

# Six key property takeaways from Cop26

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**React News rounds up Glasgow's policy announcements and bold new industry commitments**



As the dust settled on Cop26, Boris Johnson hailed the resulting Glasgow climate deal as a “game-changing agreement,” while Greenpeace director Jennifer Morgan reacted with derision: “It’s meek, it’s weak, and the 1.5°C goal is only just alive.”

For the property sector, the past few weeks in Glasgow can be interpreted in similarly extreme ways. Considering the huge contribution of the built environment to the UK’s carbon

footprint (40% is the general estimate), the relatively muted industry attendance could be seen as a major disappointment.

The built environment industry was merged with cities and regions and given a single day of the conference on 11 November, which only had three official events. Other days had up to six official events scheduled.

However, property-related events were diffused across the two weeks: there were panels on buildings and finance and buildings and energy, for example. Likewise, there were several fringe events not on the official programme as well as a considerable online offering, including the Build Better Now virtual exhibition. Strong leadership was shown from the Better Buildings Partnership (BBP) and the UK Green Building Council (UKGBC).

So what was actually agreed upon at Cop26, and what was recommended – and how does this impact the property world?



Global Day of Action for Climate Justice march taking place in Glasgow during Cop26

**Net zero is no longer a choice**

Top of the concrete policy announcements was the mandatory disclosure by 2023 of net zero transition plans. Rishi Sunak set out new requirements for UK financial institutions and listed companies to publish science-based plans for reaching net zero economy.

Companies are now forced to consider exactly what the move to net zero would take, and begin the task of costing this shift.

However, the Treasury announcement does not specify when companies should plan to hit net zero. Presumably the government is hoping for 2050 – but will some firms opt for 2070, as India did during the conference?

In [an exclusive column for \*React News\*](#) Rowan Packer, head of sustainability at MAPP, writes: “While we have seen some enormous government pledges to fund the transition [to net zero], it remains that the private sector that will largely have to shoulder the financial burden.

“When it comes to real estate, this might be even more pronounced. The built environment is responsible for up to 40% of carbon emissions and yet the sector will only receive 20% of global government commitments.”

Of course, many companies are already outlining their net zero plans. Shaftesbury announced its sustainability strategy during Cop26 on 11 November. Brian Bickett, the REIT’s CEO, told *React News* that work to make the company more sustainable started years ago: “We haven’t knocked a building down in the last 30 years.”

The key change was to ensure “demolition is not the default” and opt for a “preserve and improve” strategy. Shaftesbury’s challenge now is getting occupiers on board with the plans, but generally these firms and particularly small businesses “tend to be quite ethically-minded”.



**Mapping the route**

Julie Hirigoyen, CEO of the UKGBC, has campaigned for greener buildings for over two decades, but she has never seen such collective focus in the industry before. “I sense a much stronger momentum [for sustainability] in the last 18 months than in the last 25 years,” Hirigoyen told *React News*.

At Cop, the UKGBC launched its carbon roadmap with business and energy minister Lord Callanan. It is the culmination of a year’s work with nearly 100 organisations, including Arup, Lloyds Bank and Aecom, to create a net zero pathway for the whole sector. The message, Hirigoyen said, was: “We can achieve it, but very clearly we need to act fast.”

The roadmap sets out [specific recommended actions](#) for 14 key industry stakeholders. Investors are advised to include operational energy performance and embodied carbon targets in their project funding criteria, while developers should require mandatory disclosure of supply chain data and track construction site emissions.

Landlords should commit to sharing energy data with all tenants and work with occupiers to minimise operational energy. Meanwhile, contractors should track construction site emissions from transport, construction processes, as well as material wastage rates.

Elsewhere at Cop26, a further 44 businesses signed up to the World Green Building Council’s Net Zero Carbon Buildings Commitment, including British Land and City Developments. The commitment has also been amended: it now tackles ‘whole life carbon’ emissions instead of just operational carbon.

“Radical collaboration” has come up so much in the conference, said Hirigoyen. Several of the discussions at Cop26 recognised that more and more collaboration will be required as commitments move down the supply chain. The next step is how to “bring coalitions of the willing together”.



## e role of cities

At Cop, the government launched a new Urban Climate Action programme to support cities and regions in developing countries most impacted by climate change. With £27.5m of UK funding, the programme will support cities across Africa, Asia and Latin America to become carbon neutral by 2050. The idea is to help cities like Nairobi, Kuala Lumpur, and Bogotá develop low-emission public transport systems, renewable energy generation, sustainable waste management and climate risk planning.

Heavy traffic in Nairobi, Kenya

Meanwhile C40, a coalitions of cities around the world led by mayors, launched the Clean Construction Action Coalition at Cop26 to target a “crucial but fragmented sector”. Ten cities across the world, including Atlanta, Kigali and Pune, have pledged to “move towards resilient and sustainable construction systems” as part of the UN’s Cities Race to Zero campaign. More than \$1.2tr in real estate assets under management are now part of the Race to Zero initiative.

C40 also announced a Clean Construction Declaration, signed by cities: Budapest, Los Angeles, Oslo, Mexico City, and San Francisco. These cities are setting targets for reduced

embodied emissions in new developments, using incentives to maximise the use of existing buildings and materials and mobilising the use of low emission materials and machinery.

#### 4. The role of finance

At Cop26 on 3 November, Mark Carney gave an update on the Glasgow Financial Alliance for Net-Zero (Gfanz), which he chairs. Carney revealed that the total assets of combined companies committed to achieving net-zero emissions had risen to \$130tr, from \$5tr at the beginning of the year.

Gfanz is a consortium of over 450 financial firms across 45 nations that have committed to align their lending and investing with net-zero goals. This could make significant inroads toward funding the \$150tr estimated price tag required to blunt the worst impacts of climate change.

#### 5. Building on Cop26

Rather than scheduling events during Cop, the Urban Land Institute (ULI) opted to host a series of follow up events to try and keep the momentum going and start a dialogue about the legacy of Cop26.

Marta Schantz, senior VP at the ULI Greenprint Center for Building Performance, told *React News* that the ULI is convening a virtual leadership roundtable of senior members across the globe early this week to assess and reflect on the outputs of Cop26. Key takeaways from this convening will be turned into a white paper and shared with ULI's 45,000 members.

The ULI will then host regional follow-up webinars for members in Asia Pacific, Americas, and Europe. The Americas webinar will take place on [19 November](#).



To reach net zero by 2050 the UK needs to upgrade almost all of its 29 million homes

## 6. What next?

What was not mentioned at Cop26 may be even more important as what was.

There is still no word from the government on a national retrofit strategy, which the UKGBC is calling to be brought forward. "We have some of the oldest buildings in Europe – many heated by gas," Hirigoyen said. To achieve net zero carbon by 2050, the UK will need to improve almost all of its 29 million homes – that's a rate of almost two homes every minute between now and 2050.

Then there is the issue of embodied carbon. "As we drive down energy use, the relative proportion of embodied emissions goes up. By 2035, it will be a larger proportion than operation." UKGBC is calling for the introduction of disclosure of measurement and extending into minimum performance standards.

Hirigoyen was keen to stress that whether or not governments started to regulate companies, "there is an unstoppable momentum in the market itself": commitments are "gaining

traction in the industry even if they are not regulated” by governments. This may well “give governments the confidence to start regulating in that space”.

