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All Party Urban Development Group www.allparty-urbandevelopment.org.uk

PRESS RELEASE

EMBARGOED UNTIL MONDAY 12 MAY 2008

MPs to tackle green buildings challenge at first inquiry held today

The first parliamentary inquiry into greening existing offices, shops and warehouses will take place on today.

The All Party Urban Development Group is conducting a hearing into what ministers, city leaders and property owners and occupiers need to do to reduce the environmental impact of commercial property.

Much has already been said about building zero carbon homes by 2016, but half of the buildings we currently have will still be with us in fifty years, so tackling the commercial buildings we already have will be an opportunity to make the biggest impact in reducing emissions.

Commercial property contributes around a fifth of the country's carbon emissions.

The inquiry will be an opportunity for a selection of industry leaders and public figures to present evidence which will feed into the group's final report, due out in July.

Concerns are likely to be raised about the lack of clear guidance over standards and information on costs/benefits of particular schemes and how the industry can bear those costs amid the current downturn.

Business leaders have been calling for coherent definitions and real evidence on the financial impact of various green measures. Tax incentives to encourage property owners and occupiers to refurbish their buildings will also be high on the agenda.

Please see the notes section for full details of those appearing before the inquiry and other background information.

For interview requests or any other media inquiries call Andrew Teacher on 07968 12 45 45

Bill Wright, energy and environment manager, John Lewis Partnership, said:

"Improving energy efficiency in commercial buildings like our John Lewis department stores or Waitrose food stores is a challenge, not least because shoppers today expect state of the art lighting and cooling. However with the right fiscal incentives to make change economically viable and a holistic long term vision that reflects the needs of different locations and building types we could see a shift over the next 20 years to much more energy efficient shops and services."

Dr David Vincent, director, Policy at the Carbon Trust said:

"UK buildings are responsible for around 45% of the UK's total carbon footprint. Notwithstanding the welcome attention being paid to reducing emissions from new buildings going forward, the real challenge is how to make substantial reductions of carbon emissions associated with existing buildings. Estimates vary but 60 % of the carbon emissions in 2050 could come from buildings already here today. Action to reduce emissions associated with the existing stock is therefore vital.

The Carbon Trust welcomes the opportunity to inform and contribute to the debate through the All Party Urban Development Group.”

Councillor Anne Hawkesworth, Bradford Council's Executive member for Environment and Culture, said:

"The Kirkgate Centre in Bradford is an excellent example of what happens when local authorities and businesses work together to share expertise and ideas on how to reduce carbon emissions and save energy.

"Bradford Council has received national and international recognition for the work it does to help businesses reduce their carbon emissions and raise awareness of climate change. I am pleased that we have the opportunity to share the lessons we have learnt with the Government."

Jon Lovell, head of sustainability at Drivers Jonas, said:

"In a nutshell, investors need confidence that tackling the environmental performance of existing assets will lead to safeguarded or improved returns. That relies on occupier demand, a coherent fiscal and policy framework and much more coherent information against which the performance of stock can be understood and compared."

Dr Sandra Gomez, associate director at CB Richard Ellis, said:

"As the world's leading commercial real estate advisor, CBRE is delighted to be asked to give evidence to this important inquiry. Our experience helping clients to improve the performance of their properties has revealed a pressing need for more joined-up thinking and concerted action from government, local authorities and the owners and occupiers of commercial property.

"Our clients need accurate and understandable information on which to base their decisions, clearer economic incentives to invest in new plant, carbon price incentives and more consistency in the interpretation and enforcement of planning policies across the regions. The 'greening' of Britain's urban non-residential buildings will make a significant contribution to combating climate change. We hope that this inquiry will help promote a better coordinated approach to that challenge."

Hilary Reid Evans, head of sustainability Initiatives at Quintain Estates and Development PLC said:

"Significant and wide-ranging changes to our business practices will be required if the UK is to meet its carbon reduction targets. Undoubtedly, our approach to the existing building stock, including commercial buildings, demands radical and rapid action. There are currently however few incentives for landlords and tenants to meet this urgent need.

We therefore need some innovative and joined-up thinking to ensure we meet this challenge, including a fresh look at capital allowances, fiscal incentives and the planning regime. [Today's] inquiry provides us with the opportunity to start this process."

Martin Moore, Managing Director of PRUPIM comments:

"Despite the current market uncertainty, sustainability is something that the property industry is taking very seriously and firms such as PRUPIM are leading the way in tackling emissions and energy efficiency in the built environment. There are many challenges and the Government's role must be to take an active lead in shaping a greener environment and encouraging the industry through engagement, support, regulation and fiscal incentives to widen its focus from new constructions to existing buildings, which will make the biggest difference."

Andy Schofield, property research manager at Henderson Global Investors, said:

"As part of our Responsible Property Investment strategy, Henderson is committed to addressing the environmental impact of all the properties held within our Funds. We have recently carried out a major sustainability risk review and have been able to identify areas where improvements in energy

efficiency performance can be achieved. The next stage will be to implement measures to reduce the negative environmental impacts. We would encourage the Government to assist all property owners to take similar steps through policy initiatives such as providing Enhanced Capital Allowances for energy saving technologies and fixed Feed-In Tariffs for buildings that are able to generate more energy than they consume (i.e. carbon positive buildings)".

Paul Edwards, head of sustainability at Hammerson plc said:

"Greening existing buildings is key to solving the property industry's environmental impact as existing buildings represent over 90% of stock. It relates both to making modifications to existing buildings and to the management of resources within those buildings. For this reason, at Hammerson, we have implemented several initiatives, ranging from physical changes such as complete removal of air conditioning through to tenant engagement via green leases and sustainability fitout guides. We have already seen the results of this with a 12% reduction in our CO2 emissions in 2007."

Nigel Hughes, Planning and Environmental Director, Grosvenor said:

"We welcome this Inquiry into what ministers, city leaders, property owners and occupiers need to do to reduce the environmental impact of existing commercial buildings. This is an issue which is high on Grosvenor's agenda as exemplified by our membership of the Better Buildings Partnership, the key aim of which is to deal with the carbon effects of existing commercial building stock in London.

"To encourage the greening of existing buildings we would urge the Inquiry to consider seeking tax concessions or other financial incentives, ie 0% VAT, on any works that enhance a building's sustainability or lead to a reduction in CO2 emissions."

Sarah Ratcliffe, director at Upstream and Jones Lang LaSalle, said:

"The sustainability of the existing building stock has received comparatively little attention. Addressing this is more complex than new build, as it requires an in-depth understanding of the relationships between the owners and occupiers of assets and their control over sustainability impacts. A review to identify the barriers to addressing issues such as energy efficiency in existing property assets is long overdue. We would welcome a debate concerning the legislative, regulatory and fiscal mechanisms required to move forward on this crucial issue."

Miles Keeping, head of sustainability at property consultants, GVA Grimley said:

"Too much effort has gone into the "greening" of new buildings, which represent an almost insignificant issue in the context of the size of the standing stock of existing buildings. Existing buildings are the real problem in terms of energy use, and government and the private sector must work together if we are to get close to meeting obligations to reduce carbon emissions.

"On the regulatory side, there is a lot to do: More clarity of purpose and consistency in implementation is essential. The private sector will cope with, and sometimes welcome, more stringent regulatory requirements so long as they appreciate why they are necessary and that they are reasonable. To be fair, the government has recently agreed to update the Building Regulations on a fixed timetable with clearer long term performance targets, which is welcome, but more streamlined sustainability regulation is essential. Perhaps the Climate Change Bill is a missed opportunity in this respect?"

Charles Wollam, a Director at real estate adviser DTZ said:

"The Government's plan to promote greater energy efficiency in existing commercial buildings is a vital step forward. However, an awful lot of work is now needed to ensure that the cost is affordable and to decide who is going to pay. Great care needs to be taken to make sure that incentives and penalties are both fair and affordable."

Ranald Boydell, sustainable development director of Kilmartin, said:

"If we do not act now, as the impacts of climate change start to become manifest, and particularly if energy costs rise sharply, we run the considerable risk of repeating past patterns and observing a significant decline in the property value and economic activity of our city centres, as energy-conscious occupiers opt for energy-efficient new buildings on peripheral brownfield or greenfield sites."

David McDonald, sustainability director for the UNITE Group plc, the UK's largest student accommodation provider said:

"This is an important enquiry. Commercial and residential landlords have opportunities to improve the environmental credentials of their existing buildings, in particular by engaging with tenants to influence and encourage behavioural changes around environmental awareness and resource efficiency."

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NOTES FOR EDITORS

People giving evidence:

Public sector witnesses

Paul King, chief executive, UK Green Building Council;
Allan Jones, chief executive officer, London Climate Change Agency
David Vincent, director of policy, Carbon Trust (Government-funded agency)
Richard Isaac, City of Bradford Metropolitan District Council.

Commercial property witnesses

Sandra Gomez, associate director, CB Richard Ellis (property agent)
Jon Lovell, Drivers Jonas. (property agent)
Hilary Reid Evans, head of sustainability initiatives, Quintain (developer)
Bill Wright, energy and environment manager, John Lewis Partnership

About the group

The All Party Parliamentary Urban Development Group was established to provide a forum for MPs and Peers from all political parties to come together to raise awareness of matters concerning urban renewal and sustainable development.

The group's officers include:

- Clive Betts MP (Labour – Sheffield Attercliffe – Chair)
- Lord Richard Best (Cross-bench – Vice Chair)
- Baroness Scott of Needham Market (Liberal Democrat – Vice Chair)
- Rt Hon Nick Raynsford MP (Labour – Greenwich and Woolwich – Hon Chair)

The British Property Federation has been formally registered by the Office of the Parliamentary Commissioner for Standards to provide secretariat services for the group in partnership with the Centre for Cities, an independent urban research unit, carrying out the group's research.

What is sustainability?

The sustainability of the building stock is not just about energy efficiency but encompasses other factors such as water efficiency and the movement of people and goods to and from buildings. However, the enquiry will focus on energy efficiency.

Other green commitments

Energy Performance Certificates for non-domestic buildings were introduced on 6 April and will be rolled out during the coming months.

The requirement on occupiers of public buildings to produce Display Energy Certificates showing the operational energy rating of such buildings (coming into force on 1 October 2008) is likely to be extended to other types of property. However, many in the private sector are planning to produce DEC's on a voluntary basis in any case. These too, will be catalysts for change.

Local authorities have an important role to play in setting carbon reduction strategies for their areas including requirements for the use of decentralised renewable energy. However, such strategies must recognise the need to maintain economic viability and conform with national guidance, allowing the use of on-site, near-site and off-site renewable solutions.

Construction waste forms a substantial part of the waste generated every year, much of which goes to landfill. Construction clients, as well as contractors, have an important part to play in meeting targets for halving the amount of waste that goes to landfill. Solid waste and landfill lie outside the scope of the inquiry.