

BCO warns office sector must make major changes to reach net zero targets

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A new report produced by University College London for the British Council for Offices calls for greater collaboration and data-sharing between office building owners and occupiers.

A new report, *Delivering Net Zero Carbon in the Workplace*, produced by University College London Consultants (UCLC) for the British Council for Offices (BCO), identifies the barriers that businesses are facing as they strive to drastically reduce their workplace carbon footprint. The report, informed by over 100 office occupiers and building professionals, outlines the measures that can be taken to overcome these barriers – at low or zero cost. These include:

- Greener and longer leases, with office occupiers having more say over refurbishments
- Greater collaboration and data sharing between building owners and occupiers
- Submetering and the use of sensors to measure exactly where energy is used
- Use of pre-fabricated, re-used and recycled materials and furniture

Achieving net zero carbon emissions is a major component of Environmental, Social, and Governance (ESG) strategies in the commercial real estate sector, driven by a growing expectation from businesses, their customers and ultimately the public, to respond to the effects of climate change. The current energy crisis that began in 2022 is also focusing minds and investment on improving energy efficiency.

Yet improving the energy performance of offices is challenging, particularly as 50% of the office building stock in the UK is tenanted – meaning there is little consistency even within single buildings as to how workspaces are designed and used. Only 12% of building professionals and office occupiers consulted for the BCO's report believe that operational carbon targets are currently being achieved by those involved in

designing and developing office buildings.

For the office sector to move from ambition to tangible action, there is an urgent need for robust benchmarks and verifiable data, as well as government requirements and incentives to support businesses' ESG objectives and facilitate the transition to net zero.

Energy use should be measured properly

The relationship between building owner and occupier is an essential factor in energy management. Tailoring lease agreements to promote lower energy use and carbon emissions, known as 'green leases', would be a potential solution to reaching net zero targets collaboratively.

Currently, it is difficult for occupiers to measure their carbon emissions accurately because targets for energy use intensity do not differentiate between different types of office. In addition, dysfunctional metering strategies do not allow for a breakdown of energy use between communal and occupier areas.

Energy wasted through under-utilisation of office space since the COVID-19 pandemic, as shown in the BCO's recent *The Future of Office Densities* report, remains a concern that can be alleviated through using smart sensors and responding to demand.

Building performance must be improved

Retrofit is an increasingly popular approach among developers but the works involved make it highly disruptive to any existing occupiers of a building. Careful phasing and use of prefabricated components can mitigate disruption on site – and contribute to a circular economy if designed for disassembly in the future.

It is vital to assess carbon emissions associated with the complete lifecycle of a building in order to strike the right balance between operational carbon^[1] and embodied carbon^[2] when refurbishing buildings. A clearly defined division of funding responsibility for net zero improvements is also needed to avoid any doubt, or dispute, between building owners and occupiers.

Wasteful practices must end

A key issue to address is 'Category A' interior fit-outs (which comprise lighting and basic finishes such as flooring) being installed by the building owner and then discarded by the incoming occupier, in favour of their own bespoke fit-out.

Most office spaces would benefit from 'Cat A+' (plug and play) fitouts for shorter and more flexible tenancies in light of the market trends seen since the COVID19 pandemic. Prioritising locally-sourced materials with lower embodied carbon and using recycled, reused and further recyclable furniture can also support more environmentally friendly fit-outs.

Richard Kauntze, Chief Executive of the BCO, said: "The office sector has a significant contribution to make to the UK's net zero transition. There is a clear desire from those involved in creating and occupying

workspace to hit ambitious targets, but we need to see evidence of innovation and improvement which demonstrate meaningful progress.”

Dr Esfandiar Burman, Associate Professor at UCL’s faculty of the Built Environment and author of the report, said: “This report shows that greater energy and carbon accountability and more effective ESG frameworks can be achieved through greater collaboration between building owners and occupiers, along with data sharing and greater transparency.”