



Post-event write up

Lessons and Solutions for Delivering Building Decarbonisation

November
2025

Executive Summary

The second AREF/BBP breakfast seminar successfully moved the conversation from identifying barriers to generating actionable solutions for building decarbonisation. The first event, 'Facing the practical reality of decarbonising buildings', took place in early 2025.

Through 14 moderated roundtables, keynote insights, and structured polling, the event captured critical intelligence on industry sentiment, practical challenges, and collaborative pathways forward. Key findings reveal that policy uncertainty and weak retrofit business cases now jointly dominate industry concerns (31% each), whilst the sector shows readiness to engage in policy advocacy and pilot innovative solutions.

This paper contains a full summary of event.

Event Objectives - Achievement Assessment

The event successfully delivered against its core objectives:

- ✓ **Industry Practitioner Insights:** Joey Aoun's keynote demonstrated financial materiality of climate risk through case studies showing valuation increases, improved rental performance, and substantial operational emissions reductions.
- ✓ **Collaborative Workshops:** Seven themes explored across 14 roundtables generated rich, solution-focused discussions with contributions from diverse stakeholders.
- ✓ **Strategy Exchange:** Cross-pollination of approaches across financing models, technology adoption, data standardisation, and stakeholder alignment.
- ✓ **Actionable Outputs:** Clear priority actions identified, with 28% of attendees committing to policy advocacy within 30 days.
- ✓ **Industry Intelligence:** Comprehensive insights captured to inform BBP/AREF initiatives, future RE:UK policy priorities, and the emerging Just Transition framework.

Survey Results - Key Findings

At the start of the seminar, the audience was polled to gather current insights on industry sentiment relating to decarbonisation.

Q1. Current Barriers: top concerns holding back the decarbonisation progress:

- Policy uncertainty & regulatory backtracking - 31% (joint highest)
- Weak business cases for retrofit investments - 31% (joint highest)
- Lack of financing or unfavourable debt terms - 16%
- Data gaps & reporting challenges - 7% (notable decline from January event)
- Misaligned stakeholder incentives - 7%
- Skills shortages & operational capacity - 3%
- Technology readiness challenges - 4%

Analysis: The decline in data/reporting concerns suggests some progress, but the dual emphasis on policy uncertainty and weak business cases reveals fundamental blockers requiring coordinated action.

Q2. Priority Breakthrough: greatest impact intervention for next 12 months:

- Stronger internal business cases to convince boards/investors - 36% (dominant priority)
- Proven retrofit technologies that deliver ROI - 25%
- Clearer EPC enforcement timelines & policy certainty - 13%
- Standardised ESG metrics & better tenant data - 13%
- Trained workforce with integrated sustainability/financial expertise - 6%
- Effective green lease models & tenant engagement - 4%
- Innovative green financing access - 1%

Analysis: Internal decision-making frameworks are the critical bottleneck, not external financing availability. This signals a need for better case study dissemination and co-benefit quantification.

Q3. Immediate Actions: commitments for next 30 days:

- Advocate for specific policy changes with industry bodies - 28% (highest commitment)
- Schedule cross-functional meetings to break down silos - 20%
- Pilot a technology or data solution - 18%
- Revise/strengthen transition plan or business case - 11%
- Commit resources to workforce training/capability building - 11%
- Launch/improve tenant engagement or green lease strategy - 8%
- Engage with new financing partner or model - 3%

Analysis: Strong appetite for policy engagement demonstrates recognition that regulatory clarity is foundational. Significant interest in cross-functional collaboration and technology pilots shows readiness for practical experimentation.

Q4. 2030 Outlook: portfolio trajectory expectations:

- Making progress but likely to miss some 2030 milestones - 45% (plurality)
- Significant acceleration needed - current pace insufficient - 23%
- On track for net zero by 2050 with clear interim targets - 16%
- Uncertain - too many external barriers beyond our control - 14%
- Leading the pack - will exceed commitments - 2%

Analysis: Realistic assessment with 68% acknowledging gaps between ambition and delivery. Only 16% confident in current trajectory, highlighting urgency for systemic interventions.

Keynote Insights - Joey Aoun, Savills Investment Management

Five critical themes emerged:

1. **Climate Risk as Financial Risk:** Physical and transition risks now materially impacting valuations, insurance premiums, tenant demand, and long-term asset resilience beyond ESG reporting requirements.
2. **Structural Energy Volatility:** Climate events, geopolitical shocks, and demand spikes permanently altering operating cost profiles and occupier experiences, requiring adaptive strategies.
3. **Systems Misalignment Causes Decarbonisation Failure:** Policy, finance, technology, skills, and data must move in concert. Isolated solutions (e.g., heat electrification without grid capacity investment) inevitably stall.
4. **Demand Response as Next Frontier:** Evolution from 'building efficiency' to 'capacity flexibility' - transforming consumers into flexumers and prosumers through controls and grid integration.
5. **Capital Flows to Value and Values Alignment:** Markets are increasingly rewarding credible transition pathways and resilient, sustainable assets, with recent research and case studies indicating performance and capital allocation advantages; climate-aligned capital is now mainstream, not niche.

Roundtable Themes - Solutions and Challenges

Theme 1: Policy Uncertainty & Regulatory Divergence

Key Challenges:

- Lack of access to energy data
- Lack of clarity on EPC reforms/new MEES regulation, undermining investment confidence
- Global ESG standards fragmentation creating compliance complexity
- Political backtracking on retrofit incentives and clean energy subsidies
- Grid capacity constraints and other grid challenges limiting electrification deployment
- Gas vs electricity pricing distortions hindering transition economics

Priority Solutions:

- **Mandate whole-building operational energy data sharing** as foundational transparency requirement. This might draw on the French experience
- Advocate for VAT incentives and subsidy removal from fossil fuels
- Position decarbonisation as solution to broader policy priorities (energy security, cost of living crisis, health, employment)
- Establish clear building performance thresholds aligned with net zero trajectory
- Form coalitions for consistent valuation frameworks reflecting climate risk

Proposed Actions:

- Explore potential for industry-wide action on data-sharing
- Lobby for clarity on MEES and EPC reform. Explore whether carbon-focused metrics should replace generic labels
- Engage in grid reform consultations to secure infrastructure investment and support the sector's sustainability ambitions

Theme 2: Financing & Valuation Barriers

Key Challenges:

- High uncertainty around retrofit costs, timelines, and realised benefits, compounding ROI risk
- Limited revenue upside for retrofit investments and unclear payback profiles
- Valuation methodologies failing to consistently reflect ESG benefits, transition risk, and future regulation
- Lack of medium- to long-term regulatory clarity, hindering cost–benefit assessment and value attribution
- Fragmented market consensus on what sustainability factors matter and how to price them
- Multi-stakeholder complexity requiring coordinated risk-sharing and patient capital

Priority Solutions:

- Standardise retrofit ROI frameworks to quantify financial and non-financial value (energy savings, downtime reduction, health, tenant retention)
- Enable lenders to scale sustainability-linked finance using standardised metrics and performance guarantees
- Develop public–private partnerships to de-risk deep retrofits and adaptive reuse
- Establish clear “transition” categories to attract brown-to-green capital
- Pilot innovative financing models (shared savings, green bonds, blended finance)

Proposed Actions:

- Develop and pilot industry-wide standardised retrofit ROI frameworks

- Publish comparable case studies demonstrating financial, operational, and valuation impacts
- Engage lenders and valuers to embed climate risk and transition value into methodologies
- Support more consistent and decision-useful sustainability disclosures for investors

Theme 3: Technology & Innovation Adoption

Key Challenges:

- Proptech solutions remain fragmented and expensive
- Performance guarantees lacking, undermining confidence in new technologies
- Equipment commissioning and after-care support insufficient
- Skills gaps limiting effective technology deployment
- Value engineering pressures compromising solution quality
- Challenging to compare the technical characteristics of products that are similar but may be suitable for different applications – making like-for-like replacements difficult, but also steering organisations into a ‘vendor lock-in’
- Need for an end to end solution service and platform, from design through to procurement, installation, commissioning and aftercare – process is too fragmented
- Planning of replacements and maintenance still tends to be reactive
- RoI still largely expressed through commercial value, more guidance (and potentially standardisation) needed on how wider benefits can be quantified/communicated
- Not enough policy and technical guidance support on setting and tracking embodied carbon standards

Priority Solutions:

- Scale proven retrofit technologies through case study dissemination
- Implement digital twins and smart building solutions for performance monitoring
- Adopt clean energy systems with grid integration capability
- Mandate post-retrofit performance monitoring with public data sharing
- Use AI to aggregate and package data for diverse stakeholder requirements
- Develop interoperable technology platforms reducing system fragmentation
- Use AI to proactively plan replacements and upgrades integrating commercial, technical, and non-carbon non-cost parameters
- Mandate modular systems on an ‘open-source’ basis to limit ‘vendor lock-in’

Proposed Actions:

- Create technology validation frameworks with independent verification
- Pilot demand response programmes in commercial portfolios
- Establish industry standards for building management system integration
- Government/Standard Bodies to develop and implement a data sharing framework for buildings through consultations with landlords and tenants
- Build out inter-industry body, private/ public sector, and policy partnerships to drive innovations

Theme 4: Data & Reporting Gaps

Key Challenges:

- Incomplete Scope 3 emissions data, particularly tenant consumption
- No legal obligation for tenants to provide energy data
- Fragmented property management and IT systems
- Lack of meter coverage and granularity for investment-grade decisions
- Multiple certification schemes (GRESB, CRREM, BREEAM) without standardisation

Priority Solutions:

- **Mandate commercial energy data sharing through policy intervention** (strongest consensus item)
- Implement frameworks for building-level data standardisation
- Require meter verification in building regulations to ensure accuracy
- Develop open-source databases if mandates enacted
- Leverage AI for data sorting and stakeholder-specific packaging
- Adopt "ESG Metrics for Real Estate" framework to align reporting (available on AREF website)
- Incentivise data provision through third-party certifications (GRESB/CRREM recognition)
- Market-Wide Half Hourly Settlement (MWHHS) reforms

Proposed Actions:

- Trade bodies to educate smaller investors on data requirements
- Clarify for occupiers why data is needed and how it will be used
- Create major stakeholder alignment: occupier-landlord-investor transparency model
- Understand productivity loss through requesting of data to determine benefits for making tenant data available
- Shorter term: Confirm legal clarification of "legitimate interest" within GDPR for accessing individual unit-level data via Electralink
- Longer term: Work with policy makers to move towards a Decret Tertiaire style system, where data is made available through a national database

Theme 5: Business Case Development

Key Challenges:

- Boards and investors remain unconvinced by retrofit propositions
- Co-benefits inadequately quantified (health, productivity, tenant retention)
- Climate risk and ESG not systematically integrated into valuations
- Investment inertia driven by perceived complexity and uncertainty
- Misaligned business cases or unclear value propositions

Priority Solutions:

- Document robust ROI models including soft benefits and downtime reduction
- Demonstrate how operational carbon reduction translates to asset value
- Provide clear signalling frameworks for transition pathways
- Define sub-targets (e.g., tenant retention, energy cost reduction) supporting headline goals
- Triangulate investment cases with industry cost data frameworks
- Demonstrate cost of inaction versus business-as-usual scenarios

Proposed Actions:

- Establish how business cases can be pragmatically moved forward in the face of geopolitical headwinds – what approaches will stand up to financial scrutiny & how do we coalesce around these and avoid inertia?
- Develop standardised business case templates with sector-specific variables
- Create investor education materials on data importance and value drivers
- Publish comparative analyses: retrofit investment versus stranded asset risk

Theme 6: Owner-Occupier Disconnect

Key Challenges:

- Split incentives: landlords fund retrofit capex; tenants capture many benefits. Electrification can increase tenant OPEX, even where it protects value and compliance.

- Green leases are still hard to agree due to complexity and negotiation friction, though requirements are tightening (for example NABERS alignment).
- ESG is often seen as landlord-led (MEES-driven), creating misalignment with tenant commitments.
- Lease terms and lease events constrain delivery, data access, and verification.
- Trust deficit is worsening: data-sharing pressure and “legitimate interest” platforms without explicit tenant permission, plus tenant risk teams tightening governance and thresholds

Priority Solutions:

- Standardise green leases with plain-language, practical clauses.
- Apply shared value and shared savings models, including where tenant OPEX rises.
- Manage electrification cost and disruption through sequencing, targeted demand reduction, and occupied-asset delivery planning.
- Strengthen the case beyond carbon: energy price security, resilience, regulatory risk reduction, healthier workplaces, underpinned by stronger relationships.
- Improve engagement via dashboards and robust data governance aligned to tenant risk teams.
- Use incentives and tailored communications (including AI personalisation where appropriate) to lift participation and trust.
- Align incentives through industry forums and advocate for clearer market and policy guidance on data sharing, permissions, and legitimate interest

Proposed Actions:

- Create a green lease toolkit (templates plus plain-language guidance), aligned to BBP where relevant.
- Establish tenant working groups to co-design engagement, retrofit coordination, and data-sharing protocols (using existing forums where possible).
- Pilot rent and service charge mechanisms or shared savings linked to verified outcomes, including electrification-driven tenant cost impacts.
- Codify and share internal best practice on collaboration models and data governance that meet tenant risk requirements

Theme 7: Skills & Knowledge Gaps

Key Challenges:

- Insufficient sustainability expertise across asset management and finance functions
- Communication silos between consultants and clients
- Fragmented training provision with no consolidated resources
- Limited cross-functional understanding (sustainability professionals disconnected from investment teams)
- Entry routes into sustainability careers insufficiently promoted

Priority Solutions:

- Consolidate training resources and apprenticeship programmes under industry body coordination
- Integrate sustainability into financial and asset management curricula
- Foster collaboration between sustainability professionals, investors, and operations teams
- Market existing apprenticeship schemes more effectively
- Create cross-functional training on sustainability-finance integration
- Develop sector leads for needs-based stakeholder engagement

Proposed Actions:

- Launch sector-wide capability framework mapping roles to competencies
- Establish mentorship programmes connecting experienced practitioners with emerging talent
- Create case study library demonstrating successful cross-functional integration & share the ‘good and the bad’ case studies across the industry around what’s working

- Partner with educational institutions to embed sustainability in built environment qualifications
- Standardisation & coalescing around a common framework on net-zero enables us to understand the required skills – such as the wholesale adoption of the UK Net Zero Carbon Building Standard

Fireside Discussion - Mete Coban MBE, Deputy Mayor for London

Key Themes:

- GLA advancing retrofit programmes, climate finance mechanisms, and city-wide planning coordination
- Emphasis on climate action as inseparable from social equity (Just Transition framework)
- London positioning as global sustainability leader ("Glastonbury of Sustainability")
- Opportunity for industry to propose solutions that GLA can support through policy and finance programmes
- Need for integrated approach addressing decarbonisation and social justice simultaneously

Opportunities Identified:

- Replicate London's local government financing improvements in other UK cities
- Leverage London's global recognition to attract patient capital for urban retrofit
- Develop multi-stakeholder collaboration models to de-risk deep retrofits
- Create solutions-focused proposals for public sector partnership

Panel Discussion - Key Consensus Points

Panellists: Emily Hamilton, Rob Wall, Sam Carson

Core Themes:

1. **Long-term policy certainty essential:** Industry requires stable regulatory frameworks to enable investment-grade decision-making
2. **Coordinated advocacy critical:** Fragmented industry voices diluting impact; need unified position through RE:UK
3. **Internal frameworks priority:** Strengthening business case methodologies and board-level ESG integration before external barriers
4. **Incentive alignment urgent:** Owner-occupier disconnect requires structural lease reform and engagement innovation
5. **Systems thinking imperative:** Isolated interventions fail; require holistic approaches integrating policy, finance, technology, and skills

Critical Insights from Additional Feedback

Persistent Themes Requiring Resolution

Data Access: Despite decades of discussion, remains unresolved. Solution must focus on stakeholder-specific benefits (tenant, investor, FM) to drive adoption, not repeating problem statements.

Regulation Drives Behaviour: Imperfect regulations (EPCs) still catalyse action. Industry should provide ready-made policy proposals rather than leaving development to generalist civil servants.

Double Materiality Matters: With sustainability resources depleted and values shift over 18 months, must objectively assess whether enough stakeholders care about proposed solutions.

Brown-to-Green Transition: Increasingly critical focus area with growing case study evidence requiring consolidation around best practices.

Occupier Integration Essential: Future solutions must include tenants as vital stakeholders; they hold operational data keys and real-world performance insights.

Strategic Recommendations – Shorter-Term Priorities

Given the breadth of important recommendations identified, we propose prioritising the following five actions to establish momentum and inform the broader implementation pathway:

- Leverage industry groups to support mandatory data sharing
- Assess geopolitical & industry trends on recommendation feasibility and business case viability
- Disseminate the technology guide across the industry
- Convene an owner-occupier session to explore opportunities for enhanced collaboration
- Establish governance mechanisms to advance the roundtable themes

Conclusion

The 25 November event successfully captured actionable intelligence and mobilised 140+ industry leaders around practical decarbonisation solutions. The dual challenge of policy uncertainty and weak business cases requires coordinated response integrating advocacy, evidence dissemination, stakeholder alignment, and capability building.

The strongest consensus emerged around **mandatory commercial energy data sharing** as foundational infrastructure enabling all other interventions. Combined with **strengthened internal business cases** (the top individual breakthrough priority), these represent the critical path for next 12 months.

With RE:UK formation imminent, the sector has opportunity to consolidate fragmented voices, provide government-ready policy solutions, and position building decarbonisation as economically compelling whilst addressing social equity through Just Transition principles.

The systems thinking approach, integration of occupiers, and focus on practical implementation over repeated problem statements mark a maturation of industry discourse. Success requires sustained momentum through the priority actions identified, rigorous tracking against measurable indicators, and adaptation based on stakeholder feedback and emerging evidence.

The sustainability profession's relevance depends on demonstrating double materiality: solutions must deliver value that enough stakeholders care about to drive adoption at scale.