THE COMMERCIAL OWNER'S CASE FOR BUILDING TO ZERO CARBON

Canada Green Building Council®

BUILDING ASSET VALUES ARE AT RISK

Buildings are a significant contributor to greenhouse gas (GHG) emissions, representing 17% of emissions nationally. Government pricing regimes for carbon pollution and tenant sustainability expectations are creating financial and reputational risks for portfolios that do not address carbon pollution.

PROTECT AND ENHANCE BUILDING ASSET VALUES

Building owners have an opportunity to take real action in the short-term that delivers stronger returns and greater asset resiliency over the long-term by making new and existing assets Zero Carbon Buildings (ZCBs). Designed to minimize carbon emissions and then offset any remaining emissions by generating clean, renewable energy onsite or offsite, ZCBs can reduce life-cycle costs and future proof asset values against rising energy and carbon pollution prices. ZCBs can make commercial buildings more attractive to investors with climate disclosure obligations by providing enhanced transparency and accountability. ZCBs can also protect against expensive and disruptive retrofits that can result in adverse economic impacts such as lost rent or reduced asset value.

The Canada Green Building Council commissioned a ground-breaking study that shows that ZCBs can yield a positive financial return over a 25-year life-cycle, while requiring only a modest 8% capital cost premium. What's more, the business case will only get stronger over time as the cost of carbon rises. Even for building owners that do not own for the long-term, the growing recognition of the value of ZCBs will ensure a strong return.

THE TIME TO ACT IS NOW

The cost of not adopting a ZCB approach increases with each passing day. To unlock the value of ZCBs, building owners are encouraged to task project teams with the following:

- Ask design teams to develop designs that meet the requirements for Zero Carbon Building certification, undertake feasibility studies and evaluate ZCB options using life-cycle costing that recognizes the rising price for carbon pollution.
- Projects that are unable to achieve ZCB requirements today should incorporate measures to ensure the buildings can readily transition to ZCB in the future. This includes ensuring a low heating demand (or 'thermal energy demand intensity') to enable the use of low-grade heating and making provisions for the use of heat pump technology and solar photovoltaics in the future.
- Take advantage of the wide-range of existing financial incentives and capital improvement grants to achieve a ZCB design.

ZERO CARBON BUILDING CERTIFICATION

The ZCB Standard is a made-in-Canada solution to help building owners and investors protect and enhance the value and marketability of their assets. It provides enough flexibility to be achieved by all project types. Certification to the ZCB Standard provides independent, third-party verification of climate change mitigation efforts at the building design stage and in operations to achieve the full potential benefits provided by ZCBs.

Contact us at zerocarbon@cagbc.org to learn more about the ZCB standard and the economic case for ZCBs in your portfolio.

BENEFITS OF ZERO CARBON BUILDINGS

Meet climate leadership objectives cost effectively

Improve financial returns through energy and carbon savings

Protect against rising energy and carbon pollution prices

Improve comfort, health and productivity

Avoid costly and disruptive future retrofits

Reduce risk to asset value due to future extreme weather

Enhance transparency and accountability in relation to climate-related financial risks

Attract and retain tenants