

Taylor Wessing survey: Renewables revolution gathering pace in development industry

75% to be involved with renewable energy sources in future; 44% plan to manage these themselves

Recession is driving sustainable development

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The environmental industry is currently in the media spotlight, with both Gordon Brown and Barack Obama announcing in recent days that the creation of 'green collar' jobs will be fundamental to their plans to combat the recession. A groundbreaking report, published today by European law firm Taylor Wessing, reveals that the construction and development industry in the UK is well placed to play a key role in this respect, with interest in renewables in the sector on the rise.

Entitled '*Behind the Green Facade*', the report also finds that 'green collar' jobs in the development industry are on the rise and 60% of respondents believed that the UK has the right level of technology, resources and skills to drive the sustainability agenda forward. Furthermore, the report reveals that: the economic downturn could act as a spur towards the development of sustainable buildings; tenants would be willing to pay higher rents in order to secure them; and financial incentives as opposed to regulatory sanctions will be the key to their future supply.

Buildings account for almost half the UK's carbon emissions, with commercial property contributing a fifth of the total. *Behind the Green Facade* therefore incorporates what is believed to be the most comprehensive survey to date of the development industry's attitudes towards climate change, in which Taylor Wessing canvassed the views of over 5,450 professionals working within it. The survey was conducted during the global financial crisis in October 2008 and following a period of volatility in the cost of fuel.

Key findings include:

- ***Renewable/sustainable energy sources are likely to be a major element of future property development:*** 75% of respondents indicated that they are likely to be involved with renewable energy sources such as combined heating and cooling, solar, wind and energy from waste.
- ***Industry leaders have woken up to sustainability issues since the credit crunch.*** This is despite fears that the recession would deal a blow to the sustainability agenda.
- ***Legislation is currently driving the development of sustainable buildings, followed by rising energy costs, potential brand damage, tenant demand and access to funding:*** However, 33% of respondents believed that the Government's primary motivation in this regard is to "show the international community that we are playing our part".
- ***Cost is misleadingly perceived to be the biggest impediment to the development of sustainable buildings:*** 87% of end users believe that the typical corporate occupier would be willing to pay more rent in order to secure a long term sustainable building, suggesting that enhanced public pressure, the rise of corporate responsibility and the need to attract and retain a new generation of socially conscious employees are all having an effect.

- **Financial incentives will be the key to unlocking true behavioural change amongst all sectors of the development industry:** 57% of respondents believed that tax relief and grants are better long-term strategies than regulatory sanctions (39%).
- **Certain sectors of the development industry lag behind others in their awareness of sustainability issues:** A higher proportion of developers, contractors and advisers reported “good” or “high” levels of understanding; while over 70% of end users and investors indicated that they have “no” or “some understanding” of sustainability issues.
- **Green contract solutions are likely to play an increasingly important role in encouraging and enforcing behavioural change going forward:** more than a fifth of all respondents already have green protocols and provisions in place.

Helen Garthwaite, head of Construction and Engineering at Taylor Wessing, comments:

***“This Report reveals that far from putting the brakes on sustainable building, industry leaders could actually be using the economic downturn as an opportunity to boost their green credentials in preparation for proposed legislative developments in the area. More immediately, the realisation is also dawning that decisive action on sustainability may actually stimulate economic activity and job creation, while cost savings can be achieved through less energy consumption and greater waste reduction.*”**

“The results make particularly heartening reading for those in the renewables industry. It is evident that sourcing of energy from renewable sources is going to be a major theme in the development industry going forward. This will also have major implications for planners, developers and contractors alike.”

***“However, while the upper echelons of the development industry are beginning to take a lead, there is a long way to go before this filters down to all sectors of the built environment. Misunderstanding seems to cloud much of the debate, much of which stems from the fact that the word “sustainability” is itself problematic. Until we achieve an industry-wide consensus on what the term actually means when applied to the development industry it will be difficult to agree on a unified response to the challenges ahead.*”**

“Buildings account for almost half the UK’s carbon emissions, with commercial property contributing a fifth of the total. If the UK is therefore to meet its commitment to reduce emissions by 80% before 2050, both the government and the development industry are going to have to take a lead and communicate the language of sustainability in a way that all stakeholders can subscribe to.”

“The Report also makes it clear that we are going to need a much greater degree of joined-up, cross party policy thinking both at the UK and international level, even if this means alienating voters in the short term. The implementation of EU legislation at a domestic level has been piecemeal in nature and out of synchronisation with new technologies. Part of the solution will therefore involve the creation of an energy market that incentivises emission reduction and encourages business to commercialise green technologies.”

ENDS

For more information or a copy of *Behind the Green Facade* please contact Dillon Mann/Rohit Grover at Spada on 020 7269 1430 or dillonmann@spada.co.uk. A copy of the Report can be [downloaded here](#).

Notes to editors

Behind The Green Facade is the most comprehensive survey to date on the development industry’s attitudes and awareness of sustainability issues. Over 800 professionals from all

sectors of the industry, including investors, developers, contractors, advisers and end users responded to the survey, which was undertaken during the global financial crisis in October 2008. The Report also documents the findings of two in-depth discussion groups held in November 2008 to consider the initial survey findings and their implications.

Taylor Wessing is a leading law firm providing legal support for commercial organisations doing business in Europe. Based in Belgium, France, Germany and the UK, it provides the full range of legal services to major corporations and growing enterprises. Taylor Wessing boasts a strong reputation in the corporate, finance and real estate sectors alongside in-depth experience across the full range of legal services including construction, environment and climate change.

The Taylor Wessing Construction & Engineering Group comprises 16 full time lawyers, and offers a full service capability in both domestic and international construction and engineering law. It provides specialist legal advice to clients from inception to completion of construction projects, and advice on dispute avoidance and resolution of disputes should they arise.

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