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EcoLabel – Observations on the Working Document Presented at the First AHWG Meeting for the Development of Ecological Criteria for Office Buildings June 2011

Introduction

The EPF represents all aspects of property ownership and investment: residential landlords, housing companies, commercial property investment and development companies, shopping centres and the property interests of the institutional investors (Banks, insurance companies, pension funds). Its members own property assets valued at 1.5tr euro, providing and managing buildings for the residential or service and industry tenants that occupy them. Through its member European Union of Developers and House Builders (UEPC), it represents more than 30,000 developers and house builders that annually build and develop several million m² of offices and shopping centres as well as more than 1,000,000 new homes.

The European Property Federation has been a consultee in respect of the EcoLabel for Buildings and was represented at the November 2009 meeting of the Working Group in Rome. We have in the past supplied written comments on both the 2nd and 3rd Draft Criteria. It is certainly desirable that there should be a European system for environmental classification of buildings, but we are probably quite far from it today. Some years back, Germany launched a very comprehensive own system. Switzerland, France, Spain, Sweden and Italy have their own systems to mention some others. SB-Alliance which was formed by England, France and some other countries to create the co-ordination of a European system has had limited success so far. European standardisation group CEN 350, the United Nations Sustainable Buildings and Climate Initiative and the Global Reporting Initiative all have projects in train which seek to address the performance of buildings utilising slightly different incentive structures (e.g. corporate reporting vs building level certification).

We have in previous responses on the EcoLabel criteria sought to encourage the European Commission to lend its support to existing ratings or tools or initiatives under the aegis of the flower label. Since the last draft of the criteria, there has been a concerted effort to refer to international standards, but we still hold concerns that the EcoLabel criteria are borrowing heavily from existing rating tools, whilst at the same time not clearly articulating the rationale for the creation of an EcoLabel for buildings when those existing tools are performing well.

That said, we welcome the level of renewed attention and focus which is being given to the development of the EcoLabel Criteria by the Joint Research Council and the European Commission and what appears to be a conscious effort to develop a workable framework. The European Property Federation thought that the previous criteria were confused in their intent, scope and criteria and their re-evaluation is welcome.

We set out below some observations on the Working Document which was presented at the meeting in Seville in June 2011 in an attempt to provide the perspective of property owners and developers (who in many member states are a distinct industry from contractors, sub-contractors, designers and architects and other actors in the supply chain, with their own preferences and market drivers which act upon them). It is vital that the preferences of property owners and developers are considered actively if the EcoLabel is to be successful. This is because it will ultimately be property owners, investors and developers who will make the decisions concerning whether or not it is prudent to seek to achieve EcoLabel ratings, and without their buy-in, the EcoLabel is liable to fail as an initiative. Furthermore a comprehensive building assessment method including all environmental factors with a potential impact on people and the environment is going to have relatively high assessment



costs. Therefore it might be fruitful to distinguish between a tool for environmental analysis of buildings and a tool for environmental rating of buildings. An analysis tool can be more complex and suitable for professionals and academic purposes, while a rating tool has to be more understandable and suitable for market communication. An analysis tool must be strong in the area of calculating environmental impact, while the rating tool has to focus more on assessment efficiency, environmental trends and building technology.

Development of a rating tool should therefore:

- restrict the number of indicators to those which are the most important for its product type;
- find easy ways to assess indicators and thereby keep costs low and attract wider attention; and
- avoid weighting, which creates an ambiguity that afflicts most existing systems.

General Comments

Green Public Procurement Criteria

Reference is made to the synergies inherent in both the EcoLabel for Buildings and Green Public Procurement policy tool currently in development in terms of their objectives and the work required to bring them to fruition.

Pending clarification of the thresholds for achieving the EcoLabel criteria and their scope, we reserve judgement on the desirability of embedding EcoLabel standards within Green Public Procurement requirements. On a general level, however, we must be careful not to incentivise construction of new buildings, with the associated embedded energy and carbon arising from construction processes, where existing buildings may be perfectly serviceable for a number of years for a public authority occupier.

Scoring System

In previous draft criteria, the scoring system has incorporated thresholds which are set quite high. Although there are no thresholds set out for the draft criteria within the Working Document circulated in advance of the AHWG in June 2011, and no scoring system is as yet apparent, we would urge caution in designing the thresholds and scoring system. A balancing act must be struck between:

- ensuring that the EcoLabel sets stretching targets;
- ensuring those targets are achievable across both new and existing buildings;
- creating enough of a market of eligible buildings for assessors so as to make assessment a viable business and to keep the costs of obtaining a certificate economic for their recipients.

We urge the Commission and Joint Research Council to bear the above in mind in designing the scoring system for the EcoLabel. Many of the building rating frameworks which the Working Document refers to permit 'horse trading' of different environmental performance criteria, allowing developers and owners to play to the strengths of the sites and buildings they own and develop. It would be helpful if this approach could be reflected in the final criteria for the EcoLabel. Overly stringent criteria may limit market take-up of the EcoLabel, which is critical for its success.

We are concerned that the stated objective on page 14 of the AHWG document is to label between 10 and 20% of the best environmental performing office buildings. This, we fear, will not create a market conforming to the description we have outlined in the bullets above.



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A compromise approach may lie in a graduated scale of EcoLabelling, akin to BREEAM's 'Good', 'Very Good', 'Excellent' ratings or LEED's 'Bronze', 'Silver', 'Gold', 'Platinum' typology which may extend the range of buildings which can qualify for a rating, without undermining the quality of the EcoLabel rating.

The Rationale for Starting with Offices

There are a number of inaccuracies or errata within **Section 2: Background** in the Working Document. Reference is made to figures cited in Yang et al 2008, which state that energy use in office buildings is 10-20 times that of residential buildings. In fact, while energy use per m² might be higher in office buildings compared to residential buildings, office buildings are moving toward greater intensity of occupation which may make them more efficient on a per capita basis than homes. Moreover, the number of residential buildings in Europe dwarfs the number of non-domestic buildings, and this trend looks set to continue with average household sizes dropping as a result of the increase in single person households (with predictions of an increase from 30% in 2000 to 36% by 2015 according to EEA figures).

Furthermore, the average floor area of homes is increasing. It is thought that the combination of both more and larger households has counteracted a proportion of the positive effect of improvements made to energy efficiency in household appliances during this period¹.

Also in the second paragraph on page 9, it is asserted that 'contributions from buildings toward energy consumption, and especially that from commercial buildings, have steadily increased, reaching figures of 40% of the total energy consumption in Europe (Energy Europe EC)'. Elsewhere within the document it is accepted that this 40% figure is made up of overall contributions of 66% residential and 44% commercial and we presume that the reference on page 9 is simply an error of phrasing.

We concur with the Commission's approach of taking a limited typology of buildings to establish the EcoLabel for Buildings in the first instance, and moving on to build sophistication over time, but we are concerned in respect of the arguments employed within the opening sections of the Working Document, which appear to suggest that the residential stock is not a key contributor to climate change. We would argue that shopping centres and residential buildings merit consideration for EcoLabel criteria, in time, if offices are also deemed to merit such attention.

The Relationship Between Sustainability Performance and Value

In Paragraph 3 of page 10 of the document, reference is made to Yang et al 2008 in which labelled offices are asserted to have higher resale value and rental income, and on page 21, reference is made to Fuerst and McAllister 2009 which makes assertions that ecolabelling has a positive effect on occupancy rates. More recent work has (Eicholtz, Kok, Quigley 2011)² has asserted a directly related link between the energy efficiency of buildings and their rental value. The Commission should exercise extreme caution in making such assertions as a proven link between the sustainability and financial performance of buildings has yet to be categorically proven in Europe. The studies cited by the European Commission all derive from studies carried out in the US market, and that the same academics have been unable to replicate the results of their studies in European markets. Indeed, many US states offer subsidies and incentives for the occupation of ecolabelled buildings.

This is a critically important point because whether or not a label can lead to a higher capital or rental value for an asset will influence the decision of the property owner as to whether they will choose to obtain an EcoLabel or not.

At present, there is little empirical evidence to suggest that the property market attaches a value to sustainability performance, and this may be simply as a result of information failures.

¹ <http://www.eea.europa.eu/data-and-maps/indicators/final-energy-consumption-by-sector-1/final-energy-consumption-by-sector-5>

² http://nilskok.typepad.com/EKQ3/EKQ_041511.pdf



The Working Document identifies correctly that there is a host of building labels available at the member state level, but these are not the only tools and frameworks which are utilised by the commercial property industry. There are over 178 tools currently in use to determine the sustainability performance of buildings, with each varying in their methodology and scope in slightly different ways. With such a plethora of tools on the market, it can be difficult for the valuation community to choose a single tool which represents an appropriate denominator which can be related to value.

As has already been alluded to, there are conflicting reports as to the level at which sustainability performance begins to feature on the priorities of occupiers:

- There is some evidence to suggest that in US markets, a positive relationship between Energy Star and LEED rated buildings and rental value is developing (Kok et al 2011)
- The UK Occupier Satisfaction Index 2010 indicated that there had not been much change in landlord attitudes toward sustainability but occupiers gave a high average score when asked about the importance of sustainability issues to their business, and 47.9% said that the issue was 'more important than it was 12 months ago'.
- The ICSC Retailers Survey 2007 shows that almost 70% of tenants from Central and Eastern Europe agree that sustainability is not influencing leasing decisions.

There appears to be a perception, which is not necessarily borne out by the facts, among occupiers that sustainable buildings cost more. In the ICSC survey mentioned above, the strongest level of agreement among retailers is that 'sustainability requirements will lead to increased common charges to tenants'. While that may not present a problem for occupiers who are strongly focused on environmental and social responsibility, for the part of the occupier market which is most focused on price it may in fact deter the sort of change in attitudes that would encourage greater investment in environmentally efficient buildings.

An additional issue is that energy costs remain a small fraction of an occupier's overall operating costs. As a result, demand for energy efficient non-domestic buildings from occupiers remains relatively weak. There are a number of projects underway in the wider industry at present to examine the link between sustainability and value in greater detail:

- The Valuation Professional Group of the RICS has produced a paper to advise valuers on how to factor sustainability into their valuations. The valuer's role is to reflect the prevailing market, acting as 'score keepers' and not 'score makers'. Accordingly, while the paper may help focus attentions on sustainability, what it cannot do is tell valuers to attach a value to energy performance if the market does not do so.
- A collection of 40 property investment companies, supported by academic and trade organisations, collaborating as the Sustainable Investment in Real Estate programme, are engaging in research to determine whether sustainable investments in real estate are financially viable³. Their first results are expected in 2011.
- The Global Real Estate Sustainability Benchmark⁴ is an organisation which is seeking to provide institutional investors in real estate with a due diligence tool to assess the performance of their investments. The initiative is currently engaging in a second

³ <http://www.s-i-r-e.ch/>

⁴ <http://www.gresb.com/background.html>



round of surveying real estate investors which will contribute toward the development of the due diligence tool.

- However, pending the maturation of the above initiatives, the main benefits that property developers and owners derive at present from providing more sustainable buildings would seem to be that such buildings may:
 - Be let quicker (although evidence for this is anecdotal)
 - Sustain rental value for longer (albeit not above market rents for equivalent space) with reliable evidence beginning to show in foreign markets⁵
 - Attract premium occupiers, but this again is dependent upon prevailing occupier demand

For the moment, the direct impacts upon the bottom line are, therefore, not very great. The valuer should not and does not create a market, but there is a need for greater awareness in the industry about the risks and opportunities that the valuation of 'sustainability performance' is likely to present in the future. It seems likely, therefore, that eco-labelled buildings will not command the premium on their value which the working document suggests to be a foregone conclusion. This is a significant stumbling block to the success of the EcoLabel.

Application of EcoLabel Criteria in the Property Lifecycle

The minutes of the June 2011 meeting of the AHWG suggests that the Commission will opt to confine EcoLabel criteria to new buildings and major refurbishments in terms of its application. We agree with this approach, having advocated it in previous submissions to the European Commission and ISPRA.

Many of the EcoLabel criteria mimic existing voluntary frameworks, and the suggestion within the AHWG Working Document is that this is designed to ensure good fit with current frameworks utilised by the industry. However, this begs the question as to why an EcoLabel is required when there are tools in the market which perform the same function. Although very pertinent arguments are articulated in the Working Document as to the need to tackle the environmental performance of non-domestic buildings, the need for action by the European Union in this space when there are already very competent commercial actors is not well articulated. We would welcome clarification on this point.

It is also important to consider the motivations and drivers for obtaining an EcoLabel, and indeed who it would be who would do so. The dominant motivations in the marketplace for obtaining a building rating are:

- Increased potential for attraction of premium occupiers with corporate social responsibility (CSR) policies - under this scenario, the construction client (i.e. developer) could specify a building rating to the constructor;
- The acquisition of building ratings which can be reported on publicly and to investor audiences as a proxy for corporate social responsibility;
- Used as a means to comply with local planning requirements as regards the minimisation of the impact on the environment; and

⁵ Universities of Maastricht and Berkeley, Doing Well by Doing Good? An analysis of the financial performance of green office buildings in the USA, March 2009



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- An ability for the developer itself to demonstrate CSR credentials.

However, it is important to bear in mind that the person who procures a building rating is likely to be the owner of the asset, and in most cases this is likely to be someone other than the building occupier. If the EcoLabel is to focus upon the construction phase of the asset (whether at initial construction or at renovation) then the success of the rating is likely to depend upon what is within the control or influence of the owner. For this reason, we recommend that the continuing focus of the rating is upon the as-designed performance of the building, but that good *use* of the building is incentivised via the provision of tools which facilitate it. The EcoLabel could do this, for example, via the incentivisation of appropriate energy metering among its criteria.

Specific Comments

Product Definition and Scope

On page 15 of the Working Document, the following definition is given for public and private buildings covered by the product definition:

'A building which contains administrative, financial, technical and bureaucratic activities. The office area must make up a vast majority of the total building's gross area dedicated to purpose providing a service to other companies or to individuals. Therefore, it could have associated other type of spaces, like meeting rooms, training classes, staff facilities, technical rooms, etc.'

The document also suggests that parking areas are excluded from the total buildings gross area.

We are concerned that, if the intention of the Commission is harmonisation across member states and comparability of performance across national boundaries, that the definition of floor area (not limited to 'total building's gross area') are not very well harmonised. An EP Label study⁶ found there to be only limited convergence in floor area assessment methodologies, but established that Gross Floor Area definitions showed the greatest similarity across member states.

The Commission should clarify what is meant by 'vast majority' and instead supply a floor area threshold. This is because it is not for individual property owners and developers to interpret whether or not their developments should or should not qualify for the rating.

We presume that the intent of the definition is that other types of space 'like meeting rooms, training classes, staff facilities, technical rooms etc' are to be included within the scope of the definition of office area for the purposes of qualifying for an ecolabel. Non-domestic buildings across Europe are more often than not occupied by someone other than their owner. This tends to mean that buildings are split between common areas (e.g. atria, stairwells, vertical transport, toilet facilities) and tenant's own demises (which may contain their own facilities for their own private use). It would arguably achieve the Commission's objectives if the definition was to be refined to focus on net lettable area since this would encompass tenanted areas devoted to the purposes which the Commission wishes to capture.

Non-domestic buildings across Europe are more often than not occupied by someone other than their owner. This tends to mean that buildings are split between common areas (e.g. atria, stairwells, vertical transport such as lifts and escalators in the case of offices) and tenant's own demises. It would be far more sensible to substitute net lettable area for gross area in the above definition, since this would exclude common areas from the definition and make it more readily apparent whether an office building would qualify for an ecolabel or not.

⁶ http://www.eplabel.org/links/Deliverables/D6.1_EPLABEL_WP6_final_report.v2c.pdf



As currently drafted, the definition would seem to exclude mixed-use developments where space for dwellings is combined with office and/or retail space. Combining space types in this way can have clear environmental and social benefits in terms of encouraging sustainable communities, reducing transport need and stimulating local economies. We suggest that it might be possible for mixed use developments to be included, such that the EcoLabel would only apply to the office portion of a mixed office and residential development, pending the production of EcoLabel criteria for residential buildings. Such approaches are quite normal for accrediting buildings under Energy Performance Certificate criteria and voluntary rating tools.

Specific Comments on the Draft Criteria

The Approach Taken in this Response Toward The Draft Criteria

The European Property Federation will reserve full comment on the environmental criteria pending confirmation of proposed limits and targets under each criterion. However, we make the following general and specific points (subject to the points we have made earlier in the document concerning the superfluity of EcoLabel criteria in the market when there are existing tools which serve the market very well).

Previous drafts of the EcoLabel criteria adopted too wide a set of criteria, with a scoring system which would have required compliance with most of the criteria in order to achieve an EcoLabel. A more refined set of criteria on a limited number of indicators, as has been suggested in the AHWG Working Document presented at the June 2011 meeting, is preferable and we are broadly supportive of the refined scope. We believe that the EcoLabel should focus on the building itself (to the exclusion of its site and surroundings) and assess performance rather than procedures and processes. Clearly, energy and carbon are key concerns, as are occupier comfort and health. We do, however, believe that further work is required to refine and focus the criteria.

Criteria Relating to Energy Use

1st Sub-Criterion on Total Energy Consumption

We concur with views expressed at the 1st AHWG meeting that it would be helpful to utilise, for the purposes of new and renovated buildings, as close as possible the national calculation methodologies utilised in each member state for the Energy Performance Certificate.

The use of kWh/m² per annum conforms to emerging internationally agreed standards for building energy intensity, such as the Global Reporting Initiative's Construction and Real Estate Sector Supplement⁷, the UK common metrics set out by the Green Property Alliance in 'Setting the Ground Rules for Property'⁸ and the European Public Real Estate Association's Best Practice Guidelines. One point significant point of detail required is whether or not the reference to 'm²' encompasses gross floor area, gross building area or net lettable floor area measurements of floor space. The Commission is recommended to clarify its intent and we presume that Gross Floor Area will be the preferred standard here (see our comments under the Definition section above).

Within the Working Document, there is a recognition that energy inefficient buildings can have their performance 'forgiven' by low and zero carbon energy sources. In order to guarantee security of supply, and also to achieve the levels of reductions which are prescribed by international agreements, it is vital that energy efficiency accompanies reductions in the carbon intensity of energy supplies. For this reason, we recommend that the energy consumption criteria headline figure is accompanied by sub-indicators which disaggregate the

⁷ <http://www.globalreporting.org/ReportingFramework/SectorSupplements/ConstructionandRealEstate/>

⁸ http://www.bpf.org.uk/en/files/bpf_documents/Common_Metrics_Paper_FINAL.pdf



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headline figure into kWh/M² per annum figures for electricity, fuel and thermal consumption (imported heating or cooling).

2nd Sub-Criterion Relating to the Limitation of GWP Emissions

We note from the minutes of the AHWG that this criterion does not appear to have been discussed. The European Property Federation believe that this criterion should be retained, since the expression of energy use in kg CO₂e/m² alongside energy in kWh gives a full and accurate depiction of the extent to which a building minimises energy demand, the extent to which the balance of carbon in the supplies forgives inefficiencies and the extent to which on-site and directly connected renewables play a role.

We concur with the use of CO₂e as the carbon metric for this criteria, since the majority of important sustainability frameworks (both corporate and asset level) utilise it (e.g. Greenhouse Gas Protocol, Global Reporting Initiative, Sustainable Buildings and Climate Initiative).

3rd Sub-Criterion on Use of Renewable Energy

The criteria does not adequately explain at present what is meant by 'renewable energy'. We recommend that this criterion should refer to the definitions as outlined in Directive 2009/28/EC.

We note that at the June 2011 AHWG meeting, stakeholders observed the difficulty of developing criteria in respect of renewable energy in office buildings.

The fuel and grid electricity mix pertaining to a given building is important to its sustainability performance, but it is not solely an intrinsic feature of the building depending upon the source of the energy. For this reason, we recommend that any benefits or demerits arising from the relative carbon intensities of energy supplies to the building which are not a) on-site and/or b) directly connected to the building are excluded from consideration under this criterion. However, as it is important to ensure that off-site renewable energy (both tariffs and accredited installations) is incentivised, we recommend the retention of the 2nd Sub-Criterion relating to global warming potential, whereby the carbon intensity of energy used to condition and light the building and to provide small power is registered. Under such an approach a building which uses the same amount of energy as another, but which utilises a green energy tariff, would receive appropriate credit for this decision.

We urge the Commission to exercise caution in setting rigid on-site renewable energy targets. Some member states are more advanced than others in this sphere, and some member states' weather patterns and climate favour certain technologies over others. For example, in less sunny climates, on-site photovoltaics in city centre developments become less viable and biomass is more favourable. However, one has to question the inherent wisdom in placing biomass combined heat and power in a city centre development, with its concomitant transport of fuels, associated emissions and waste heat during the summer months.

5th Sub-Criterion on Energy Consumption of Office Equipment

We agree with some of the concerns expressed at the June 2011 AHWG meeting in respect of this criterion. As the majority of offices across Europe are occupied by someone other than their owner, the responsibility for hardware and servers may belong with either the owner or the occupier. Due to the structure of most leases, the landlord will have little influence over the procurement strategies of the tenant and will have limited opportunity and recourse to encourage the tenant to comply with the stipulations of the EcoLabel.

Caveat: please see our points concerning metering of energy use below.



6th Sub-Criterion on Lighting

We absolutely agree that natural lighting, where possible, is important. However, the orientation of the building needs to be considered and natural lighting capacity balanced with the minimisation of solar gain and the need for appropriate task lighting for occupiers.

Automatic lighting controls are very important and we are supportive of their inclusion within the criteria.

7th Sub-Criterion Concerning Correct Ventilation

It is vital to ensure that buildings which are designed for mechanical ventilation or natural ventilation are not subject to inappropriate measures. Naturally ventilated buildings may still require some element of mechanical ventilation in order to avoid dampness and condensation build up within the building as well as to minimise the risk of suffocation (due to the necessary increased standards of airtightness required for high levels of energy efficiency). Likewise, buildings which are mechanically ventilated may be able to include some element of user controlled ventilation such as openable windows, but the introduction of this element may compromise both overall occupier comfort if users are not self-policing and building energy efficiency (i.e. open windows and space heating in winter months may be counterproductive). For user controlled ventilation to work and interact with landlord controlled services, end users will need to react to changing conditions throughout the working day, and we see no evidence of this being taken account of under this criterion.

Criteria Relating to Use of Materials

1st Sub-Criterion on Recycled and Reused Materials

This criterion appears confused in its intent. The criterion appears to be seeking to promote the use of recycled and reused materials in new or renovated buildings and at the same time to promote the recyclability and reusability of the building.

We recommend that these two objectives are better framed in two separate criteria.

In respect of the recyclability of materials, it is important to understand that in Europe there are several materials which have become very scarce for recycling purposes due to rising commodities prices (e.g. copper, steel). In addition, some industries, such as glass focus on pre-consumer recycling and therefore at present the quality of the product is more important than quantity.

The Waste Directive already sets targets for minimising construction waste to landfill. We question whether a further target is needed in an elective standard when legislative targets are already in place.

We would also welcome clarification as to whether, when the building is renovated, the intent of this criterion is that the developer would provide a list of reused/recycled materials in respect of those parts of the building which have been renovated (as opposed to the building as a whole, which would be challenging).

2nd Sub-Criterion on the Selection of Low Embodied Energy Building Materials When Fulfilling the Same Function

In respect of this criterion, it is important to balance the carbon and energy intensity of materials with the overall lifecycle length of those materials to arrive at a balanced approach. An overwhelming focus on embedded energy in isolation is not to be desired.

3rd Sub-Criterion on Responsible Sourcing of Materials

This criterion, as drafted, lacks the specific detail to comment extensively. 'Sustainable source' requires more precise definition. Do we mean that the source is renewable, reused or recycled, subject to good standards of stewardship or ethical? Responsible sourcing is a much broader issue which takes in ethical concerns as well as considerations relating to



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proper management of consumption of finite or renewable resources. Although undoubtedly these are all important issues, the Commission and Joint Research Council should consider whether some of these extend beyond the remit of an EcoLabel.

4th Sub-Criterion on Transportation and On-Site Placing of Construction Materials Rewarding the Use of Local Materials

We understand that, arising from discussions at the June 2011 AHWG, this criterion will no longer be taken forward.

5th Sub-Criterion on Durability/Maintenance of Building Materials

We recognise the comments raised at the June 2011 meeting concerning the downsides of the long-term durability of products in that they risk technological obsolescence and inefficiency relative to newer products on the market. However, it is important to recognise that the property owner who has commissioned a major renovation is likely to favour longer-term durability of products (given the choice) since there are restrictions within leases on the types of improvements to buildings which can be the subject of tenant contributions during a building lifecycle. We are happy to provide further information on this matter, on request.

6th Sub-Criterion on Hazardous Substances According to Article 6.6 and 6.7 of the EU EcoLabel Regulation 66/2010

The objective of this criterion should be to minimise the use of substances which are hazardous to health in both new and existing buildings. To that end, in existing buildings the criterion should be to reward investigation and elimination of hazardous materials on major renovation and to document constituent new materials which are used in the renovation of the building. In the case of new buildings, clearly the focus will solely rest upon the latter.

Criteria Relating to Water Consumption

1st Sub-Criterion on Overall Water Consumption

We are concerned that the Commission's evidence basis for setting overall water consumption levels for buildings is based upon a sole Canadian study and would echo comments raised at the June 2011 AHWG that the Commission should undertake further research to determine appropriate thresholds.

In respect of comments raised at the AHWG meeting in June, although an appropriate benchmark for water use based on a per user basis would be desirable, normalisation of indicators (such as water use) can be problematic, not least as there is no universally agreed definition of metrics to measure occupancy. Methodologies used by sustainability reporting frameworks are diverse and can include reference to numbers of visits, number of workstations and by reference to 'full time equivalents'. In the UK, the work conducted by the Green Property Alliance⁹ found there to be little convergence around a particular standard and recommended that normalisation via floor area was preferred for the time being until appropriate denominators for occupancy had developed.

2nd Sub-Criterion on Water Management

Rainwater and greywater use systems should be considered on their own merits based on locale and on the end use to which the water gathered by such systems would be put. While rainwater harvesting systems are useful, equally effective can be the employment of simple water efficiency measures (e.g. ensuring taps do not drip) and introducing equipment such as waterless urinals, to minimise demand rather than alter the source of supply.

⁹ http://www.bpf.org.uk/en/files/bpf_documents/Common_Metrics_Paper_FINAL.pdf



Moreover, greywater use systems can lead to diminished sewer flows which may have a downside as greywater use can result in insufficient sewer flows to carry waste to the sewer plant. Another concern is that with the increased use of greywater, there will be less effluent water available for treatment, resulting in less reclaimed water for municipal uses and downstream appropriators. In some cases, the use of greywater is entirely appropriate, but it needs to be tailored to the building and its intended occupiers.

In respect of existing buildings, there are significant challenges inherent in retrofitting greywater and rainwater use systems onto existing buildings, even in spite of the opportunities arising at major renovation. Semi-permeable membranes must be installed on flat surfaces and void space must be found to bury sizeable tanks to collect supplies of rain and greywater. Very often, due to airborne pollution and contaminants, first flush systems must be installed to ensure that the risk of contamination is kept at acceptable levels. Many of these systems are installed at greater administrative, technical and economical feasibility at design stage in a new building. It may be sensible to vary thresholds for contributions from rainwater and greywater harvesting subject to the points we have made above) across new and existing building criteria.

Criteria Relating to Waste Management

1st Sub-Criterion on Management Plan

In the case of new buildings, it is not within the scope of the role of the developer to establish a waste management plan for the eventual owners and occupiers of the building. If the existing buildings criteria are to focus on major renovation of the building, and if the criterion relating to waste separation and collection facilities are to be retained, we would recommend that this criterion is confined to minimising construction waste to landfill in the construction of the building. This is so as, if waste separation and collection facilities are included in the building, or provision is made to collect and separate waste off-site (see below comments in respect of the 2nd sub-criteria on waste separation and collection facilities) there is little need for a waste management plan.

The same approach on this criterion would be appropriate for existing buildings given the revised focus of their criteria upon major renovation.

2nd Sub-Criterion on Waste Separation and Collection Facilities

It is important to bear in mind in offices that waste may be separated by route (recycling or landfill) on-site or it may be sent to off-site materials recovery facilities for separation and disposal. The proportion of waste that is eventually recycled or incinerated or landfilled varies according to the practices of the sender of waste (e.g. the level of contamination) and the practices of the materials recovery facility. Therefore, the criteria specifying on-site separation of waste materials is likely to jar with industry practice.

In existing buildings, in member states where recycling has only recently become mainstream, we anticipate that the use of materials recovery facilities will be common.

Criteria on Indoor Air Quality

General Comments on Outline Criteria Relating to Indoor Air Quality

We recognise comments articulated at the meeting in respect of proposed criteria on indoor air quality concerning the lack of a body of evidence concerning the relationship between airborne pollutants within buildings and the composition of building materials. Unless evidence can be provided to underpin criteria in this area, we recommend that criteria on Indoor Air Quality are confined to a providing maximum and minimum ventilation flow rates so as to promote energy efficiency whilst ensuring adequate occupant comfort.



Criteria Relating to Facilities and Energy Consumption of the Users

General Comments in Respect of Criteria Concerning Facilities and Energy Consumption of the Users

We understand from comments raised at the AHWG meeting in June 2011 that the focus of the EcoLabel in respect of new and existing buildings will focus on the construction phase (i.e. renovation in the case of existing buildings).

The Working Document aired at the AHWG makes mention of the huge opportunities which lie in non-domestic buildings, which often arise from the split incentives of landlords and tenants, poor behaviour in the use of energy using appliances and fittings (e.g. not turning lights off, leaving monitors and computers on stand-by). However, the authors fall short of making recommendations in this regard. We presume this is because the authors do not wish to conflate stages of the building cycle and place responsibility for energy use upon the shoulders of developers who have limited influence over the behaviour of occupiers (and indeed those who manage the building where owner and occupier are different parties). However, the EcoLabel could influence good behaviour in the use of energy by incorporating stipulations as to the employment of energy metering and monitoring infrastructure. Quite often, the ability to gather the necessary data in offices is a key barrier to unlocking the low cost and no cost opportunities which lie hidden otherwise. Although it would be up to the discretion of the owners and occupiers of the building to make appropriate use of the data, it would provide a firm foundation on which they could engage in joint energy efficiency programmes on a voluntary basis such as greenleases which can accommodate issues like the split incentives of landlords and tenants and bind all parties to a lease to observe good behaviour in owning and occupying the building.

1st Sub-Criterion on Cyclist Facilities

This criterion conforms to comments we have articulated in the past concerning the need for shower facilities. The reference to 'lockers' could be better expressed as 'changing facilities and clothes storage'.

More broadly, we think it would be appropriate to include criteria which take a holistic view of transportation to the building, taking account of how employees will reach the building. A greater number of cycling spaces may be more appropriate to a city centre office than a rural building, where more car parking spaces may be needed.

2nd Sub-Criterion on Public Transportation

Please see our comments under the previous criterion relating to the need for a holistic approach toward transport based on locale and the concomitant needs of occupiers and owners of the property. We propose that this criterion should be a qualitative rather than a quantitative criterion, since it matters only that consideration has been given to issues concerning appropriate transport rather than that specific levels of attainment have been reached.



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