

Sustainable building ratings in the UK

A guide to demystify the growing family of rating systems, offering practical measures to improve their criteria. Insights distilled from a recent expert panel discussion, featuring:

James Fisher, BRE

Daniel Coakley, Lloyds Banking

Monique Alfris, NABERS

Cillian Casey, CIM



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Setting the scene

As global awareness about the environmental impact of commercial real estate intensifies, sustainability rating systems have emerged as an essential tool to guide and measure progress.

BREEAM, the oldest green building rating system, was launched in 1990 as an environmental assessment tool for new build office developments within the UK. NABERS wasn't far behind; since its inception in New South Wales in 1998, NABERS has also become a world-leading environmental performance rating tool for commercial buildings. Rounding out the main rating systems are the likes of LEED, EPC's, WELL and others.

The value of such tools is clear. With these and other frameworks in place, commercial property owners and tenants alike can track measurable progress toward Net Zero targets, adhere to regulatory guidelines, and increase the value of their assets.

But there is also a risk that the growing availability of such tools will muddy the waters, making it difficult to navigate the multitude of systems and understand which performance improvements matter most.

CIM assembled an expert panel to demystify the growing family of rating systems and standards in the UK. Our panel discussed practical measures to elevate your building's position alongside their recommendations for reconciling separate frameworks.

In this ebook, we condense decades of industry experience into your guide on everything you need to know about sustainability ratings in the UK—including actionable steps to avoid stranded assets.



About our panel

SustMeme Founder and sustainability influencer Jim McClelland moderated a discussion with four leading industry experts: Monique Alfres, James Fisher, Daniel Coakley, and Cillian Casey. All four have extensive experience creating, measuring, and maintaining a more sustainable commercial property sector.

Monique Alfres: Monique is Head of Market Transformation at NABERS. After nearly ten years as a Sustainable Buildings Consultant in Australia, Mauritius, and Ghana, Monique co-founded Pollinate Energy, a not-for-profit social business focused on providing access to low-cost, clean energy technology that improves living conditions in India's urban slums. She then turned her considerable skill to NABERS Australia, where she has remained since.



James Fisher: As BRE Group's Head of Strategic Partnerships, James boasts nearly 30 years of experience in ESG and Real Estate, with a strong background in built asset sustainability, certification, and consultancy. He also brings a technical background to the table, having received a Bachelor's degree in Industrial and Natural Resource Chemistry from Brunel University London.



Daniel Coakley: Daniel is the Sustainability Manager for Lloyds Banking Group. He also has an impressive educational background, with a PhD in Mechanical Engineering from the University of Galway. He joined Lloyds by way of Mitsubishi, the EU Marie Curie EINSTEIN Project, and IRUSE.



Cillian Casey: Cillian is CIM's VP for the EMEA and US regions. He began his career as an engineer—and later as an energy consultant and manager—for Eirdata Environmental Services before leading technical advisory and software implementation for IBMS (now Avani Solutions). He started at CIM in 2019 as EMEA Head of Engineering and has since evolved his role thanks to his dedication to CIM's mission.



Sustainability scorecards

Leading frameworks in the UK

Sustainable rating systems have existed since the 1990s, but widespread global attention has only come within the last decade. To demystify the current ratings landscape, we've summarised the most prominent below.

- **BREEAM:** The Building Research Establishment Environmental Assessment Method ([BREEAM](#)) was developed by BRE in 1990 to evaluate the environmental performance of buildings. Today, it is used in over 80 countries. Buildings can get certified under BREEAM by undergoing an assessment that rates performance across ten categories with simple ratings: Pass, Good, Very Good, Excellent, and Outstanding.
- **NABERS:** [NABERS](#) started in Australia in 1998 and expanded into the UK in 2020. It provides a “star” rating from one to six stars for building efficiency across areas including energy efficiency, water usage, waste management, and indoor environment.
- **GRESB:** The Global Real Estate Sustainability Benchmark ([GRESB](#)) is an organisation that provides assessments that businesses can use to compare their performance against their peers and uncover actionable advice on how their ESG performance can improve. GRESB's Real Estate Assessment evaluates ESG across three domains: Management, Performance, and Development.
- **Energy Performance Certificates (EPC):** EPC's are mandatory in the UK for all commercial properties that are being sold, rented, or constructed. They provide a rating from A (most efficient) to G, reflecting the building's energy performance based on factors like insulation, heating, and lighting. An EPC is valid for 10 years and must be obtained from an accredited energy assessor.

To dive deeper, we asked our panel to provide an overview of the systems they are most familiar with. We started with Monique, our expert on NABERS, asking her to share what makes the newest UK rating system unique and how it can complement the other rating systems already in widespread use within the region.

“We might be the newest to the UK, but we’ve been around in Australia for over 25 years, and we’ve spent that time developing our standards and understanding how we can best serve the industry. That’s part of why we were asked to come to the UK; to take all of the knowledge that we’ve built over that time and bring it across.”

“NABERS is essentially an end-use verification tool, so you use the actual bills from whatever is happening in your building. **We don’t take into account whatever you’ve decided to do; we just look at the final number that’s on your energy bill.** You give that to us along with some information about your building, and we provide you with a star rating comparison that helps you understand how you’re comparing to others in the market and also other buildings that are similar to you. So you’re not going to have a building that operates 24 hours a day compared unfairly to one that might only operate eight hours a day.”

As our representative from BRE, James was the perfect person to ask about BREEAM, which is well-established in the UK. He had some interesting recent developments to share across BRE’s suite of validation and certification systems.

“We’ve been creating the BREEAM family of standards for about 30 years, and I think it’s interesting that some of the original focus points have now gone full circle. One example is the focus on operational and embodied carbon that is really coming to the fore at the moment. **In a global sense, the universal focus on data is something that we’re absolutely transferring and bringing through the BREEAM system.**”

“We’ve also got the EU taxonomy reporting, new digital tools, and an increasing resilience and social value focus. I think the next big emergence for everybody’s standards will be the absolute focus on natural capital going forward.”

Cillian is CIM’s VP for the EMEA region and is closely acquainted with the wide range of rating systems and standards in the UK. We asked him what other frameworks property owners and managers should be aware of.

WELL Building Standard

“If you’re looking to prioritise occupant well-being, the WELL Building Standard is a standout choice. It revolves around creating healthier indoor environments by addressing factors like air quality, lighting, and even nutrition.”

WiredScore

“From a technology perspective, there’s a WiredScore rating, which certifies a building based on the technology installed or the connectivity in your buildings.”

ENERGY STAR

“One which was pretty prominent in New York at Climate Week was ENERGY STAR ratings, which could be seen displayed on the doors of buildings across the city. This is a pretty well-respected programme in the US by the EPA that specifically focuses on energy efficiency in the buildings.”

Cillian also spoke to the challenges for regulators, building owners, and tenants trying to navigate these disparate rating systems.

“What we’re grappling with here is a lack of uniformity in how various rating systems are applied. The inconsistency poses a significant challenge when we try to compare and assess sustainability across different regions, different countries, or even different buildings. In my opinion, NABERS has really excelled in this issue from an energy perspective. But it’s worth noting that this level of consistency often requires a strong government push, and we’ve seen that in Australia with NABERS.”

We wrapped up our opening segment with Daniel, who shared his perspective as a tenant who manages internal sustainability frameworks.

“We have a range of public climate pledges within Lloyds Banking Group around energy and carbon reduction, water waste reduction, and travel emissions reduction, and clearly these are aligned to some of the existing standards and certifications. But we found that with the mix of building types and ages across our portfolio, it was very difficult to pitch us all against one standard. **So we came up with a bespoke framework that aligns directly to our own strategy and sustainability goals, which closely references a lot of the standards mentioned, including BREEAM, WELL, and NABERS.**”

“Our framework looks a lot at the design initiatives we can incorporate in new building construction or refurbishment without losing focus on the actual delivery of the operational target. So bridging that performance gap between design and actual operation.”



The green dividend

Quantifying the value of sustainable property

The UK property market now comes with a distinct “green premium.” In London, commercial office space with green credentials commands 20% higher rates than office space without. The market shift toward Net Zero-aligned properties has also ignited a “brown discount,” leaving low-performing buildings at risk of becoming stranded.

We asked our panellists to help quantify the value of sustainable property in the UK and Ireland based on their experience over decades. James was the first to share his observations of recent market developments.

“We’ve had independent research done from highly respected property agents that have quantified the value case of our BREEAM In-Use scheme, which focuses on buildings in operation. **A BREEAM Good certification will drive an uplift of about 4%; Very Good, around 5%; and Outstanding of 12% on rental yield and uplift of sale value.**”

“We’re seeing large portfolio holders with assets of all classes that are using BREEAM for value creation and raising capital.”

We asked Monique what she would say to those who still see sustainability as a cost burden—particularly those who aren’t obligated to disclose their performance publicly.

“We’ve been operating in the Australian market for quite some time, and there’s a lot of evidence now to show that the green premium is real. **Those buildings that have higher NABERS star ratings are associated with higher valuations and lower vacancy rates.** We’re also starting to see a real uptick in both government and corporate policies around minimum leasing requirements, so if you don’t meet those requirements, you not going to be able to find a tenant in the near future.”

“For some existing buildings, sustainable upgrades will represent an increased cost that will take some time for that building to recoup. So there is a role for government to play in helping overcome barriers. We need to be realistic to the fact that buildings are one of the best ways for us to achieve our Net Zero targets, but the burden shouldn’t only be on industry to be able to achieve that. And industry should also be making sure they’re coming forward to government and saying what it is that they need to help with that transition.”

Daniel’s role focuses a great deal on education, so we asked him: which areas of sustainable building management does Lloyds consider important when educating their internal team?

“Our operational sustainability team actually sits within a wider engagement communications and adoption team, which actually works quite well. One of the gaps we’d seen in the past was, we’d bring in a new tool or a technology that we think is going to solve everything. **But if we don’t bring everyone together or ensure that it works across the value chain, then it doesn’t deliver what it was supposed to.**”

“If we’re bringing in a new innovation or a technology or changing a system, we’re now explaining that to all of our stakeholders rather than going off and doing it in a silo. I think that’s key in ensuring we deliver what’s actually promised in terms of operational savings, and we don’t just get a backlash of people going back to switching something off that’s been installed or going back to behaviour that just rules out the benefits that you would have otherwise achieved.”

“We have regular forums where the Lloyds sustainability team meet up with the operational FM team where we try to understand and share learnings across different buildings, and we also engage with external stakeholders. For example, we work with the Operational Sustainability in Finance Forum, which brings together all of the major financial institutions in the UK. We share learnings, any positives that we’ve had in terms of rollouts of a specific technology or behavioural change initiative. Equally, we can learn from the group about what’s worked well for them, what hasn’t, and essentially accelerate the delivery of sustainable transformation.”

Success stories

We asked our panellists to share their favourite example of a building or portfolio enhancing its sustainability credentials.

Cillian Casey, CIM

“Back in 2007, Kyko Group acquired a ten-story office building at Brisbane’s 193 North Quay. It was built in the ‘70s, when eco-friendliness wasn’t exactly a requirement in real estate. Once Kyko partnered with CIM, the results were pretty mind-blowing. The building went from zero to two NABERS stars quickly, and kept going up with the continuous improvements. Today, it’s actually sitting at five stars. On top of the 30%+ reduction in energy consumption, they also saw a 17% increase in thermal comfort. And the real kicker is, they got the ROI on all this work in less than 18 months, including upgrades on their BMS and equipment.”

Monique Alfris, NABERS

“I spoke to an EG Funds sustainability manager about how bringing new assets into their portfolio. He was getting frustrated because their purchasing team kept buying assets that were low-performing. So he went to them and said, ‘Why do you keep buying these assets that are so low-performing? They’re bringing the average of our whole portfolio down.’ And the purchasing team said, ‘It’s because you’re so good at turning them around and making them great assets.’ Basically, getting that value out of them by improving their performance. EG Funds has a strategy for their portfolio of finding that diamond in the rough. It’s music to our ears hearing of the commercial opportunity for low-performing assets.”

James Fisher, BRE

“We’ve seen strong industry collaboration with us from portfolio holders who want to bring their assets into certification. The certification model is being used by funds to demonstrate credentials to the market, and there are asset classes where the right kind of certification is something that they’re seeking.

I want to call out APG-backed Vesteda; they’ve got just under 30,000 residential apartments in the Netherlands and have a strong push from APG, the Dutch pension fund, to bring those assets into certification. At that point, our BREEAM In-Use standard didn’t have a specific residential module to it. It sounds very easy, doesn’t it? Just add a new asset class to a certification scheme. But actually, all the different types of residential globally make that challenging. So we worked with Vesteda to help create that methodology, which they’ve now used across their full portfolio.”



Elevating standards

Strategies for enhancing performance and ratings

While understanding the rating systems is the first step towards sustainability improvement, actionable strategy is the second. Many commercial property owners are wary of the CAPEX involved in upgrading their existing portfolio, particularly in a sluggish rental market, but there are other approaches to improving sustainability performance within the built environment.

We asked Daniel what measures Lloyds has found most effective to improve the sustainability and efficiency of their assets, and while he mentioned material upgrades (replace aging boilers, instal LED lighting, etc.), he spent far more time talking about optimising existing equipment performance.

“When these systems go in, we’re tracking their performance and ensuring that they’re operating efficiently. With buildings where it doesn’t make sense to replace the existing systems because they still have significant life left, we want to make sure we aren’t operating those systems in a sub-optimal way. So **there’s a big piece around data gathering and analytics to ensure that we deliver efficient operation and optimisation.**”

“We have an external call for innovation that we’ve held over the last five or six years which looks at keeping new technology and new innovations coming in, so we’re not reliant on the business-as-usual approach of the technologies and systems we’ve used to date. We’re keeping a constant eye on the market. Running that competition in partnership with Wates Group has been a really successful way to chip away at performance improvements across the estate.”

CIM’s Cillian has worked with countless clients and buildings to improve their operational efficiency—and, by extension, their sustainability performance. We asked him how data and technology can be leveraged to improve the operational efficiency of a property.

“When it comes to improving operational efficiency in buildings and enhancing sustainability performance, data and technology are indispensable allies. Operational efficiency encompasses a few subtopics, so I’ll cover a few of them at a high level. First is energy efficiency, implementing energy-efficient technologies and practises to reduce consumption. Real-time data monitoring is key here, coupled with smart building systems and data-driven insights to allow for precise control of energy usage. This translates not only to lower energy bills, but also contributes to a reduced carbon footprint, which is where the big push is at the moment.”

“Enhancing indoor environment got real traction during COVID, and it’s kept up its importance over the following few years. Data and technology enable the creation of a more comfortable and productive indoor environment. Using the data to pinpoint existing or even potential red zones allows FMs to stay ahead of complaints or issues that may come up.”

“Building resilience to climate risk and climate-related events like extreme weather is extremely and increasingly crucial. And then there’s regulatory compliance; staying ahead of changing environmental regulations is made easier when data is used and buildings are operating more sustainably.”

In search of quick wins for property managers and owners, we asked Monique for her take on improving sustainability performance in commercial property.

“The biggest quick win is making sure that you’re turning off any equipment that you don’t need. **It’s really about monitoring what’s going on in your building, getting access to that data and making sure that you’re using it in a way that makes sense.** I was talking to an energy service provider in Australia who said they can always get at least a 10% uplift in energy performance just off the back of better monitoring of that building and better managing how the building is operating.”

In Australia, we don’t necessarily see higher NABERS star ratings with buildings that are newer. Often, it’s the buildings that are older and have been operating for some time under really great management.

The facilities manager and the building manager of that particular building understand that building really well; they understand how to really make it sing. Whereas a newer building, perhaps it hasn't gone through the commissioning process properly, or it's perhaps a bit more complex than it needed to be, or the controls weren't set up properly in the first place."

"My second quick win is about having a pathway for your building. How are you going to get that building to Net Zero? So that if you're forced to make a decision quickly, or there's an opportunity that comes along, you're prepared. In Australia, a lot of buildings took advantage of the low occupancy during COVID to do upgrades to their buildings, because it's hard to do those big upgrades in a building that's fully vacanted all the time. So if there's something that comes along that maybe is a challenge, it could also be an opportunity if you already have a plan in place about what you're going to do with that particular asset."

Off the back of Monique's guidance on quick wins, we asked James for his suggestions on longer-term initiatives to get a building or portfolio up to scratch.

"We need to focus on the journey rather than the destination, because people will be put off if they don't think they can show their boss or their executive team a journey that gets them to Zero on one piece of paper. So be proud of the journey."

"Data is absolutely key. Submetering is the most boring subject in the world, but if you own a large asset, be prepared to put some submeters in before you drive to Net Zero, just to understand where the energy is being consumed. I know it sounds mundane, but it's a real example where people don't want to spend money on submetering, and you need to understand where that consumption is happening."



Charting our green future

What's next for sustainability ratings?

In an increasingly challenging macro environment, sustainability ratings and their results will be put to the test in ever-evolving ways. We asked our panellists to share what they expect to see in future ratings criteria and how we can work to drive better uniformity between disparate systems.

James Fisher, BRE

"Embodied carbon is going to become absolutely core. We're going to see more focus on natural capital, the link with blue bonds and other natural value instruments, as well as social bonds and social capital."

"I'd like to see five to seven key metrics in each of the leading standards calculated in the same way so that there's cross-fertilisation between them."

Monique Alfris, NABERS

"We're seeing a lot of governments around the world becoming much more interested in mandatory disclosure for buildings. So numerous governments have approached us, because we do have a mandatory disclosure model in Australia for office buildings, to understand how that works and how that drives improvements in sustainability performance. Buildings that have been participating in our scheme over 12 years in Australia see an average reduction in energy consumption of around 40%. That's the sort of outcome that you see from mandatory disclosures."

"Mandatory disclosure also helps drive alignment between rating tools, because if you have some tools that are mandatory to disclose, that starts to bring alignment with some of the other tools that might exist."

Daniel Coatley, Lloyds Banking Group

“We have a really keen focus on embodied carbon. We’re working as well with the RICS and the Green Building Council on sharing information about the embodied carbon footprint of any major refurbishments. I think we need to share more information across the industry on best practice around embodied carbon.”

“Green leases and contractual requirements in leasing for sustainable performance are going to be key moving forward, especially in response to government mandates. I think that starts to tie things together. Government mandates, landlord, owner-operators, and tenant sustainability goals are all converging to create a perfect environment for those sorts of green leasing initiatives to take more foothold.

“To answer the question about uniformity: a common data ontology or some way of directly sharing data where you’ve got common metrics or calculations. Perhaps that needs to happen at the building level, so those metrics get shared directly into these certification and standards calculators so you can switch between multiple.”

Cillian Casey, CIM

“I have to agree with Monique on the government legislation and mandatory disclosure. It had a massive impact in Australia. Maybe working with industry working groups to look at standardising reporting. And to go a step further, rolling that up to have it consistent across the EU. I know the UK is obviously not part of the EU, but having agreement there so we can compare apples with apples across larger regions as opposed to being siloed in smaller regions.”

Watch the recording

WEBINAR

Sustainable building ratings in the UK & Ireland



Daniel Coakley



James Fisher



Monique Alfris



Cillian Casey

About CIM

CIM's award-winning PEAK Platform is an AI-powered SaaS solution that improves the financial and environmental performance of property portfolios. PEAK unlocks value by improving the efficiency of operations teams and maximising the performance of plant and equipment. Assets operating at peak performance boast industry-leading tenant satisfaction, occupancy metrics, net operating income and sustainability ratings.

Improving Financial and Environmental Performance



Maximise income

Advanced FDD ensures buildings operate to an efficient, comfortable and non-disruptive standard, facilitating high levels of tenant satisfaction, occupancy and NOI.

Lift occupancy

Green premium

Improve NOI

Tenant satisfaction



Reduce outgoings

Optimise operational performance for reduced energy consumption, streamlined maintenance contracts and extended equipment lifecycle.

Delay capex

Streamline maintenance

Decrease energy

Boost productivity



Improve sustainability

Operations teams are empowered to maximise operational and energy efficiency, curbing a portfolio's carbon footprint and lifting its sustainability ratings.

Improve ratings

Green finance

Green leases

Meet Net Zero targets

Delivering results

19%

average saving in electricity per building

20%

reduction in maintenance costs via DDM*

2 year

extension of equipment lifecycle

**Data-driven maintenance*

Trusted by industry leaders



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