

*Upstream seminar
17 November 2008*

**Bridging the landlord-tenant divide:
*Improving the energy performance
of rented buildings***

Bill Bordass

the Usable Buildings Trust

www.usablebuildings.co.uk

Multiple players affect the performance of tenanted buildings, *including:*

BASE BUILDING

Developer

Owner and investors

Letting agents

Managing agents

FM organisation

Maintenance contractors

Energy suppliers

Plus other suppliers, agents, advisors, ICT etc. ...

OCCUPIERS

Fitout teams

Occupier organisations

Letting agents

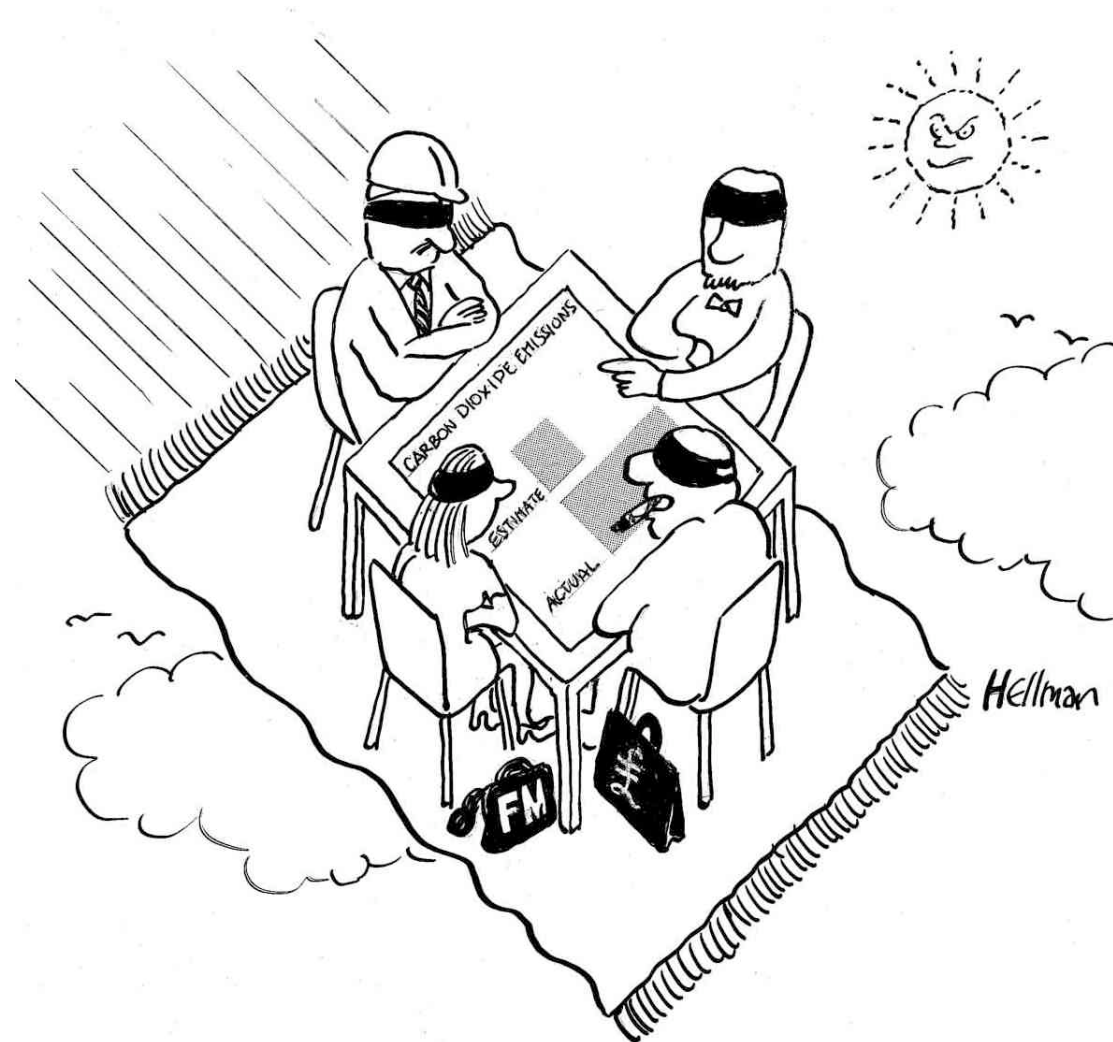
Occupiers' managers

FM organisations

Maintenance contractors

Energy suppliers

Removing the blindfolds:
Energy performance hasn't been visible



Various angles of approach

IS IT ABOUT BUILDINGS?

- Landlord's services
- Tenant's own energy uses, *not all directly building-related.*
- Whole building energy use, *but it be managed as a unit?*
- Complexes, *e.g. shopping centres, business parks.*

And/or PORTFOLIOS, converging onto buildings?

- Property owners (*sole, investors, REITs, pensions ...*).
- Managing agents.
- Occupier organisation or business units.
- Service firms: FM, maintenance, HVAC, ICT, Catering ...

Many crossovers between portfolios, but the players' different business drivers have made it difficult to address energy use.

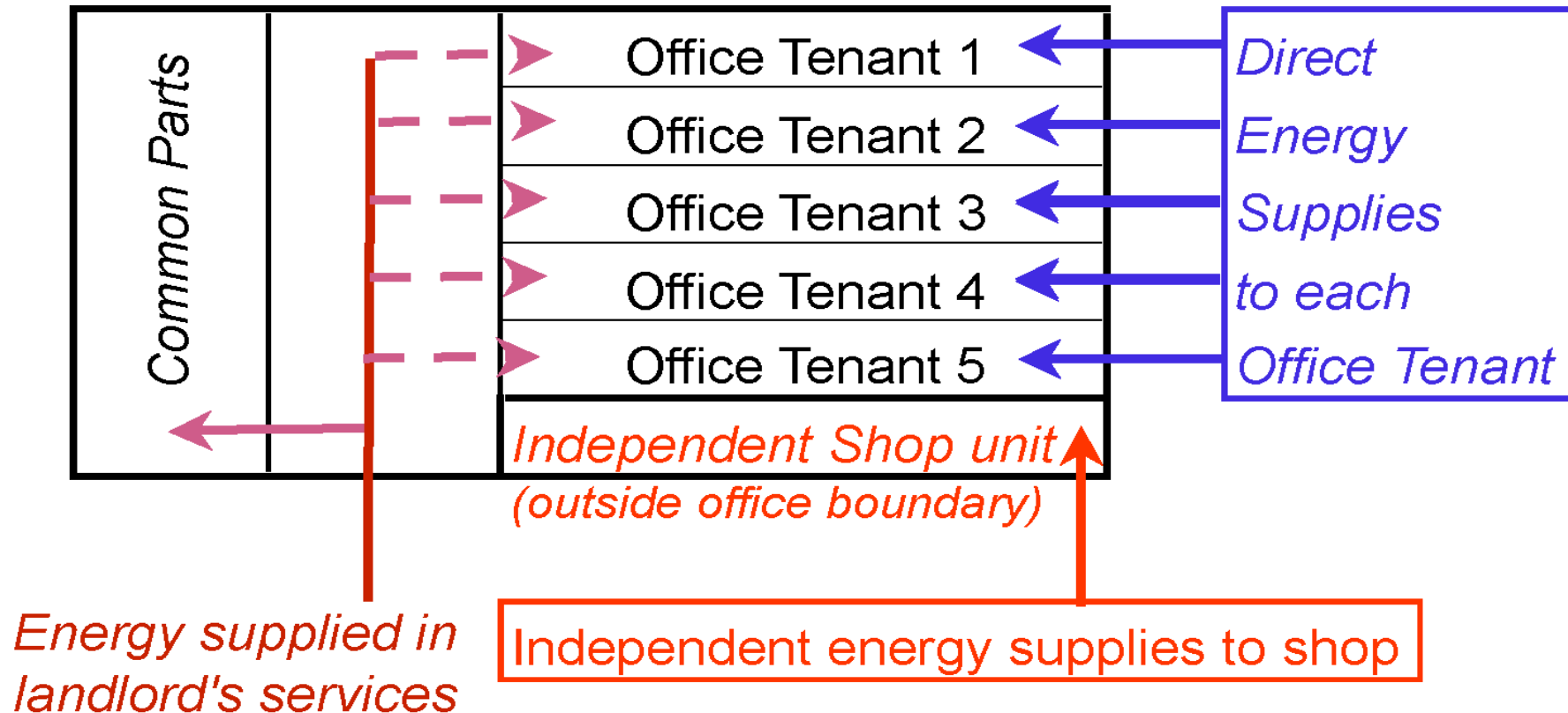
Bringing things together:

Multiple dimensions

- Contractual - *e.g green leases, FM contracts.*
 - Technical - *making performance visible.*
 - Economic - *valuing better performance.*
 - Social - *working together to improve things.*
 - Operational - *getting things to happen:*
 - *Cultural, changing attitudes and practices.*
 - *Management, for base building and occupiers: avoid waste, identify obstacles, target improvement.*
 - Investment, *particularly at opportunity points*
e.g. build, refurb, fitout, purchase, alter, renew.
-

Multi-tenanted buildings: *Energy comes from different places*

Energy use by landlord's services is usually only reported in service charge accounts, and as money, not energy.



One brick in the wall: *the Landlord's Energy Statement (LES)*

- Open-standard format for office landlords to report annual energy use and associated items of interest to tenants (*e.g. alongside the annual service charge accounts*), and for other purposes.
- Accompanied by the *Tenant's Energy Review (TER)*.
- Helps to motivate everybody to improve, *rather than put the responsibility any one player, who will have only limited influence.*
- Tenants with a LES can add in their fuel bills and prepare a *Display Energy Certificate* on the same basis as for self-contained buildings.
- Potential in other sectors and to provide data to coordinate with other initiatives (*e.g. CRC, the Carbon Reduction Commitment*).
- *Developed by BPF and a group of members* with UBT.*
- *Sponsored by the Carbon Trust.*
- *Advisory group includes government, CIBSE, BCO, and Upstream.*
- *Go to www.les-ter.org*

* Broadgate Estates, Hammerson, Hermes, Land Securities, PruPIM, St Martin's, Standard Life, Workspace.

LES Format

www.les-ter.org

- Reports and benchmarks thermal, electrical and total weighted annual energy use, plus CO₂ emissions.
- Identifies effects of on-site renewable generation.
- Reports year-on-year performance improvement.
- Allows offsite measures etc. to be recorded alongside.
- Further technical detail on page 2.
- Free Excel software available.
- Compatible with other methods.
- Accompanied by guidance documents on how to improve energy performance.

LANDLORD'S ENERGY STATEMENT
 123 Green Square, London, ABC 123
 Floors 1 to 6, Tenancy Only
 Annual energy used by LANDLORD'S SERVICES ONLY
 The Landlord DOES NOT provide separate direct energy supplies to the tenant!

Year: 2005
 Page 1 of 2
Example
 Version 1.0 Example

Insert your company logo here

Summary and Benchmark Comparison
 Statement for: Tenancy Only
 Tenants wishing to calculate their total energy use will need to combine the data here with that for all other fuel and energy they purchase directly

Energy use, emissions, performance indicators and gradings
 Benchmark used: Water V9 April 2007
 bce/0
 Partial/AC

Environmental Performance:

Performance indicators	Benchmark Ratio (%)	Grade	Comparison
Carbon dioxide emissions Tonnes CO ₂	85.7 kgCO ₂ /m ² 6.1 kgCO ₂ /m ²	C	27% Lower than Typical Typical benchmark: 85.8 kgCO ₂ /m ²
Annual electricity use kWh	83.2 kWh/m ² 6.7 kWh/m ²	D	24% Lower than Typical Typical benchmark: 78.8 kWh/m ²
Annual combustion fuel and oil-fired thermal energy use kWh	82.4 kWh/m ² 6.0 kWh/m ²	B	52% Lower than Typical Typical benchmark: 72.8 kWh/m ²
Total weighted annual energy use kWh	226.7 kWh/m ² 27.6 kWh/m ²	C	34% Lower than Typical Typical benchmark: 288.8 kWh/m ²

Energy Efficiency:

Performance indicators	Benchmark Ratio (%)	Grade	Comparison
Carbon dioxide emissions Tonnes CO ₂	85.7 kgCO ₂ /m ² 6.1 kgCO ₂ /m ²	C	27% Lower than Typical Typical benchmark: 85.8 kgCO ₂ /m ²
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Energy generated by on-site renewable generation

Energy generated by on-site renewable generation	Percentage of total energy use	Method
29.6 Tonnes CO ₂	1.8%	Roof PV panel & wind turbine

Year on year performance

Year	Landlord's Energy Consumption (kWh/m ²)	Carbon dioxide emissions (kg CO ₂ /m ²)	Electricity (kWh/m ²)	Fuel and thermal (kWh/m ²)	Total weighted energy (kWh/m ²)	Carbon dioxide emissions (kg CO ₂ /m ²)	Electricity (kWh/m ²)	Fuel and thermal (kWh/m ²)	Total weighted energy (kWh/m ²)	Change from 2003	Energy use (kWh/m ²)	Carbon dioxide emissions (kg CO ₂ /m ²)
2003	288.8	85.8	78.8	72.8	288.8	85.8	78.8	72.8	288.8	0%	288.8	85.8
2004	226.7	61.0	67.0	60.0	226.7	61.0	67.0	60.0	226.7	-21%	226.7	61.0

Annual Emissions (kg CO₂/m²)

Emissions reductions by accredited off-site measures

Accredited off-site measures	Carbon dioxide (kg CO ₂ /m ²)	%	kg/m ²	Note
Accredited off-site renewable generation	43.0	47.4%	43.0	Watch Wind Farm
Accredited green electricity purchases	12.5	5.0%	12.5	The Green 100% Renewable Tariff
Accredited carbon offsets	45.0	61.5%	45.0	Wooly Carbon from China

Additional Explanatory Notes

Enter Any Extra Notes to appear on Landlord's Statement here >

Landlord or managing agent:
 BPF
 British Property Federation
 29-31 Abchurch Lane, London EC4N 3DF
 Tel: 020 7460 1000
 Fax: 020 7460 1001
 Email: info@bpf.org.uk

Tenant:
 ABC 123
 123 Green Square, London ABC 123
 Tel: 020 7460 1000
 Fax: 020 7460 1001
 Email: info@abc123.com

Statement Details:
 Date: 31 July 2005
 Period Start: 31 Mar 2004
 Period End: 31 Mar 2005
 Statement No: 1000123456

The LES-TER concept has been developed by the British Property Federation and the Useful Buildings Trust with financial assistance from the Carbon Trust. © BPF & UBT 2005

Five steps for improvement

here starting with landlord or managing agent

STEP 1 Take stock

- Are you in control of the building, the systems and the data?

STEP 2 Start planning

- Make sure somebody is responsible for managing energy in each building.
- Identify scope for initial improvements (*DIY and/or with help*)
- Draft a longer term energy plan.

STEP 3 Make initial savings

- You should now have a list of things you can start on.
- Try to do the low-cost ones (*e.g. tuning-up*) and monitor the results.

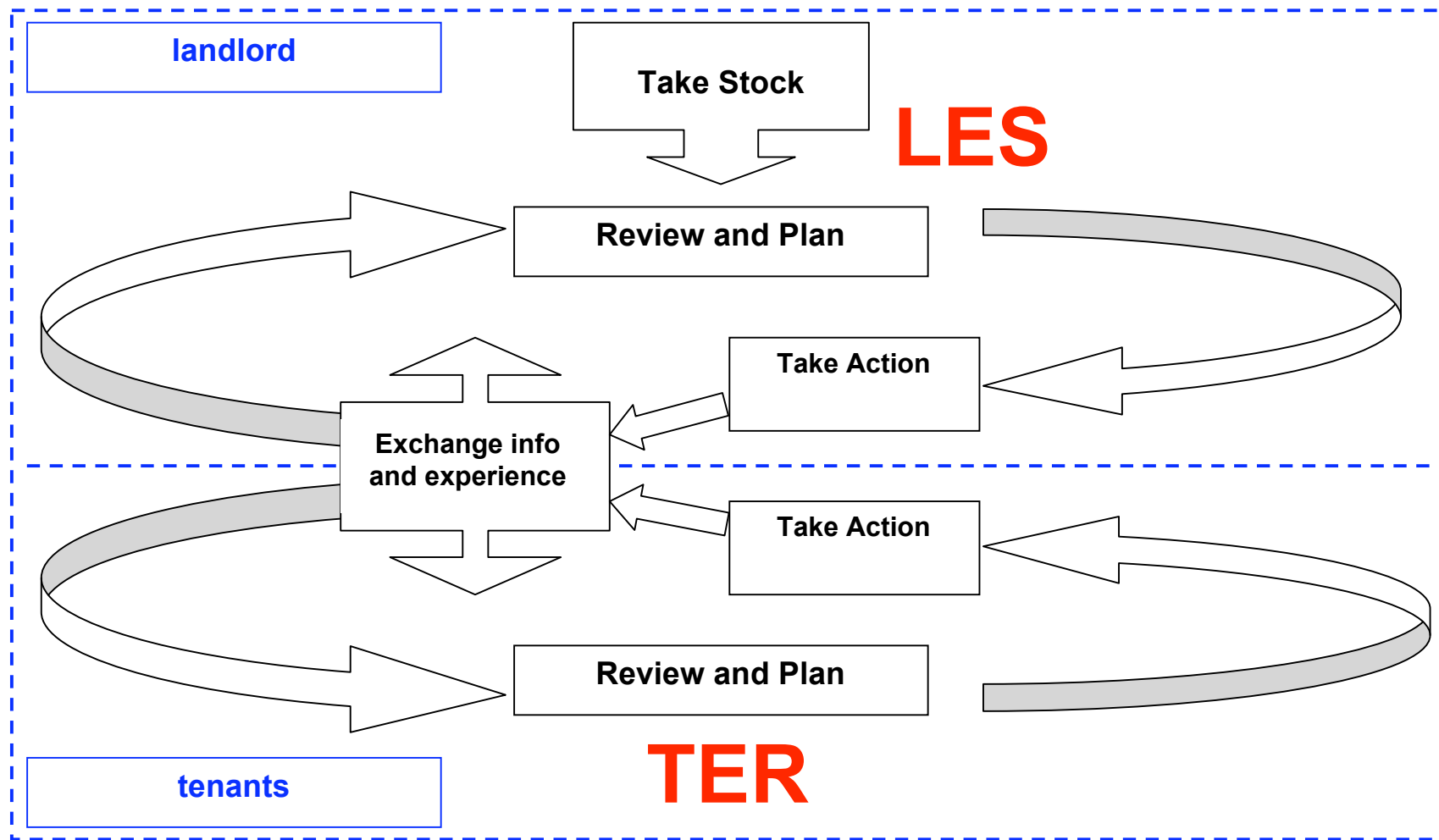
STEP 4 Work with tenants

- Discuss the current situation.
- Encourage tenants to understand and improve their own energy use.

STEP 5 Make improvement routine

- Identify opportunities for joint action (*operational and technical*).
 - Continue routine monitoring and feedback.
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LES-TER: interacting improvement cycles, *with spin off into parent and other organisations*



LES in use

A range of uses

- Single building - reporting to tenants.
- Single building –year on year performance.
- Single building – data for “experts” and Energy Certificates (DECs)
- Portfolio management – peer to peer (*or near-peer*).
- Industry performance – statistics, benchmarks, best practice.

Format

- Reporting standard.
- Spreadsheet tool - assists data collection, XML link to databases.
- Supporting documents add detail, *e.g. electricity demand profiles*

Uptake

- Trialled on a few buildings. Portfolios now gearing up.
 - Named in CLG guidance to Display Energy Certificates.
 - Interest from other sectors with landlord-tenant divides, e.g. retail.
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The most important factor:
Collaboration around meaningful data

We need to engage everybody
and establish virtuous circles
of continuous improvement,
taking care not to spend our (*now much
scarcer*) money on the wrong things.

www.les-ter.org
www.usablebuildings.co.uk

Coming soon: Half-hourly demand profile guide

