

Towards Sustainable Built Environment in Continental Europe

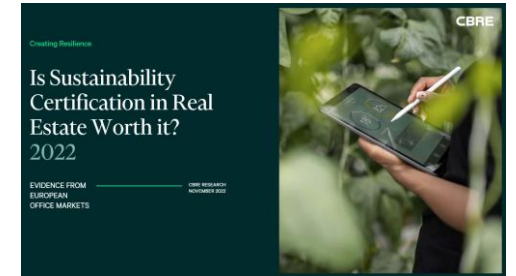
Dragana Marina
Sustainability Research Lead
Continental Europe

JANUARY 2024



CBRE Research reports

“
Build a more sustainable future with insights on the latest policies and technologies impacting decision-makers and our industry.
”

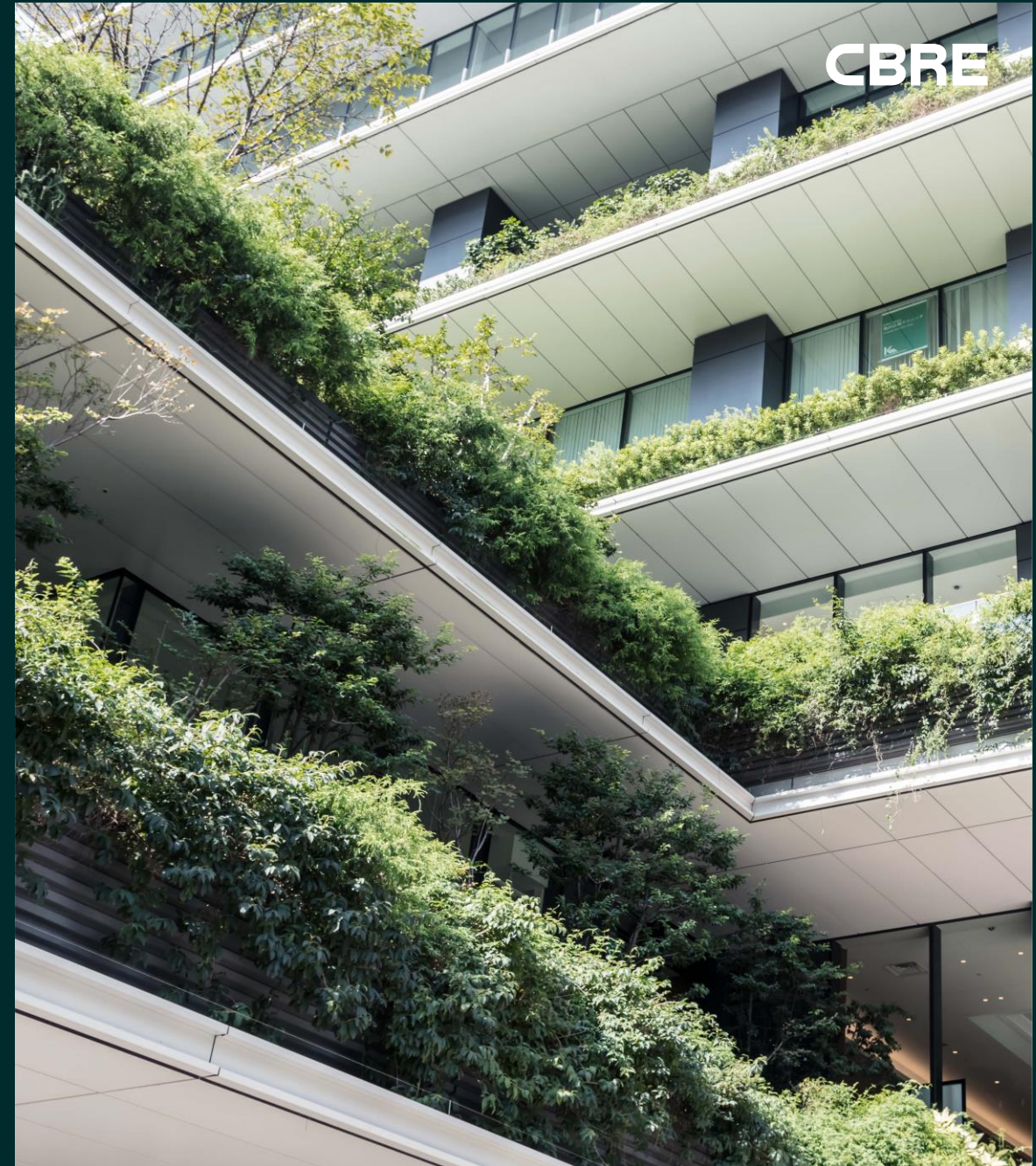


Creating Resilience

Strengthening Value Through ESG

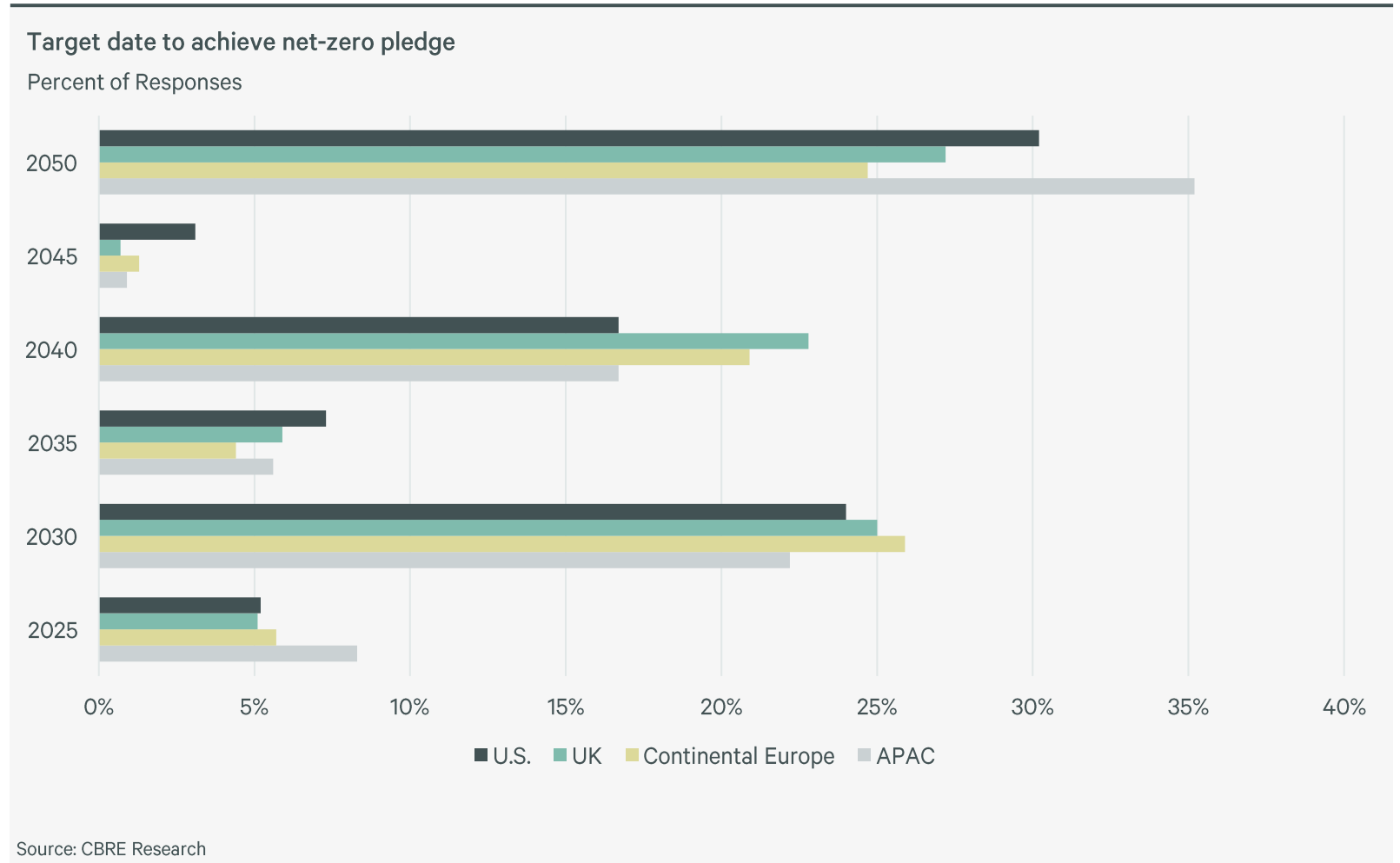
CONTINENTAL EUROPE
EXECUTIVE SUMMARY

CBRE RESEARCH
MARCH 2023

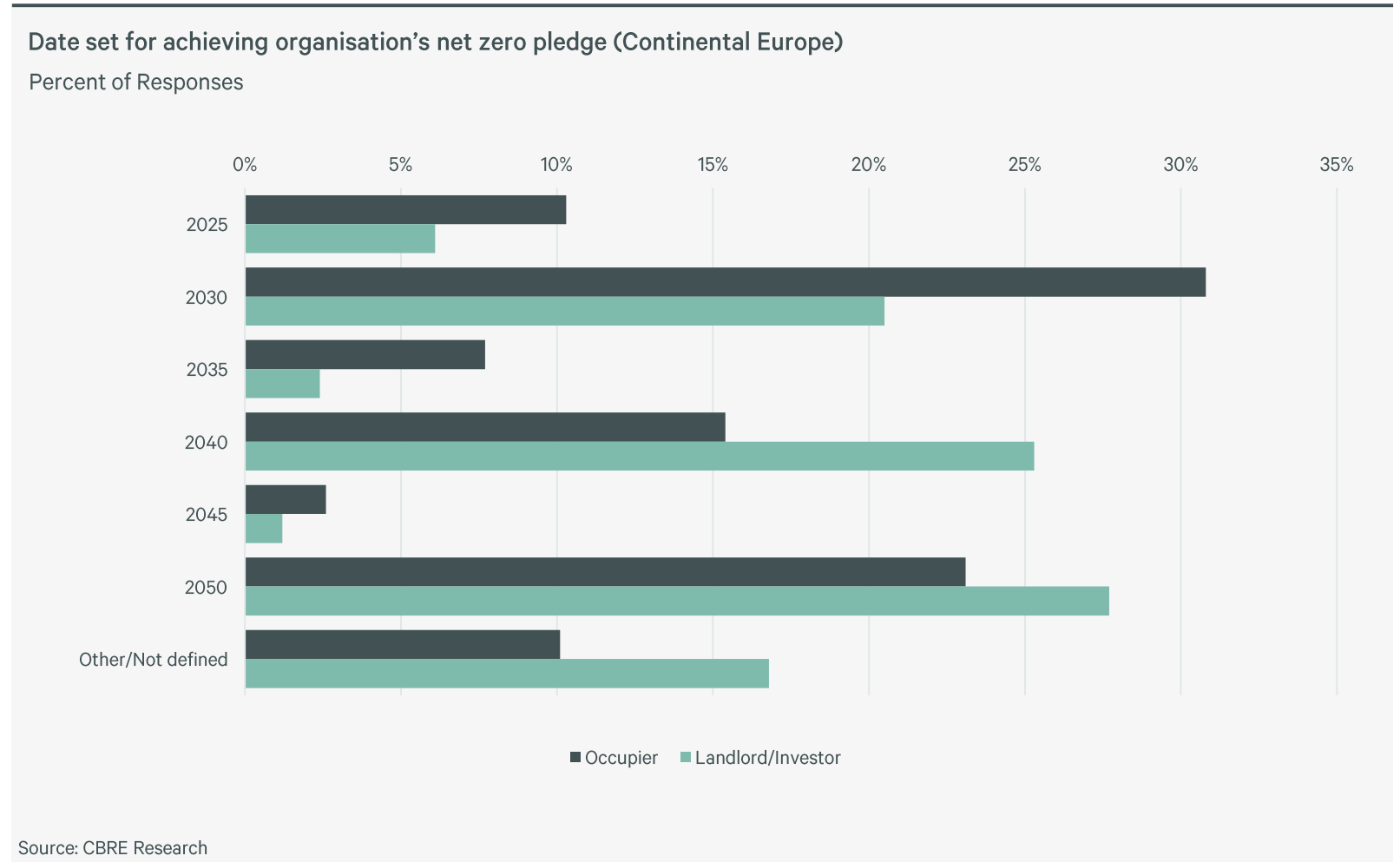


Continental Europe leads in net-zero goals

Continental Europe and UK based companies are most ambitious and pledge to achieve net-zero goals sooner than respondents from other geographies.



Stark mismatch between occupier and investor net zero timelines



Occupiers and investors share their biggest challenges. Work together to overcome them.

Top three challenges for implementing ESG goals (Continental Europe) :
Percent of Responses

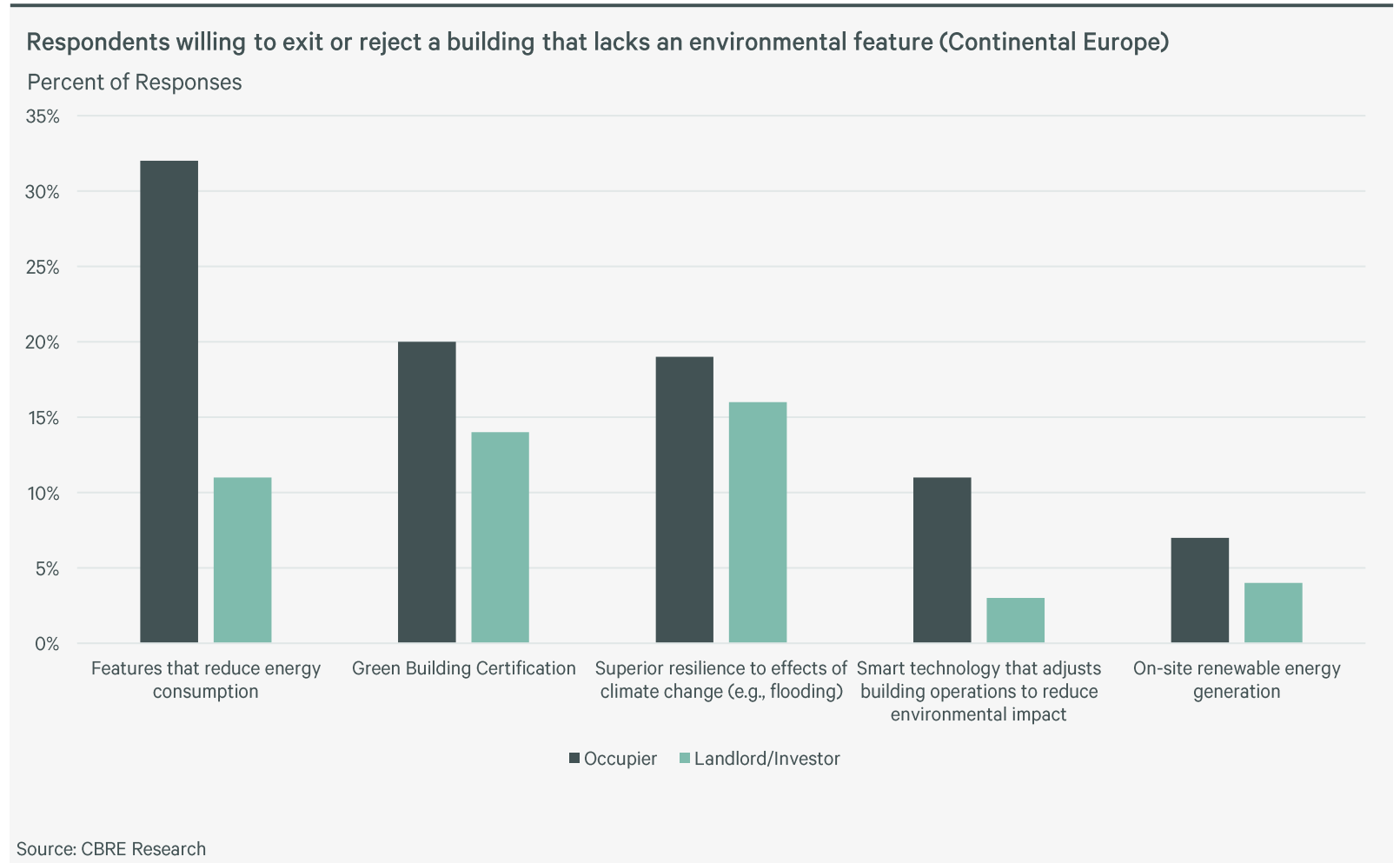
53% Poor availability or quality of data

39% Costs exceed benefit, making it difficult to justify action

36% Benefits are unknown or uncertain

Source: CBRE Research

Occupiers consistently more likely to exit or reject a building based on the absence of environmental features



Creating Resilience

Is Sustainability Certification in Real Estate Worth it? 2023

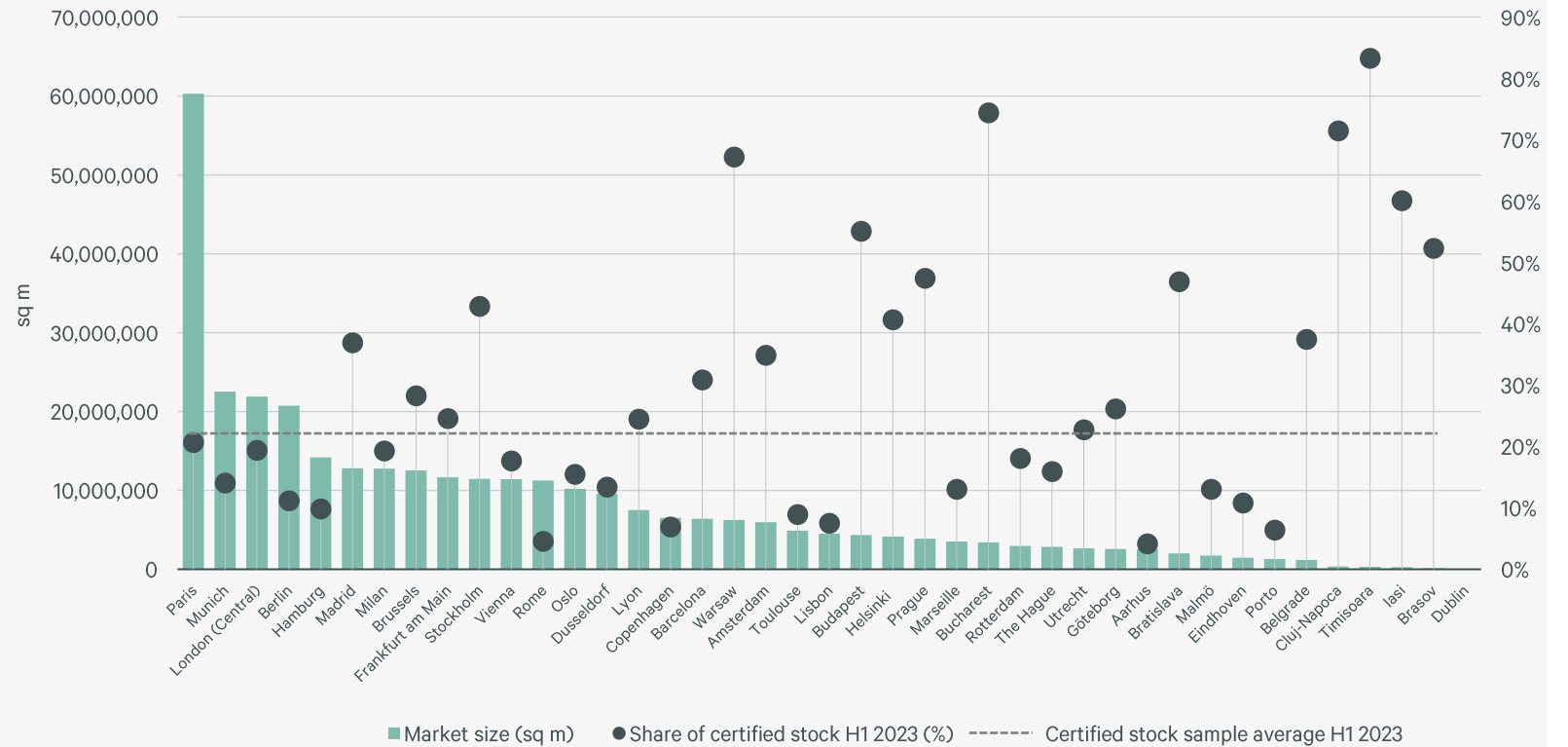
EVIDENCE FROM
EUROPEAN
OFFICE MARKETS

CBRE RESEARCH
NOVEMBER 2023



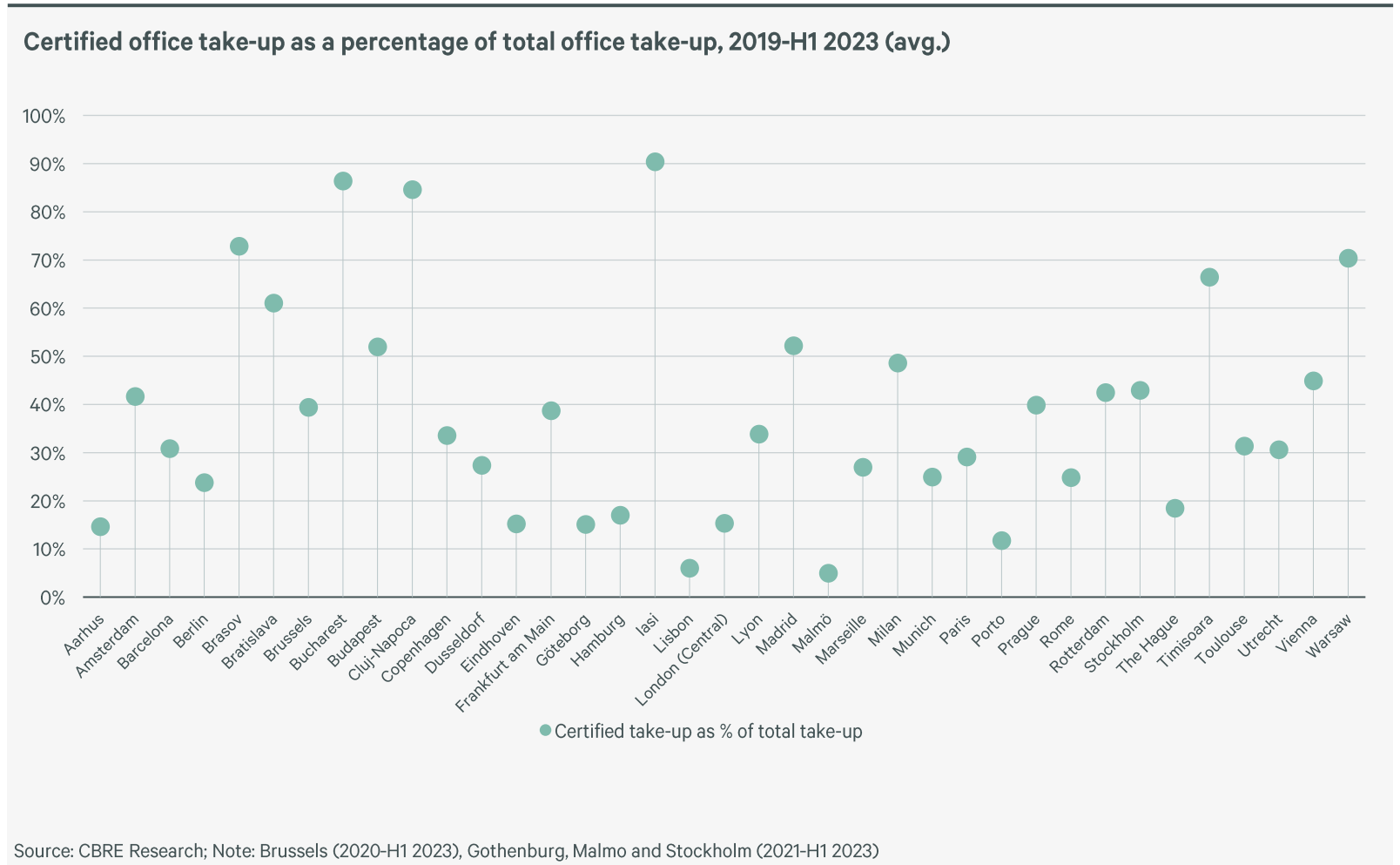
Environmentally certified buildings represent a growing share of the office market

The size of office market and the share of the certified stock (H1 2023)



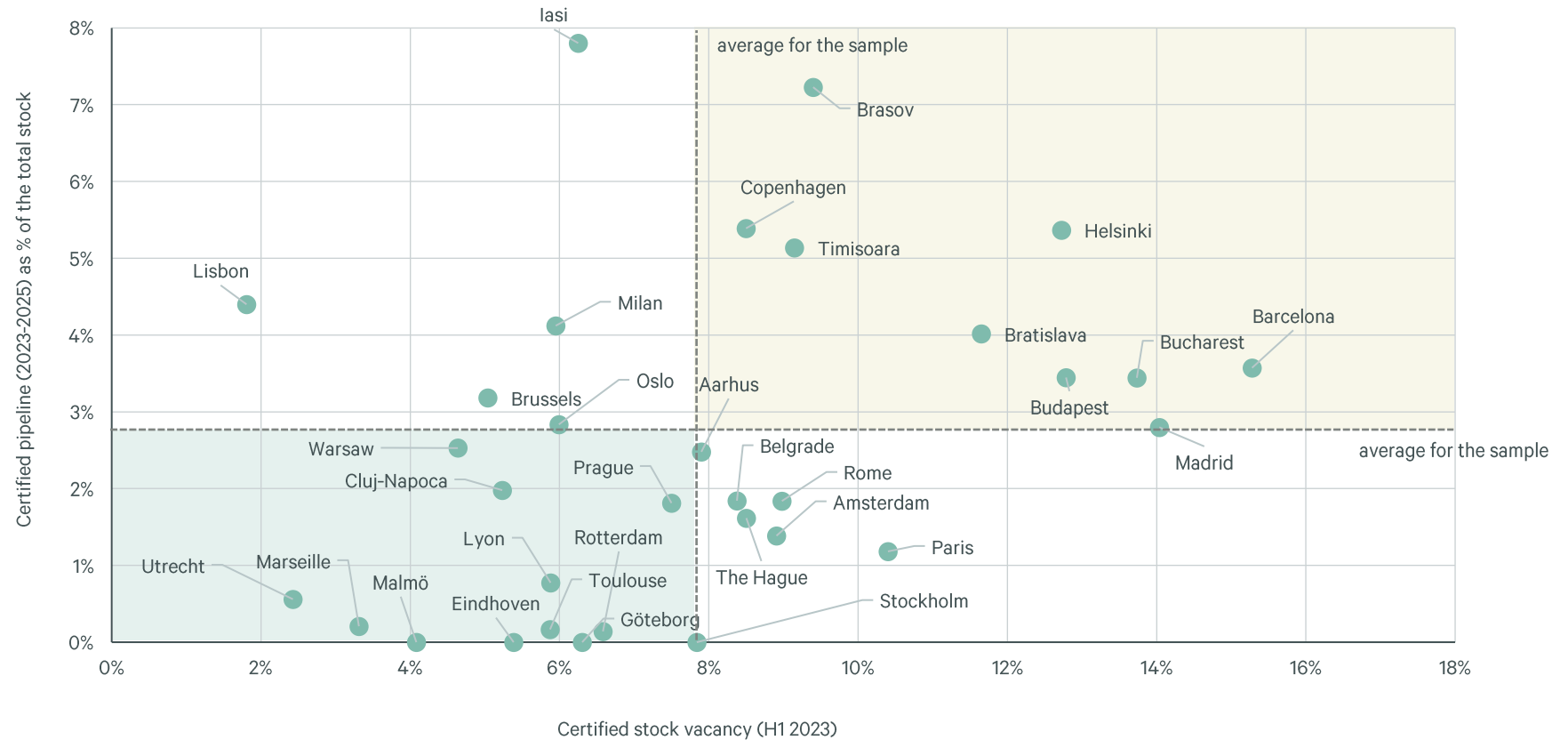
Source: CBRE Research

The office supply composition restricts the scope for occupiers to choose certified buildings



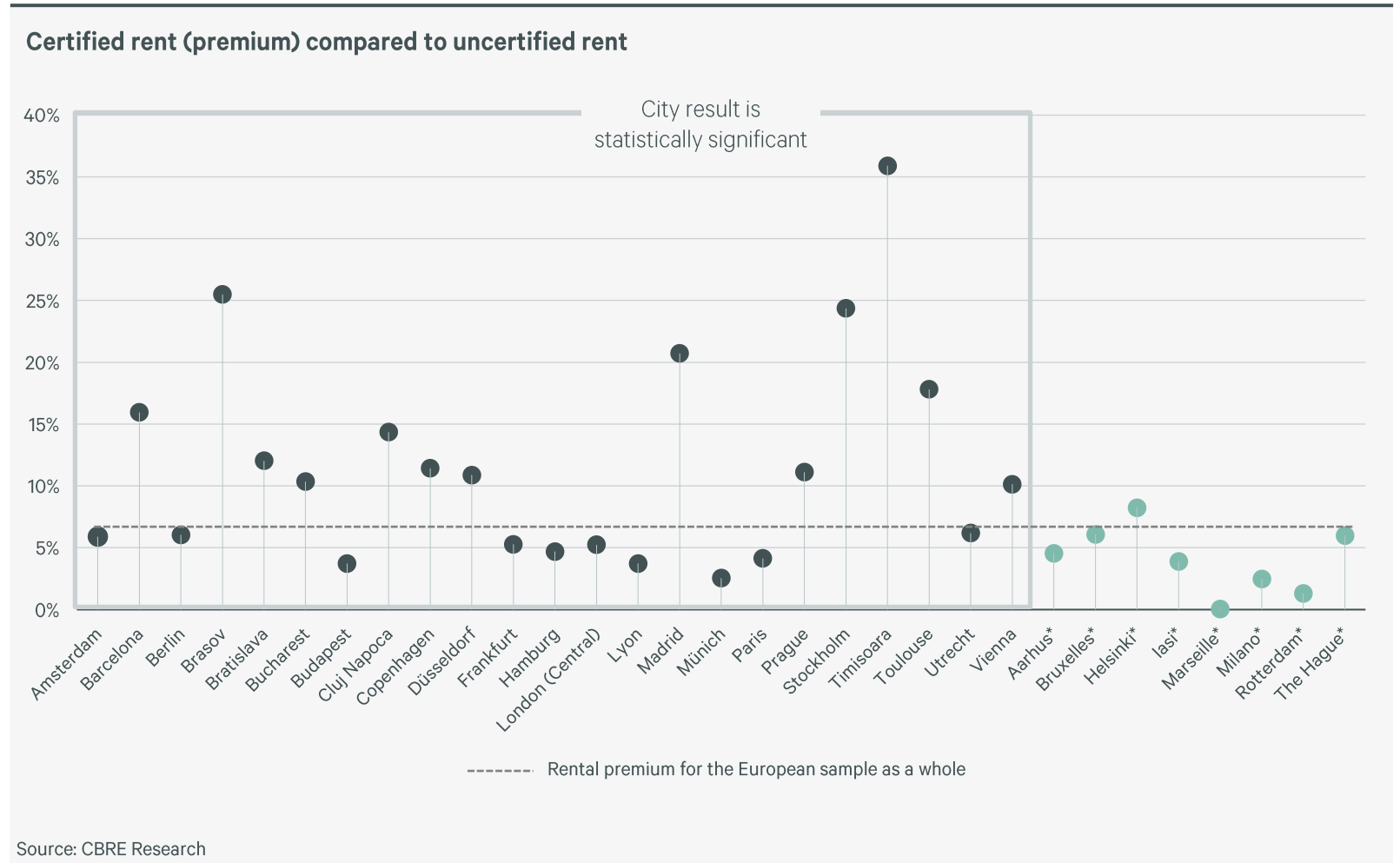
The balance between vacancy and pipeline is a good indicator of local market dynamics

Vacancy in certified stock vs. certified pipeline (2023-2025) as % of the total office stock (H1 2023)



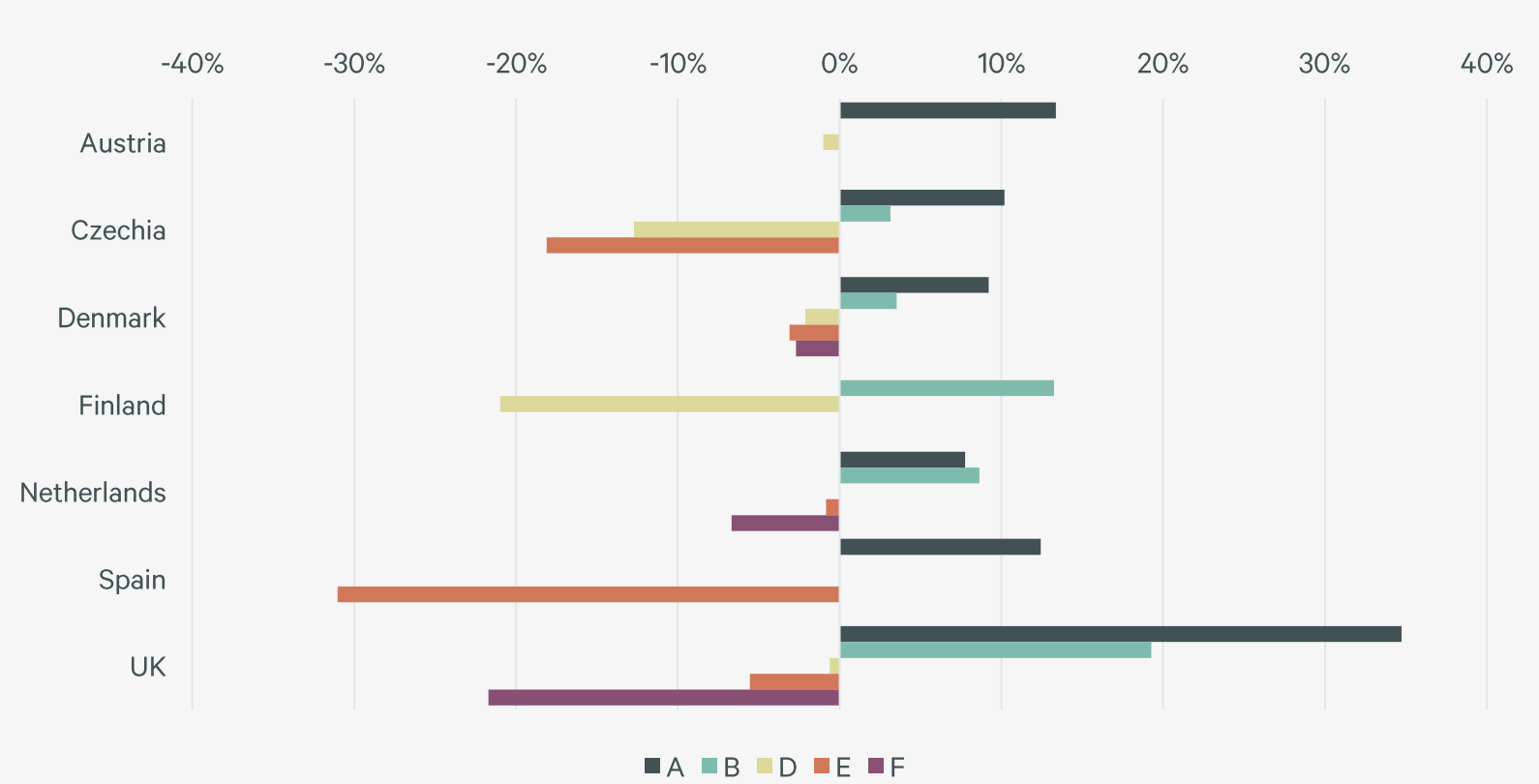
Source: CBRE Research

An uneven effect of sustainability certification on rent is visible on a city/market level



Office assets with the highest EPC ratings strongly outperform assets with lower ratings

Rental premium or discount compared to offices with EPC rating C



Source: CBRE Research; Note: EPC A comprises different variations, depending on the market

Creating Resilience

The impact of on-site rooftop solar PV on logistics property values

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“

By 2030 the share of wind and solar energy in power production capacities should double from the current level of 33% to 67%. And by then solar energy will also be the largest electricity source in the EU with more than half coming from rooftops.

”

Walburga Hemetsberger
CEO of SolarPower Europe on the
EU Solar Strategy



There is no better time than now



01

Fall of the cost of solar modules by 90% since the end of 2009 (IRENA).

02

Boost of the demand for solar: most competitive electricity generation technology in the EU, and one of the fastest-growing in renewable energy: from 52 GW of total installed PV capacity in 2011, the EU reached almost 160 GW in 2021 (European Commission, 2022).

03

New solar PV technologies promise even higher energy conversion from sunlight, more energy efficiency and lower costs for industry and consumers alike.



EUR 19.4m

Asset value without
PV installation

EUR 220k

Cost of
PV installation

EUR 20.2m

Asset value after
PV installation

4.2%

asset value uplift after installing
rooftop solar PV system

Thank you

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Gracias ধন্যবাদ Salammat धन्यवाद Obrigado 謝謝 Спасибо 감사합니다 Merci תודה شكریهDanke ありがとう Terima Kasih شكرا

If you have any questions::

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