THE COMMERCIAL OWNER'S CASE FOR BUILDING TO ZERO CARBON

Canada Green Building Council®

CLIMATE CHANGE & BUILDING ASSET VALUES

Buildings are a significant contributor to greenhouse gas (GHG) emissions. In fact, building operations are responsible for 17 per cent of Canada's carbon emissions, with construction and materials representing a further 11 per cent. 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 & ENHANCE BUILDING ASSET VALUES

Building owners have an opportunity to demonstrate their carbon leadership by taking substantive 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. Designed to minimize and then offset carbon emissions, zero carbon buildings can reduce life-cycle costs and future-proof asset values against rising energy and carbon pollution prices.

Zero carbon buildings can make commercial buildings more attractive to investors with climate disclosure obligations by providing enhanced transparency and accountability. Zero carbon buildings s also protect against expensive and disruptive retrofits that can result in adverse economic impacts such as lost rent or reduced asset value.

Canada Green Building Council commissioned a ground-breaking study showing that zero carbon buildings can yield a positive financial return over a 25-year life-cycle, while requiring only a modest 8 per cent 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 zero carbon buildings will ensure a strong return.

THE TIME TO ACT IS NOW

The cost of not adopting a zero-carbon approach increases with each passing day. To unlock the value of zero carbon buildings, owners are encouraged to task project teams with the following:

- Ask design teams to meet the requirements for Zero Carbon Building Standard certification, undertake feasibility studies, and evaluate zero carbon building options using life-cycle costing that recognizes the rising price of carbon pollution.
- Projects unable to achieve ZCB Standard certification today should incorporate measures to ensure they can more easily transition to the ZCB Standard 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 showcases tangible leadership, as it provides independent, third-party verification of climate change mitigation efforts at the building design stage and in operations.

LEARN MORE ABOUT ZCB STANDARD

Visit cagbc.org/zerocarbon.

BENEFITS OF ZERO CARBON BUILDINGS

Reduce risk to asset value due to future extreme weather

Improve comfort, health and productivity

Protect against rising energy and carbon pollution prices

Improve financial returns through energy and carbon savings

Meet climate leadership objectives cost effectively

Avoid costly and disruptive future retrofits