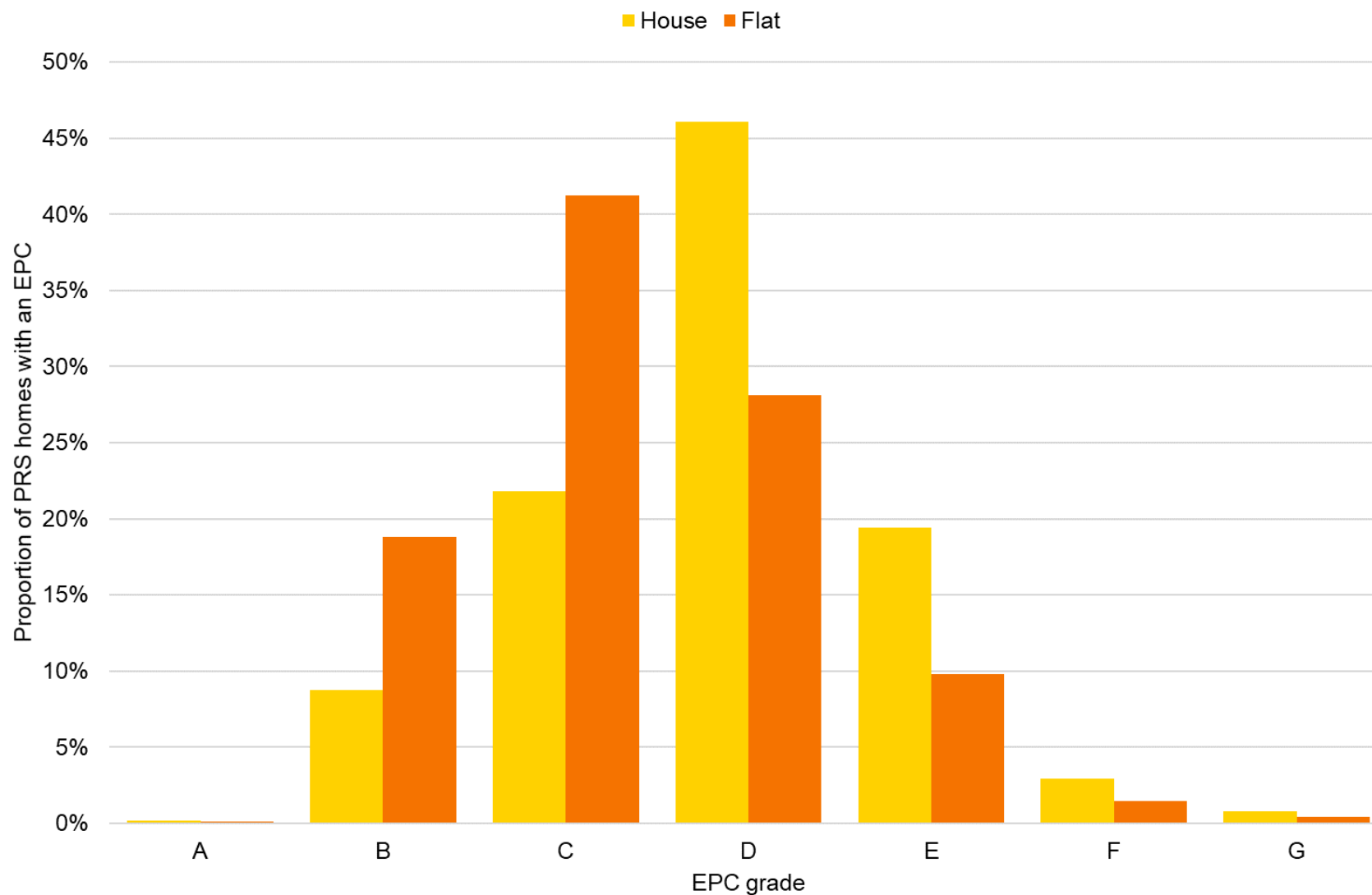
Minimum standards EPC E to  
EPC C

Cost exemption £3,500 to  
£10,000

More pressure on private buy  
to let investors

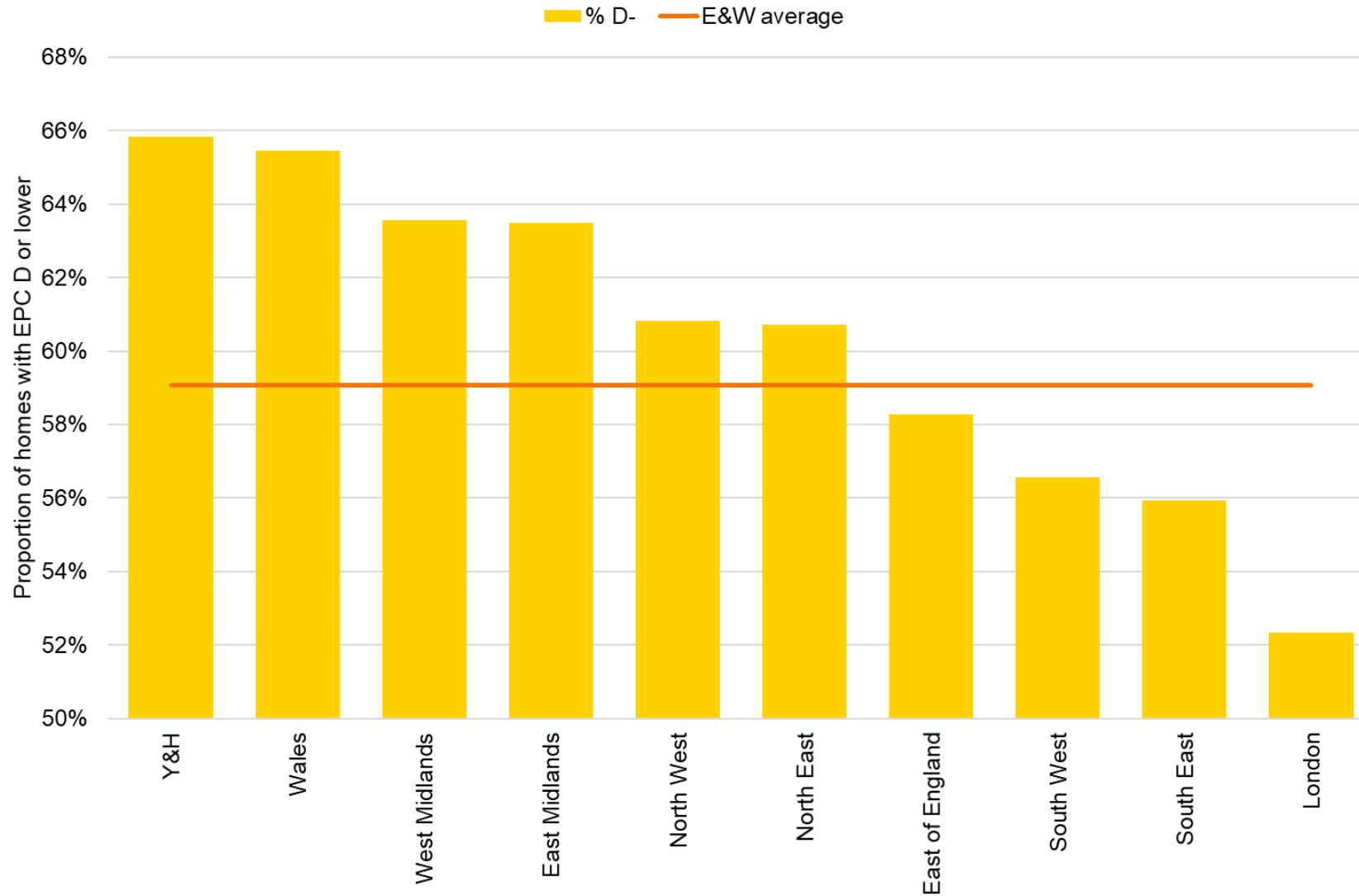
Institutions with purpose-built  
stock better placed to respond  
(e.g. BtR)

# Rented Homes



- 40% of privately rented flats have an EPC of D or below
- 69% of privately rented houses have an EPC of D or below

# Rented Homes



- 52% of privately rented homes in London require intervention
- 66% of privately rented homes in Yorkshire and The Humber require intervention



# Owner Occupied Homes

## All owner occupiers

18.93 million homes

38% A, B or C

21% E, F or G

## Energy consumption

**+21%**

higher than private renters

**+43%**

higher than affordable and social renters

## Mortgaged



8.70 million



Mortgage lending as the main policy lever

- at point of purchase
- at point of remortgage



Lending targets

- for energy improvement works
- for the EPC profile of the lenders portfolio

## Mortgage Free



10.23 million  
+1.55 million in 10 years



Older households  
Less energy efficient homes  
Average period of occupation 24 years

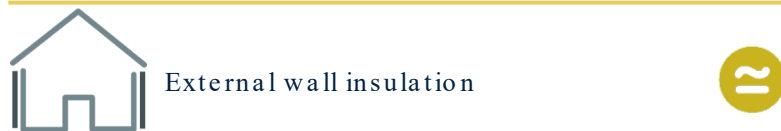
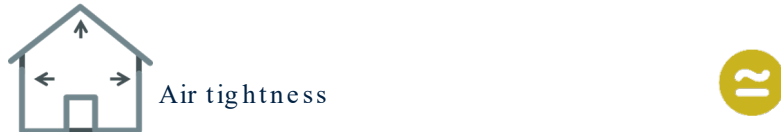


# Proposed Policy Interventions

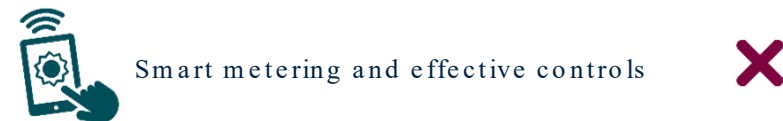
- National net zero carbon by 2050
- Zero carbon electricity generation by 2035
- EV charging points in new build and refurbishments from 2022
- EPC C rating by 2025 for new tenancies and by 2028 for all tenancies
- As many homes as possible to meet EPC Band C by 2035, where cost-effective, practical and affordable
- Aiming to phase out the installation of new and replacement natural gas boilers by 2035

# EPC C rating by 2025 – How?

## Fabric Upgrade Opportunities



## Systems Upgrade Opportunities



# Issues and Unintended Consequences



- Will the Government pay?
- Legislation to overcome leasing issues, and allow landlords to recover improvement costs from tenants?
- Technical solutions?

## **We are analysing your feedback**

Visit this page again soon to download the outcome to this public feedback.

# Thank You!

For more information or guidance please contact:

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**Dan Jestico**

Director

Sustainable Design – Savills Earth

07929 659 514

[dan.jestico@savills.com](mailto:dan.jestico@savills.com)

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