



Sustainability Report 2021: Addendum



World Built Environment Forum Sustainability Report 2021: Addendum

Report written by

Kisa Zehra

Sustainability Analyst, RICS

Editor

John Ramshaw

Manager, World Built Environment Forum

Supervising Editor

Kay Pitman

Thought Leadership Specialist, World Built

Environment Forum

Published by the Royal Institution of Chartered
Surveyors (RICS)

RICS, Parliament Square, London SW1P 3AD

www.rics.org

The views expressed by the authors are not necessarily those of RICS nor anybody connected with RICS. Neither the authors nor RICS accept any liability arising from the use of this publication.

© Royal Institution of Chartered Surveyors (RICS) November 2021. All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopy, recording, or any information storage and retrieval system, without permission in writing from the publisher.



RICS Global Commercial Property and Construction Monitors



In Q3 2021, the RICS Global Commercial Property and Global Construction Monitors were used to draw on the expert opinions of real estate professionals in the run-up to COP26 in November 2021. Insight was sought on how climate and environmental factors are influencing the sector. Over 3,000 professionals from 37 countries responded. The feedback suggests the sector is headed in the right direction, but is some way from the significant transformational change required to meet its challenging environmental and climate goals.

Among the key messages from the **World Built Environment Forum 2021 Sustainability Report** was that a significant number of construction sector professionals

noted they make no measurement of operational or embodied carbon across projects. The Q3 2021 results strike a similar tone with respect to biodiversity.

The highest number of respondents (around 40% globally) stated that impact on biodiversity is taken into account on less than 50% of construction projects (Figure 1). Just 27% said that it is measured on more than half of their projects, and only around 9% said this was true for all projects.

Regional results broadly align with the global picture. Feedback from across Asia-Pacific, however, is slightly more encouraging with just over one-third of contributors suggesting that impacts on biodiversity are taken into

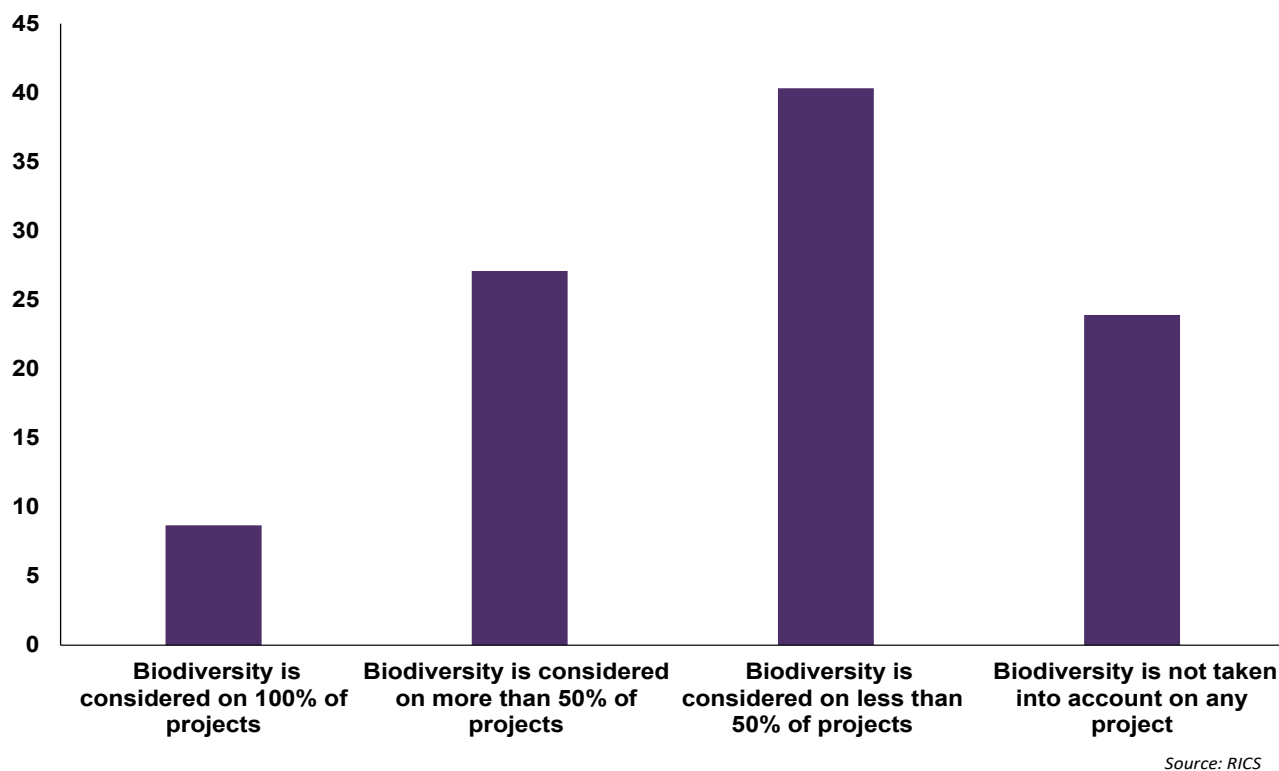


Figure 1: Impact on biodiversity when designing, planning and managing construction projects

account on more than 50% of their projects. Across Europe, the Middle East and Africa, and the Americas, the share of contributors stating this to be the case lies in the range of 20–25%.

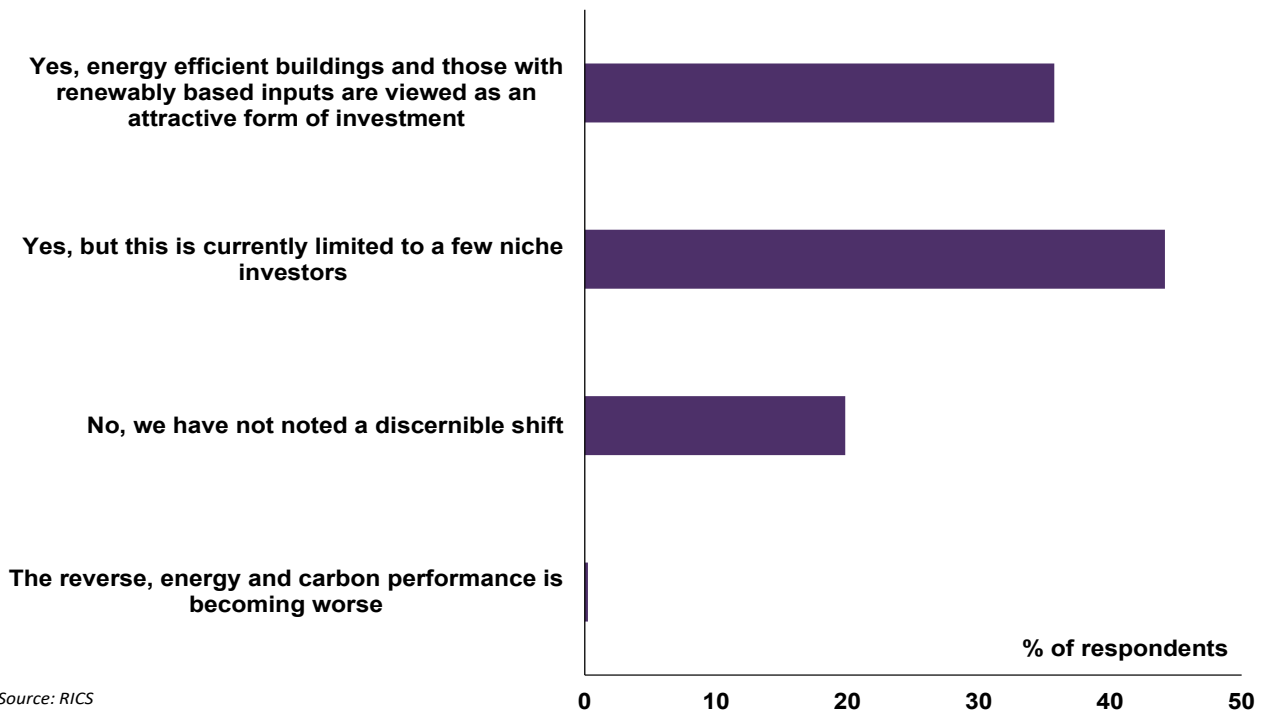
Across the UK, the highest number of contributors (around 43%) suggested that impacts on biodiversity are measured on less than half of all projects. Around 28% stated that it is measured on more than 50% of their work, while only 15% indicated that all of their construction projects take biodiversity impacts into account.

The results signal some positive developments across the sector. Surveyed professionals noted growing investor appetite for building design that is both energy efficient and carbon neutral. Just under 40% of construction sector professionals globally believed that, relative to two years ago, energy efficient buildings and those more reliant on renewable-based inputs are increasingly viewed as an attractive form of investment (Figure 2). However, around 44% believe that while investor interests may have moved in this direction, the movement is currently limited

to a few niche investors.

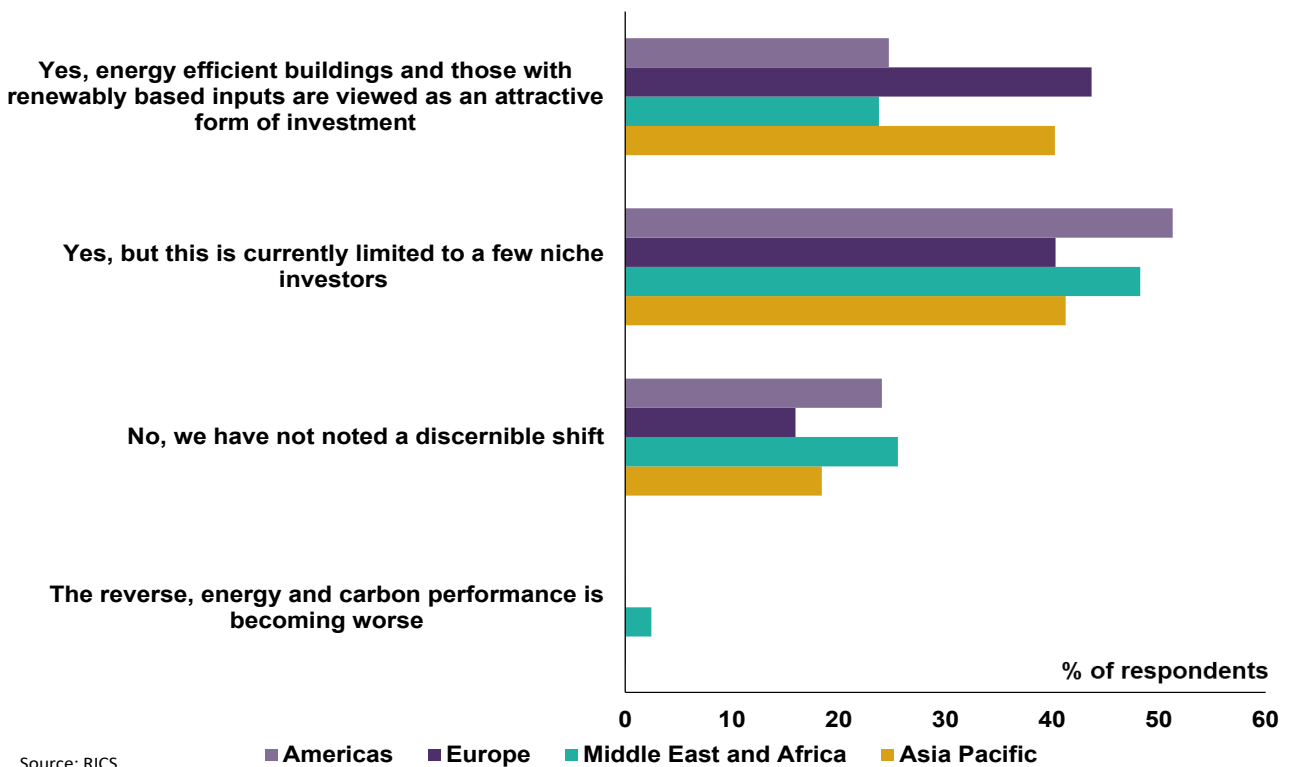
At the regional level, the results paint an interesting picture, with this trend appearing to be most pronounced in Europe. Figure 3 shows that around 44% of respondents across the region stated investor interest has shifted towards energy efficient and carbon neutral buildings over the past two years. This is closely followed by feedback from Asia-Pacific, where around 40% of respondents have noted a similar shift. Meanwhile, across the Middle East and Africa, and the Americas, the share of contributors taking this view is just under one-quarter. Approximately half of contributors in both regions suggested that the shift in appetite for energy efficient building design in the last two years has mainly been limited to a small number of investors.

A notable percentage of contributors across Qatar and Saudi Arabia (40%) spotted a discernable shift in investor interests in energy efficient and low-carbon building design over the last two years. A similar proportion of contributors take this view in the UK. This share is around 34% in Canada and above 40% in China and Singapore.



Source: RICS

Figure 2: Change in investor interest in building designs that are energy efficient and carbon neutral, global



Source: RICS

Figure 3: Change in investor interest in building designs that are energy efficient and carbon neutral, regional



The results chime with the feedback from the Global Commercial Property Monitor. Around 60% of contributors globally believed that while making decisions, investors consider climate risk factors to be important to some extent. Still, it should be noted that a sizeable number (around 42%) believe that climate risk factors are only 'quite important' to investors, rather than 'very important' or 'more important than any other risk' (Figure 4).

Across regions, it is Europe that again appears to be leading the way, with around two-thirds of respondents suggesting that climate risks are seen as important by investors to some degree. The share

of respondents taking this view is around 60% in the Americas and close to 55% in Asia-Pacific, the Middle East and Africa. Similar to the global results, the majority of contributors across all four regions covered by the survey considered climate risk factors to only be 'quite important' to investors.

This indicates that while sustainability and climate considerations have become more important, they are still not quite at the forefront of mainstream investment decisions. COP26, along with the further development of EU and UK taxonomies and additional regulations targeting sustainable finance, could help accelerate this trend.

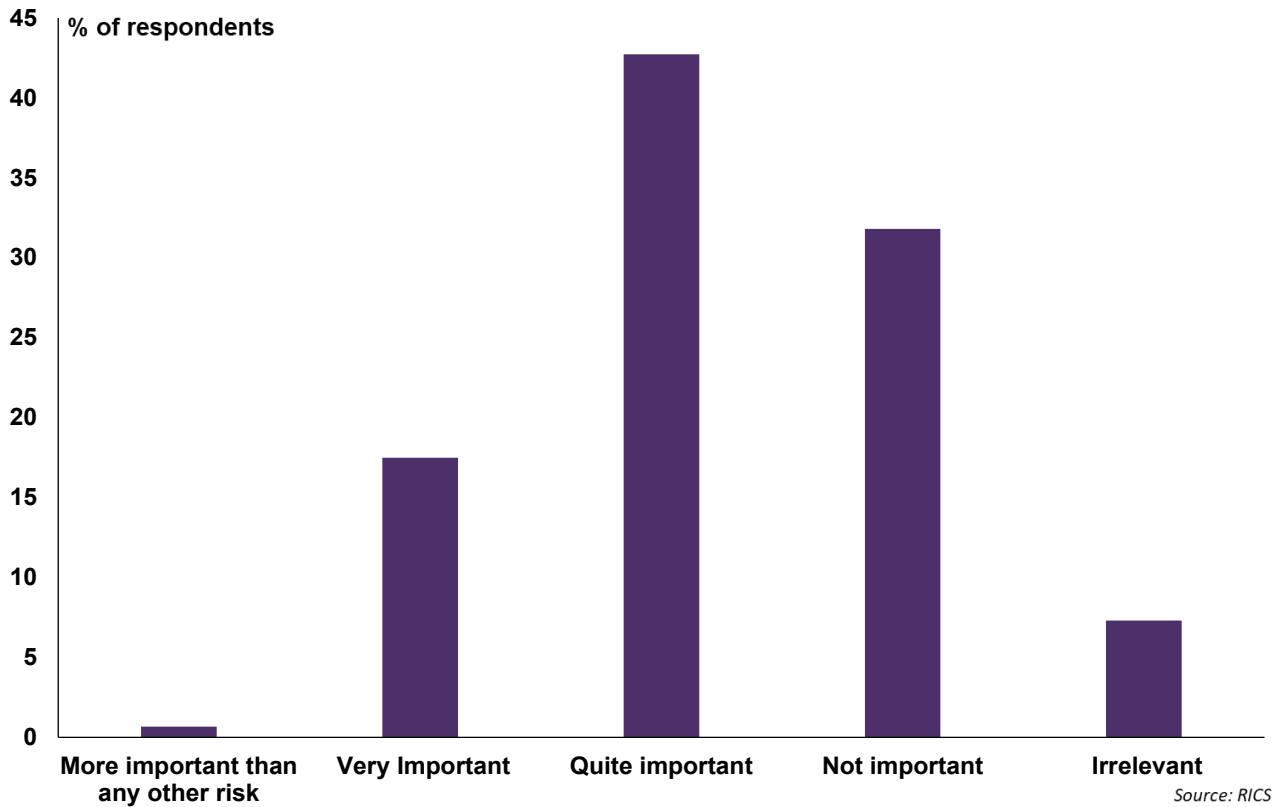


Figure 4: Importance of climate risk factors in investor decision-making



Information

Global Commercial Property Monitor

RICS' Global Commercial Property Monitor is a quarterly guide to the trends in the commercial property investment and occupier markets. The report is available from the [RICS website](#) along with other surveys.

Global Construction Monitor

RICS' Global Construction Monitor is a quarterly guide to the trends in the construction and infrastructure markets. The report is available from the [RICS website](#) along with other surveys.

Disclaimer

This document is intended as a means for debate and discussion and should not be relied on as legal or professional advice. While every reasonable effort has been made to ensure the accuracy of the contents, no warranty is made with regard to that content. Data, information or any other material may not be accurate and there may be other more recent material elsewhere. RICS will have no responsibility for any errors or omissions. RICS recommends you seek professional, legal or technical advice where necessary. RICS cannot accept any liability for any loss or damage suffered by any person as a result of the editorial content, or by any person acting or refraining to act as a result of the material included.

Delivering confidence

We are RICS. Everything we do is designed to effect positive change in the built and natural environments. Through our respected global standards, leading professional progression and our trusted data and insight, we promote and enforce the highest professional standards in the development and management of land, real estate, construction and infrastructure. Our work with others provides a foundation for confident markets, pioneers better places to live and work and is a force for positive social impact.

Americas, Europe, Middle East & Africa
aemea@rics.org

Asia Pacific
apac@rics.org

United Kingdom & Ireland
contactrics@rics.org



[rics.org](https://www.rics.org)