

MAJOR INDEX REVEALS A SIGNIFICANT DROP IN CARBON EMISSIONS FROM UK REAL ESTATE

- UK housing sector sees a fall of 13% in its carbon emissions, compared to last year
- The retail real estate sector sees the biggest fall of 17.6% in its carbon emissions
- The hotel sector was the only one reviewed that saw its carbon emissions increase this year when compared to 2022

London, 9 January 2024 - Deepki, the only company in the world offering a fully populated ESG data intelligence platform for the commercial real estate sector, has today released findings from its "[ESG Index](#)", revealing a significant drop in carbon emissions from the UK real estate sector.

In the UK, the built environment accounts for around 25% of all carbon emissions¹. In general, the United Kingdom's climate contributes to relatively high energy consumption when compared to some other European countries, while its gas-based energy mix results in higher carbon emissions.

The UK retail sector has seen the biggest average drop in carbon emissions per real estate unit over the past year of around 17.6%. This is followed by housing, where average carbon emissions per unit has fallen by 13.2%. Of the six real estate sectors reviewed, only the hotel industry saw a rise in average CO₂ emissions – 54.3 kgCO₂eq/m² per unit in 2023 compared to 52.5 kgCO₂eq/m² in 2022 (a rise of 3.4%).

Sector	Average kgCO ₂ eq/m ² 2022	Average kgCO ₂ eq/m ² 2023	Evolution
Logistic	32.4	30.4	-6.20%
Office	44	40.9	-7%
Housing	46.1	40	-13.20%
Hotel	52.5	54.3	3%
Health	58	56	-3.40%
Retail	50	41.2	-18%

One key reason for a fall in carbon emissions from real estate in the UK, is that average final energy consumption across the UK real estate sector has fallen by 2.86% between 2022 and 2023. It has fallen by 13.2% in the retail real estate sector, which is the biggest drop of the six typologies reviewed, and this is followed by the housing sector, which saw a fall of 10.1%

However, the average final energy consumption per real estate unit in the UK hotel sector increased by 9.5%.

Sector	Average kWhFE/m ² 2022	Average kWhFE/m ² 2023	Percentage change
Logistic	162	160	-1.25%
Office	220	216	-2%
Housing	238	214	-10.10%
Hotel	264	289	10%
Health	302	299	-1.00%
Retail	250	217	-13%

Commenting on the findings, Lindsay Taylor, Head of UK Delivery at Deepki, said: “We have undertaken detailed analysis to create the only Index of its kind. The findings show that key typologies across commercial real estate in the UK are embracing the path to net zero and moving in the right direction. Measures that are being implemented to improve the carbon footprint of assets through greater energy efficiency such as improving insulation and ensuring better regulation of equipment such as lighting, heating, ventilation, and air conditioning so that they are in tune with use patterns and seasons, are starting to pay dividends, although we must bear in mind the effect of the climate itself.”

The publication of Deepki’s latest ESG Index findings marks a year since its launch as the first publicly available European benchmark measuring real estate’s environmental performance using real data. Following its initial publication in late 2022, it was positively received by the market, which was desperately lacking a common framework in order to tackle the challenges brought about by tightening regulations, such as the SFDR. The Index gives values for the average, top performing 30% and top performing 15% in terms of energy consumption and CO₂eq emissions for different typologies across the real estate sector in the UK, France, Germany, Benelux, Italy and Spain, as well as Europe as a whole, thereby defining which investments are sustainable according to the EU Taxonomy.

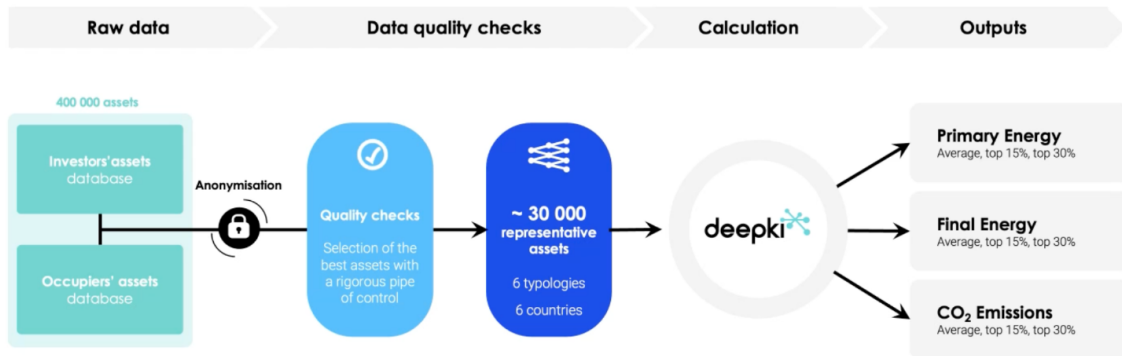
In order to redirect investment flow in line with the 2050 net zero target, the European Commission has detailed certain performance criteria in the EU Taxonomy. According to these criteria, buildings in the top 15% of the national or regional building stock in terms of primary energy intensity will be considered sustainable investments and serve as a benchmark for the entire sector.

The newly published Index shows that the evolution of the UK and Europe’s commercial real estate sector’s ESG performance varies from year to year depending on the typology, with housing, offices, healthcare and retail seeing a drop in final* energy consumption, in contrast to hotels, which have increased, while logistics remains stable.

Methodology



By automatically collecting actual - rather than declarative - data from more than 400,000 assets, Deepki can share in-depth insights into the real estate sector's energy performance, by asset type and location. Data from over 60 types of buildings is rigorously checked by Deepki's in-house data scientists to ensure the most accurate results for the six typologies published.



With values for the top 15%, the market can identify the assets contributing to a reduction in climate change according to the EU Taxonomy. The top 30% will allow the market to determine which assets contribute substantially to the EU Taxonomy's objectives and do no significant harm in the fight against climate change.

Notes to the editor

¹[Climate Change Mitigation | UKGBC](#)

The ESG Index serves as a benchmark for assessing the energy and carbon performance of commercial properties. It provides a reference for the performance of buildings within Asset Managers' portfolios.

The ESG Index bases its results on a continuous study on data analysed from 2022 and 2021. The benchmark is updated annually and represents a true reflection of the European market and its systemic evolutions, with historic results being updated with each release, to take into account new, previously unavailable data.

*Final energy consumption: Final or available energy is the energy delivered to consumers for end consumption (petrol at the pump, electricity in the household, etc.).

** Primary energy consumption: Primary energy includes all energy products not transformed, directly exploited or imported. It mainly includes crude oil, oil shale, natural gas, solid mineral fuels, biomass, solar radiation, hydraulic energy, wind energy, geothermal energy and the energy taken from uranium fission.

Source: www.insee.fr

ESG Index partners



The ESG Index was established in partnership with the IEIF (Institut de l'Epargne Immobiliere et Fonciere) to help real estate players understand the performance of their assets and meet the challenges of the EU Taxonomy. It is now recognized at a European level thanks to backing from the German Sustainable Building Council (DGNB) and the Royal Institution of Chartered Surveyors (RICS), both of whom support the establishment of a common standard. It represents the first European benchmark measuring real estate's ESG performance based on real consumption data.

About Deepki

Founded in 2014, Deepki has developed a SaaS solution that uses data intelligence to guide real estate players in their net zero transition. The solution leverages customer data to improve assets' ESG (Environmental, Social and Governance) performance and maximize asset value. Deepki operates in 60 countries, with over 400 team members across offices in Paris, London, Berlin, Milan and Madrid. The company serves clients including Generali Real Estate, SwissLife Asset Managers and the French government, helping to make their real estate assets more sustainable at scale.

In March 2022 Deepki raised €150 million in a Series C funding round which was jointly led by Highland Europe and One Peak Partners. Other investors include Bpifrance, through their Large Venture fund and Revaia. Since then, Deepki has carried out strategic acquisitions including that of its principal UK-based competitor, [Fabrig](#), and complementary SaaS solution, [Nooco](#).

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