Sustainability rises up the agenda in the UK Facilities Management Sector

Much of the spotlight has turned on decarbonising the building and construction industry in recent years. With the sector responsible for almost 40% of global emissions, this is also a critical issue for policymakers.

The 2021 RICS World Built Environment Forum **Sustainability Report** (showing survey feedback of over 4,000 industry professionals from over 30 countries) published earlier this year shines a light on how sustainability-related issues are beginning to shape the built environment sector.

Around three-fifths of commercial property professionals globally note that occupier and investor demand for green and sustainable buildings has risen over the past year, while around 50% report that green buildings achieve a rent and price premium over comparable non-green/sustainable buildings.

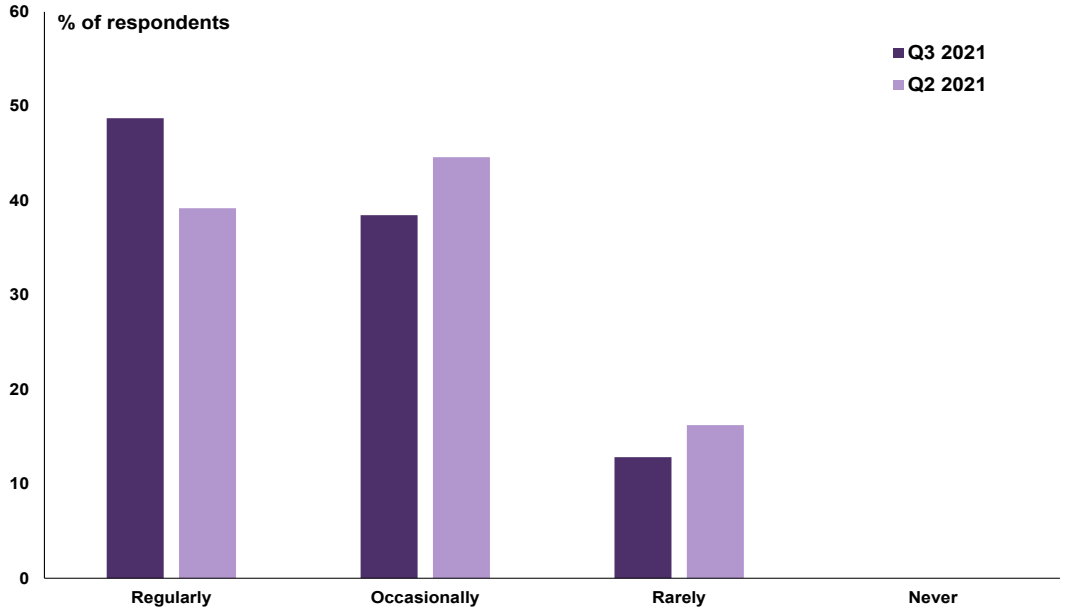
Moving on from this, we sought to examine how these trends are playing out in the UK Facilities Management Sector. The Q3 and Q2 2021 editions of the RICS Facilities Management surveys (a quarterly snapshot of demand, activity and sentiment across the facilities management industry), were used to assess how sustainability and climate-related factors are influencing the industry and how stakeholder demand for these issues is evolving.

On the face of it, the results paint an encouraging picture.

Around half of the contributors to the survey in Q3 2021 state that end users regularly implement energy efficiency measures in buildings to reduce operational carbon emissions.

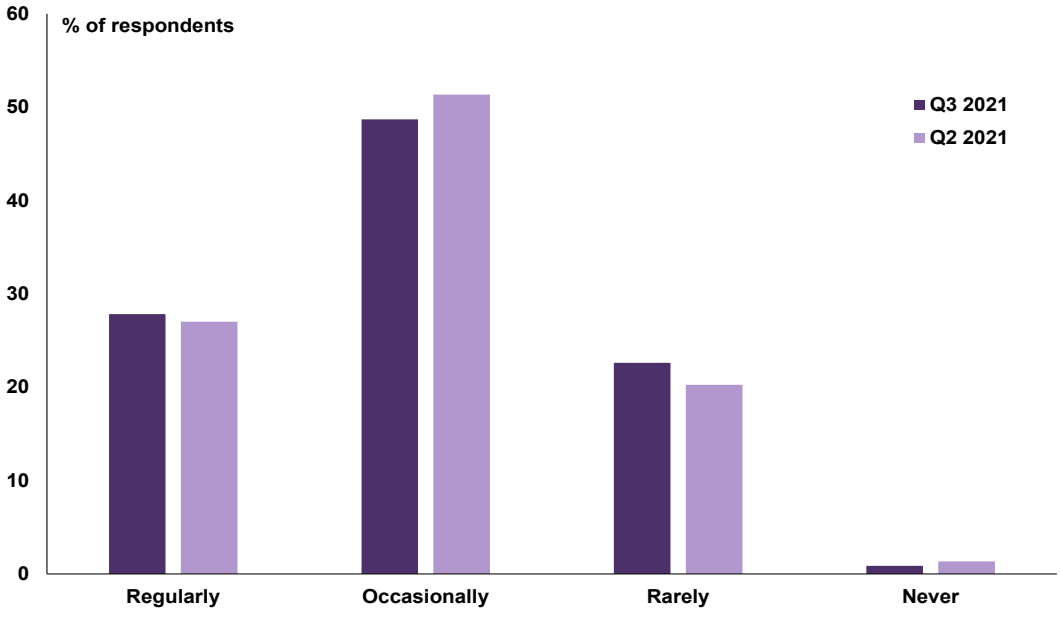
Significantly, this is a slightly higher share than in Q2 where around 40% of respondents took this view (as shown in Figure 1). Alongside this, only around 12% in Q3 state energy efficiency measures are rarely considered by end users while virtually zero state that such measure are not considered at all by end users.

Meanwhile, just under 30% state that end users regularly implement measures to increase the resilience of buildings to the changing climate. However, around 50% believe this is done on more of an occasional basis. Around one-fifth report that climate resilience measures are rarely applied to buildings they are involved in. As shown in Figure 2, the share of professionals reporting in this way is broadly similar in Q3 and Q2.



Source: RICS

Figure 1 How often do end users consider implementing energy efficiency measures in buildings to reduce operational carbon emissions?



Source: RICS

Figure 2 How often do end users consider implementing measures in buildings to increase resilience to the changing climate?

It does seem that sustainability is rising up the agenda for the sector. In Q3 2021 around three-quarters of contributors believe that clients consider sustainability to be either the most important or an important issue in the tendering process (Figure 3).

This has risen from 70% in Q2 (Figure 4). Meanwhile, around one-fifth of respondents in both quarters report that sustainability factors are seen to be only fairly important.

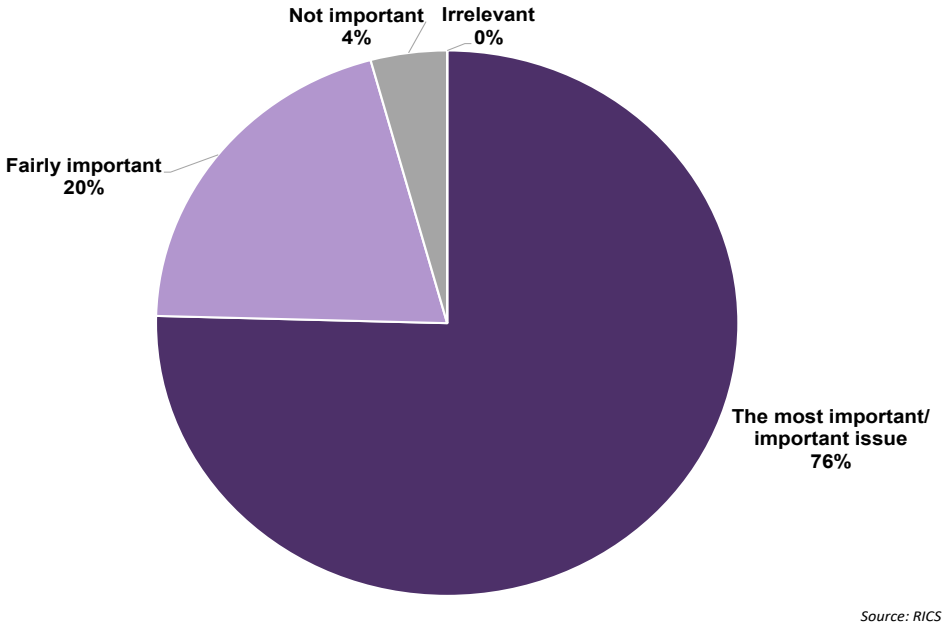


Figure 3 To what extent do end users consider sustainability factors in the tendering process? Q3 2021 results

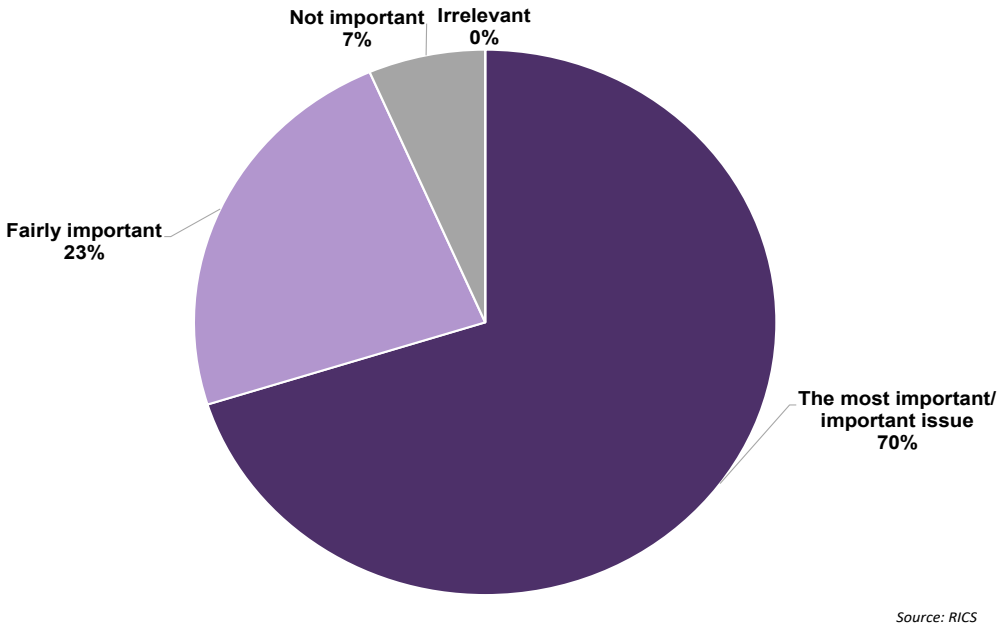


Figure 4 To what extent do end users consider sustainability factors in the tendering process? Q2 2021 results

Interestingly, energy management and health and wellbeing are seen as the areas of sustainability undergoing the fastest growth in investment over the past 12 months (as shown in Figure 5).

While these results give a positive picture, it is important to note that, according to the International Energy Agency (IEA), the built environment sector is not on track to achieve the 2030 UN Sustainable Development Goals. Furthermore, the latest analysis UN Global Alliance of Buildings and Construction (GlobalABC) suggests that carbon emissions from the operation of buildings stand at the highest on record. This also means that the sector is moving away and not towards the goals of the Paris Agreement around keeping the global mean temperature rise to below 2°C.

There is potential to reduce emissions significantly across the sector through greater investment in sustainable buildings, increased use of renewable energy and additional effective policies targeted at increasing energy efficiency.

While feedback from contributors suggests that the sector could be headed in the right direction, there is a sense of urgency.

The IEA estimates that to be on track to achieving a net-zero building stock by 2050, direct building emissions (those emitted from buildings) would need to fall by 50% while indirect emissions (from power generation of electricity and heat) need to decline by 60% by 2030.

For the UK (and others) to have a fighting chance of meeting the legally-binding net 2050 zero target, it's imperative that progress picks-up significantly.

Regulation could play an important role. More stringent energy efficiency standards for buildings could be a valuable starting point. But it is also crucial that new tools, standards and metrics are developed to measure and track progress. A critical point emerging from the RICS WBEF Sustainability Report was that a significant share of construction sector professionals suggested they do not measure operational carbon over the expected lifecycle of projects. If the industry could collaboratively work together to address this problem, this might prove to be an important milestone on the road to net zero.

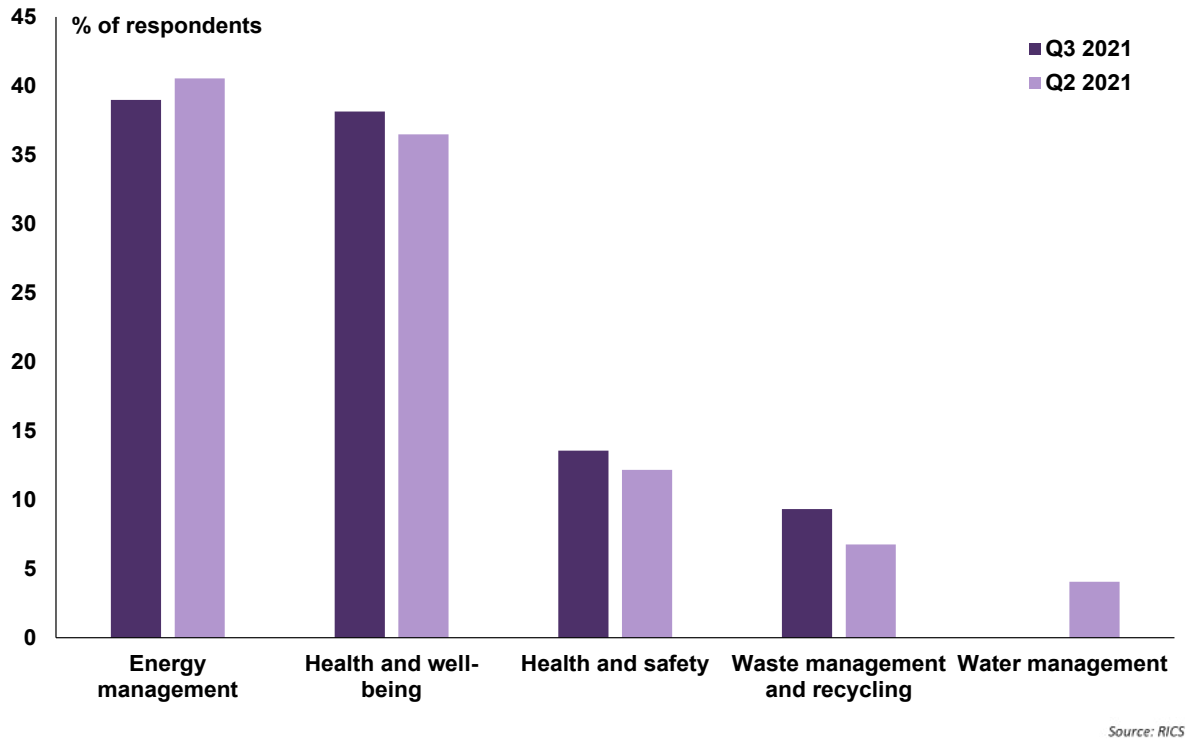
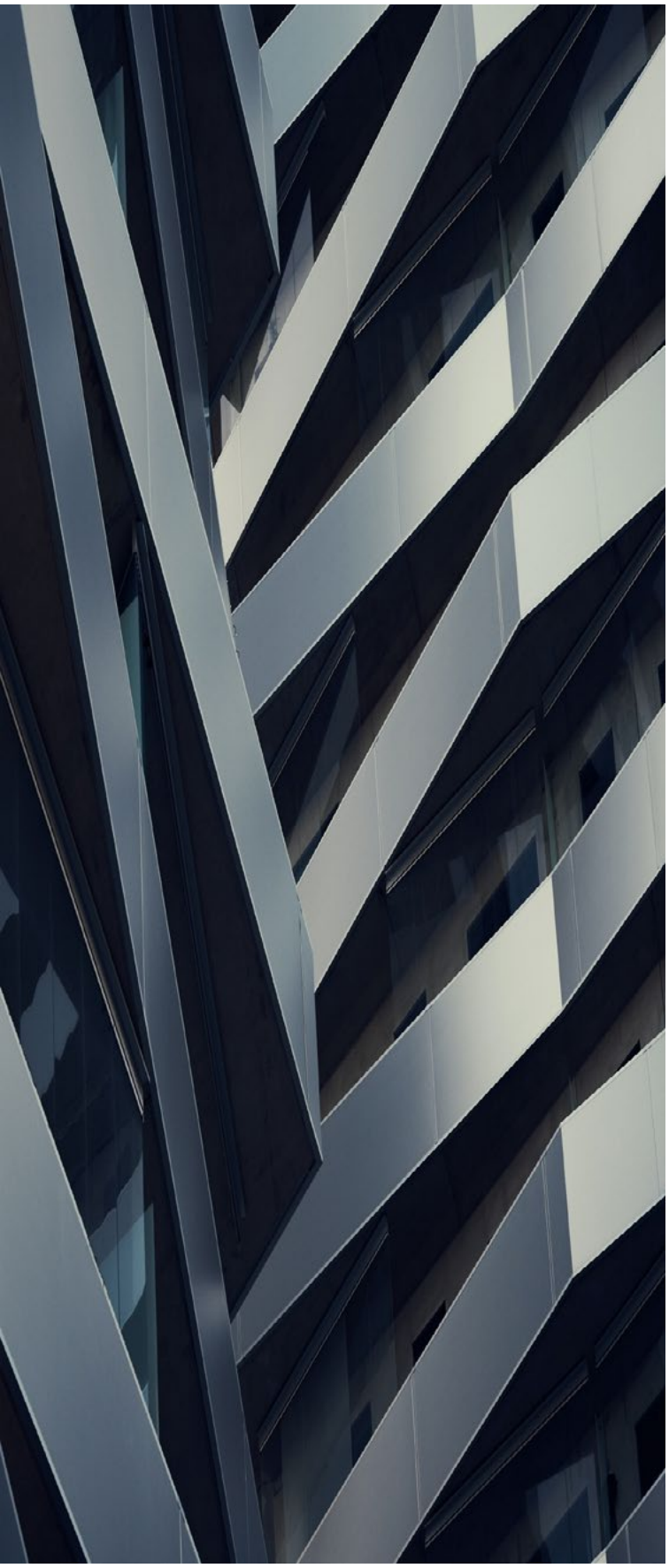


Figure 5 Which of the following areas of sustainability has seen the strongest growth in investment over the past 12 months?



Information

The RICS Facilities Management is a quarterly sentiment survey of facility managers, service providers and FM consultancies who operate across the UK.

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