Clear green bond guidelines as a lever for the green buildings market

The increased uptake of green bonds in several markets is mainly due to central banks and regulators providing clear guidelines on how to issue these bonds. The People’s Bank of China published its Green Bond Guidelines in 2015 as a way to improve market integrity. It has subsequently released a Green Bond Endorsed Project Catalogue that provides a comprehensive, official list of types of projects eligible for green bond financing. This regulatory clarity has helped China’s green bond market to grow to the second largest in the world as of 2018, accounting for 18 percent of total global issuance, valued at over $30 billion. Similar trends are seen across regions: India, the Association of Southeast Asian Nations, Chile, Peru, and Egypt are only a few other examples of countries issuing green bond guidelines. Many of these issuances are being used for financing green buildings.

Such guidelines and frameworks, although not directly aimed at the green buildings sector, can help increase green investment across the economy. By including low-carbon buildings in official lists of project types eligible for such financing, governments can enable a project pipeline in the sector without directly targeting it.
The governments of Arequipa and San Borja in Peru awarded height bonuses to developers based on third-party certification of their green buildings, which helped prevent greenwashing, ensured compliance, and directed incentives to eligible recipients.

Every level of government needs to take action to develop and enforce the underlying enabling frameworks to create a market for green buildings:

Policymakers should set minimum standards with compulsory codes and encourage voluntary certification to spur private sector ambition and innovation. Policymakers and regulators can design policies that consider industry-specific factors to induce behavioral change. Policies need not have fiscal impacts. For example, easing processes and procedures for building green, such as expediting construction permits, can be a low-cost way of encouraging the uptake of green buildings. Templates or checklists that help developers fulfill green requirements can be made publicly available to ease the burden of compliance.

Governments can help bridge existing data gaps and improve gathering and sharing of information on buildings. Factors such as energy intensity in the buildings sector, the expected rate of growth, the grid’s emissions factor, and other relevant variables, if made public, can help the private sector plan its investment in green buildings. Publicly available data on buildings’ energy and resource consumption through, for example, building labels can also encourage building owners and tenants to choose green buildings, creating demand in the sector.

Policies and regulations must work for all actors along the green buildings value chain, as well as embody and encourage transparency, longevity, and certainty. They must be designed together with stakeholders in order to understand the tensions, challenges, opportunities, and pathways that will bring about sustained change. Governments need to set clear targets and work with contractors, investors, and consumers to develop approaches to implement and achieve them. The actions taken at these levels must align with each other to ensure policy certainty and a clear understanding of what it means to build green for the private sector.

Lessons learned and next steps

In 2017, existing policies covered just over 50 percent of carbon dioxide emissions related to global buildings. Even if current NDCs are achieved, policy coverage would only increase to 63 percent—a clear indication that the buildings sector commitments for 2020 must be more ambitious. In addition to policy coverage, the targeted energy intensity of the global buildings sector per square meter needs to improve by 30 percent by 2030, which will be essential to keeping global temperatures to under 1.5°C.

How public policies and regulations are structured and sequenced, and how they are implemented, are key to achieving their goals. IFC’s lessons learned are shared below.

First, IFC’s experience in South Asia and Latin America suggests that non-fiscal incentives at the city level tend to be a more effective first step than financial incentives in nascent or developing markets. Introducing non-fiscal measures is easier as they can be executed without having to coordinate between the different government departments, which is necessary for financial incentives.

Second, policies need to be effectively implemented and enforced. IFC’s work with governments has brought to light several approaches that can be used to make it easier for developers and other value chain actors to comply with green building requirements:

IFC successfully helped improve code compliance in Vietnam and Indonesia by training over 1,000 construction industry professionals and monitoring officials in each country. It also created checklists for inspectors and technical guidance for code criteria, making enforcement easier.

Colombia’s national chamber of construction, Camacol, played a crucial role in including the private sector in the process of creating the first mandatory green building code in Latin America. This multi-stakeholder engagement helped raise awareness about the ease, affordability, and operational savings generated by building green, thereby boosting code compliance.

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The Gerardo Arango S.J. Building—School of Arts, located on the campus of Pontificia Universidad Javeriana in Bogotá, has been certified with EDGE.
Voluntary Commitments to Green Buildings

Certifications enabling commitments

Voluntary commitments from private sector actors across the value chain have driven much of the development of the green buildings market. This has largely been in the absence of comprehensive policies or mandates requiring such practices. Companies outside the construction sector are increasingly taking on green buildings commitments that move beyond individual buildings to portfolio and industry-wide efforts. These commitments provide a clear signal to financiers that there is growing demand. They also provide an entry point, particularly in emerging economies, to further grow the green buildings market.

Most of these commitments have been delivered through green building certification programs. Such programs have been instrumental in expanding the market by evaluating and benchmarking levels of building achievement in energy and other sustainability dimensions for design, construction, and operational performance, and by providing third-party verification and certification.

BREEAM, DGNB, EDGE, Green Star, LEED, and NABERS are among the most influential international rating systems. Many countries have also developed their own systems, often based on BREEAM and LEED, with modifications to reflect local priorities and market conditions. To date, 85 countries have adopted national or local building certification programs, which can be voluntary or mandatory for all or part of the buildings sector. To achieve net zero carbon for
all new construction by 2030, these standards will need to become more stringent and consistently enforced to mitigate the risk of greenwashing.

Brief snapshots of a small selection of international and national certification schemes are included in Figure 7. It is not an exhaustive overview of the main schemes currently available, but instead shows the broad variety in approaches, areas of focus, and scale of uptake in these systems. Elements such as recognition of pre-qualified accredited professionals across programs, including LEED and EDGE, ensure consistent messaging and shared goals. While not all rating tools are applicable in all markets, in many countries multiple systems operate in parallel, serving as complementary drivers of green building (see box on Market Response to Multiple Green Building Rating Systems). Certifications help to create awareness, and offer a verifiable performance indicator that financiers can lend against, helping to advance green building practices.

Of the 1,005 real estate companies, developers, REITS, and funds, representing more than $4.1 trillion in assets under management, that reported to GRESB in 2019, 90 percent align their projects with green building rating standards for construction and operations. In addition, 45 percent of them require a specific level of certification for more than three-quarters of their projects under development. With 48 percent floor area coverage, hotels lead property types in certified floor area, narrowly ahead of offices. The consistency and replicability of performance ratings is key to enabling this growth in both the commercial and residential market.
## International systems

<table>
<thead>
<tr>
<th>Certification system and managing organization</th>
<th>Building Research Establishment Environmental Assessment Method (BREEAM)—BRE Global†</th>
<th>Excellence in Design for Greater Efficiencies (EDGE)—International Finance Corporation‡</th>
<th>Leadership in Energy and Environmental Design (LEED)—U.S. Green Building Council±</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type of certification</strong></td>
<td>Green building rating and certification system through on-site independent third-party verification for new construction, in-use, refurbishment and fit-out, commercial interiors, core and shell, schools, retail, healthcare, homes, communities, and infrastructure</td>
<td>Online platform to determine cost-effective options for designing green within a local climate context, a green building standard, and a certification system for new construction, existing buildings, and major retrofits of commercial/residential structures</td>
<td>Green building program for buildings, communities, and cities, providing a rating and certification system through second-party verification for new construction, existing buildings, operations and maintenance, commercial interiors, core and shell, schools, retail, healthcare, homes, neighborhood development, and cities</td>
</tr>
<tr>
<td><strong>Areas of focus</strong></td>
<td>Weighted performance in 9 categories with minimum standards: Energy, health and wellbeing, transport, water, materials, waste, land use and ecology, management, and pollution</td>
<td>Independent certification for projects achieving EDGE standard of 20% less energy use, 20% less water use, and 20% less embodied energy in materials compared to a base case building</td>
<td>Performance across 9 categories scored out of 110 points: Sustainable sites, water efficiency, energy and atmosphere, materials and resources, indoor environmental quality, locations and linkages, awareness and education, innovation in design, and regional priority through a set of prerequisites and credits</td>
</tr>
<tr>
<td><strong>Number of countries covered</strong></td>
<td>83</td>
<td>154</td>
<td>176</td>
</tr>
<tr>
<td><strong>Total number of projects certified by building type</strong></td>
<td>Residential: 1,648</td>
<td>Office: 5,240</td>
<td>Hospital: 730</td>
</tr>
<tr>
<td></td>
<td>Office: 5,240</td>
<td>Retail: 3,231</td>
<td>Hotel: Included in Other</td>
</tr>
<tr>
<td></td>
<td>Education: 2,506</td>
<td>Education: 2,506</td>
<td>Education: 2,506</td>
</tr>
<tr>
<td></td>
<td>Hospital: 730</td>
<td>Hotel: Included in Other</td>
<td>Hotel: Included in Other</td>
</tr>
<tr>
<td></td>
<td>Other: 8,187</td>
<td>Other: 8,187</td>
<td>Other: 8,187</td>
</tr>
<tr>
<td><strong>Total floor area registered (m²)</strong></td>
<td>1,060,000,000</td>
<td>16,304,630</td>
<td>1,291,791,279</td>
</tr>
<tr>
<td><strong>Total floor area certified (m²)</strong></td>
<td>235,000,000</td>
<td>7,697,001</td>
<td>806,871,943</td>
</tr>
</tbody>
</table>

† BRE Global is a registered trademark of Building Research Establishment (BRE) Limited. § International Finance Corporation (IFC) is a member of the World Bank Group. ± U.S. Green Building Council is a 501(c)(3) non-profit organization. 

Figure 7: Differences across a sample of international and national certification systems and their uptake
# National systems

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Green building certification program applicable to new construction and refurbishment of existing buildings</td>
<td>Green building rating system for new buildings, refurbishments, existing building performance, interior fit-outs, and sustainable precincts</td>
<td>Green building certification available for projects achieving thresholds identified under standards for new buildings, existing buildings, townships, cities, sustainable economic zones, landscapes, and mass rapid transit systems</td>
</tr>
<tr>
<td>Evaluates projects based on 6 categories: Land, energy, water, resource/material efficiency, indoor environmental quality, and operational management</td>
<td>Performance assessed across 9 categories: Management, indoor environmental quality, energy, transport, water, materials, land use and ecology, emissions, and innovation</td>
<td>Mandatory requirements and the minimum number of credit points across the following: Sustainable architecture and design, site selection and planning, water conservation, energy efficiency, building materials and resources, indoor environmental quality, innovation, and development</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>10</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>1,648</td>
<td>169</td>
<td>34,632</td>
</tr>
<tr>
<td>Office</td>
<td>5,240</td>
<td>41</td>
<td>19,236</td>
</tr>
<tr>
<td>Retail</td>
<td>3,231</td>
<td>454</td>
<td>7,640</td>
</tr>
<tr>
<td>Education</td>
<td>2,506</td>
<td>8</td>
<td>6,035</td>
</tr>
<tr>
<td>Hospital</td>
<td>730</td>
<td>8</td>
<td>1,353</td>
</tr>
<tr>
<td>Hotel</td>
<td>Included in Other</td>
<td>18</td>
<td>846</td>
</tr>
<tr>
<td>Other</td>
<td>8,187</td>
<td>6</td>
<td>10,987</td>
</tr>
<tr>
<td>Total floor area registered (m2)</td>
<td>459,962,951</td>
<td>6,332,815</td>
<td>167,573,144</td>
</tr>
<tr>
<td>Total floor area certified (m2)</td>
<td>Not available</td>
<td>Not available</td>
<td>652,001,881</td>
</tr>
</tbody>
</table>

† Number of project certifications included on website as of October 2, 2019. Total floor area certified as of April 2019. BREEAM has 2.3 million registered assets and over 570,000 certified assets.‡ Certifications as of June 30, 2019§ Certifications as of October 29, 2019± Certifications as of December 31, 2015º Certifications as of October 17, 2019* Certifications and registrations as of September 2019
Market response to multiple green building rating systems

Many countries have seen multiple green building rating systems thrive, as they meet different market needs for recognition domestically and internationally. For example, EDGE, BREEAM, and LEED are operating alongside the national Green Building Evaluation Label (GBEL) in China, also known as the Three-Star rating system, which has standards for different building types covering the design, construction, operation, and retrofit stages. The national system supports the country’s ambitious goals, including requiring green certification for at least half of all newly constructed buildings by 2020, and all public buildings and others over 20,000 square meters are mandated to use this system to build sustainably. In parallel, designers and building owners can use IFC’s EDGE software to achieve credits towards the Three-Star system. This is the first time that a software product from an international system has been benchmarked and aligned with GBEL to encourage green building growth. Thirty public buildings have successfully achieved two- or three-star GBEL certifications using the EDGE app. Similarly, BREEAM and the Chinese Society for Urban Studies (CSUS) Green Building Research Centre are developing a dual-certification system of green buildings under both standards. China is the second biggest market for LEED outside the United States. Its uptake is a good indicator of growing market demand, particularly in the commercial properties segment, due to its independent status. In 2018, LEED-certified Grade A office buildings exceeded 523 million square meters across China and accounted for more than 27 percent of the total market share in 10 prominent cities. Some buildings are pursuing multiple certifications—the Asia-Pacific headquarters of Johnson Controls in Shanghai has received triple certification in GBEL, EDGE, and LEED.
Committing to green buildings through global platforms

International platforms and initiatives are critical—not only to building momentum and encouraging action, but also to extending demand for building green outside the construction sector. For example, the World Green Building Council’s Advancing Net Zero calls on businesses, organizations, cities, states, and regions to reach net zero carbon operating emissions within their portfolios by 2030 and to advocate for all buildings to be net zero carbon by 2050. As of October 2019, 31 businesses (including investors, designers, engineering firms, developers, owners, and product manufacturers), 26 cities, and six regions have committed to this goal. These companies are part of a wider group committed to The Climate Group-led EP100 initiative, which aims to help them double their energy productivity through energy-efficient innovations.

These platforms have enabled companies outside the construction sector to take on green buildings commitments that extend beyond their direct operations. For example, multinational clothing retailer H&M has pledged to double its energy productivity by 2030. By building stores that use 40 percent less energy than those constructed today, and investing in new technologies for lighting, heating, ventilation, and air conditioning, it intends to generate immediate financial and sustainability benefits. These ambitions are being extended beyond its own operations. H&M aims to have all its suppliers enrolled in an energy efficiency program by 2025, while reducing the energy used in its logistics, transport, and warehouses. It envisions a climate neutral supply chain for its first- and second-tier suppliers by 2030. To date, H&M has reduced greenhouse-gas emissions in factories in Bangladesh, China, India, and Turkey. Financiers with lending activities spanning industry-specific value chains can use such commitments to develop financial products that encourage corporates to adopt green buildings across their operations.

The Zero Carbon Buildings for All Initiative pledges to make new buildings carbon neutral by 2030 and existing buildings by 2050 in member countries. The initiative is targeting financiers. Multilateral development banks and private financial institutions have committed to aligning their financing of buildings with global agreements on climate change and national climate policies—a move that could lead to a potential $1 trillion in “Paris compliant” buildings investment in developing countries by 2030. Through the Better Buildings Partnership, 23 of its members, covering £300 billion in assets under management and over 11,000 commercial properties, have committed to net zero carbon real estate portfolios by 2050. Another program with significant reach across both financiers and the built environment is the Science Based Targets Initiative. Of the 689 companies from both developed and emerging markets that have committed to aligning with the Paris Agreement, almost 50 are financial institutions and more than 100 are involved in the buildings sector.

Individual building, portfolio-wide, and industry commitments

Building owners, developers, and corporations are taking on individual commitments to green their buildings or portfolios. They are also acting at an industry level to reap the business benefits, such as an 8 percent saving in operating costs in the first year and increased building asset values of 7 percent for new green buildings. These commitments provide a strong signal that the demand for green construction is across all building types and not restricted to any one sector. As such, banks and investors seeking to grow their green real estate portfolios can finance a wide spectrum of borrowers and investees to expand the green buildings market.

Offices

Almost 50 percent of all office buildings covered under GRESB have green certification for their operations. Green offices achieve lower operating costs, and higher rent and tenancy rates compared to conventional offices in most markets, raising their values. They also provide better collateral due to higher resale values, representing a higher-value asset for investors and financiers, which in turn improves access to finance for owners and developers.
Client demand has driven the construction of green office spaces, as these are often central to corporates achieving their low-carbon strategies. Corporate tenants are also increasingly aware of the strong connection between green buildings and employee health and wellbeing, job satisfaction, recruitment, and staff retention. Tenants can recoup their costs through lower utility bills and improved productivity and comfort. Many landlords are using the building’s sustainable operations as a selling point. Class A office spaces are now mostly being constructed to meet green credentials in order to attract premium corporate tenants. In Beijing alone, almost 45 percent of the total floor area of Grade A office buildings is LEED certified. South African developer Growthpoint Properties has pledged that all its new office developments will achieve at least a four-star Green Star SA rating from the Green Building Council South Africa and the green performance of its existing office buildings will be improved.

Such efforts are being driven in part by owners and renters using green leases. A green lease adds smart, energy-aligned clauses to commercial leases to unlock investments in energy efficiency and sustainability that benefit both landlords and tenants. Landlords define the green building operating program to be used in the commercial properties using standards such as BREEAM, and subsequently align the lease to the standards. Green leases have yet to be introduced to and implemented in all property markets.

### Residential

Residential developers pass the value of lower operational costs directly to their customers. This value transfer results in an opportunity, including in affordable housing, as developers can distinguish their properties from the competition and demonstrate that they care about their customers and the environment. They are increasingly able to benefit from incentivized financing offered by progressive banks and investors to encourage the design of better-performing buildings. Other reasons why residential developers are starting to take a portfolio approach to certification include to improve their business models and attract international attention to their brands.
Examples of large-scale commitments by property developers include the following:

EchoStone plans to build 182,000 affordable, certified green homes in Lagos, Nigeria, by 2023. By working with local banks, it ensures that home buyers have access to low interest rates and long mortgage tenors.

Vinte has committed to certifying its entire future portfolio at a rate of almost 4,000 homes per year in Mexico. The company has issued two sustainability bonds to finance the certification, guaranteeing investors climate-smart social impacts.\textsuperscript{166}

**Hotels**

Hotels account for 1 percent of global emissions—a percentage that is expected to increase as the industry continues to grow.\textsuperscript{168} Integrating sustainability measures into operations is critical for hotels, with such efforts having an effect on most of the drivers of the industry’s growth: cost efficiency, city policies (both regulations and incentives), internal sustainability goals, corporate/brand image, and better guest satisfaction. Getting the design right at the outset is critical, as the cost of resource-efficient solutions at this stage is marginal compared to making corrective measures later. Sustainability efforts drive business models and ultimately profitability, thereby positioning hotels to take advantage of green finance options that lower long-term risk assessment from investors and lenders, and enhance the cost of financing.

**Effecting change across the industry through collaboration**

Led by the CEOs of leading developers and financial institutions, the Sustainable Housing Leadership Consortium is a first-of-its-kind voluntary private sector consortium that works to mainstream green homes in India. The consortium is committed to building and certifying all of its new housing as green, contributing 110 million square feet of green housing by 2020.\textsuperscript{160} The aim is for at least 20 percent of India’s new housing developments to be green by 2022. It is achieving this through scalable, market-ready technologies to decrease costs, working with the government to create an enabling policy environment for green buildings to become the mainstream choice, and stimulating demand for green homes through a multimedia awareness campaign targeting 7 million people.
AccorHotels’ sustainability-linked loan facility

AccorHotels has made sustainability a core component of its long-term financing strategy. It aims to contribute to limiting rising global temperatures by achieving carbon neutrality. This requires more demanding green building requirements in the construction and renovation phases, and constantly cutting its hotels’ energy consumption and emissions through efficient equipment and building design. Its constructions and renovations are certified with the highest recognition in each country. At the end of 2018, about 50 buildings among all Accor and AccorInvest buildings were certified or in the process of being certified.\(^{169}\)

AccorHotels’ commitment to sustainability is demonstrated in its corporate practices. Its recent five-year, €1.2 billion multi-currency senior unsecured revolving credit facility, led by BNP Paribas, will be used in line with the company’s sustainability ambitions. The facility’s pricing mechanism includes a correlation between AccorHotels’ financing cost and its overall ESG performance, and the introduction of an additional margin adjustment parameter linked to AccorHotels’ ESG score. The external score required by the financing is provided by Sustainalytics, while various provisions are included in the documentation to ensure the incentive mechanism is well implemented and maintained.\(^{170}\)
Leading hotel brands are turning to green certifications to help secure group business, such as corporate travel and conferences, as corporations look to “green” their entire business:

Global chains like Starbucks are championing green buildings, having pursued certification for every new, company-operated store since 2008 globally. As of 2018, it has committed to designing, building, and operating 10,000 “greener stores” globally by 2025, under a framework developed with SCS Global Services and WWF. These stores are expected to save $50 million in utilities expenses over the next 10 years, enhancing returns and appealing to investors.175

Retail mall developers are also committing to building green. Novare Equity Partners—a developer of malls and retail stores across Africa—recently sought green certification for the construction of the Novare Great North mall in Lusaka, Zambia, to attract well-known African retailers Shoprite Holdings and Pick n Pay. The mall’s resource-efficient measures were implemented at a minimal additional cost and utility bills are expected to reduce by over 40 percent.176

Hospitals

Hospital investors and operators are discovering that resource efficiency leads to better patient care. For example, the Costa Rican Social Security Fund has built two lower-carbon medical clinics in Belén that support Costa Rica’s commitment to become carbon neutral by 2021. Through eco-efficient solutions, energy and water consumption are reduced. Operational savings can be used to buy better equipment and pay for more medical professionals, improving patients’ wellbeing. The fund aims to become a model public institution for its connection to communities and commitment to environmental performance.177

Retail

As brands with physical retail spaces seek new ways to stand out from online competitors and peers, sustainability has become an asset. Retail centers typically spend 11 percent of their total operating costs and 19 percent of their net revenue on energy.173 By pursuing green building certification, they can reduce their overhead, minimize waste, and benefit from decreased dependence on energy, while attracting customers who care about the environment. According to the Retail Industry Leaders Association, 93 percent of global consumers expect the brands they use to support social and environmental issues.174 Developers and owners of retail stores can demonstrate achievement of ESG goals to their investors, customers, and other stakeholders. For example:

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ITC Hotels has committed to the highest green building standard, with its entire portfolio of hotels across India certified as LEED Platinum. Several measures were used to minimize its carbon footprint, reduce waste, and improve water efficiency while ensuring the comfort of hotel guests.171

Host Hotels & Resorts—the world’s largest lodging REIT, owning 93 properties with 52,000 rooms—collaborates with operators and managers to adopt industry best practices that improve environmental performance and enhance asset value. Over the past four years, Host has invested more than $210 million in engineering projects with sustainability components, with expected annual savings of $30 million. This equates to a 14 percent cash-on-cash return and about $320 million in enterprise value.172

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Walhouses

Modern warehouses are becoming sustainable facilities that serve as hubs for high-tech tracking, repackaging, and quality control testing. Chinese pharmaceutical distributor Jointown used green certification tools to identify resource efficiency opportunities in its 13 new warehouse distribution centers and three offices across six provinces. Introducing high-performance building envelopes; optimizing lighting, heating, and cooling systems; and using solar energy are expected to yield average energy savings that are 25 percent better than code requirements, reducing the warehouses’ costs and improving their profitability.

Data centers

Data centers are significant users of energy. As the pace of digitization continues to increase, the demand for them will keep in step. Owners are planning for this by sustainably addressing their growing energy needs:

- CyrusOne is a global data center REIT. Two of its existing London facilities run on a 100 percent renewable energy tariff, which transfers the annual energy usage, equivalent to 52,000 households, to zero emissions sources. It has committed to running all new data center inventories in London off renewable energy, benefiting customers through reduced unit costs through the procurement process and exemptions from the Climate Change Levy.178

- Microsoft has committed to pursuing LEED Gold certification for all of its data centers. Together with the U.S. Green Building Council, it has created standardized design and expected performance criteria for the LEED data centers standard, which will serve as a blueprint for Microsoft and others to build greener.179

Moving from commitments to scale

Global platforms and individual and industry commitments have been critical to growing the green buildings market. Large property owners and developers pledging to green their entire building portfolios has increased awareness in the market, attracted green finance, and encouraged smaller companies to follow suit. However, this progress has been uneven across the world, and the scale of initiatives and commitments has not kept up with the rapid pace of urbanization and construction.

These voluntary efforts are key to maintaining momentum in the sector and need to be scaled from individual to industry-level actions, particularly in emerging markets, allowing for concerted advancement of green construction. Investors and banks must seize this momentum and increase the flow of finance to owners and developers of green buildings to incentivize scale and take advantage of the sizeable investment opportunity they represent. Policymakers can expedite this by embedding consistent green requirements into construction and finance policy frameworks and providing incentives. Collectively, these efforts can sustain the transition towards a net zero carbon buildings sector by 2050.