

# ESG Transaction Services

2024

Helping to strategically position  
your assets for the future

[knightfrank.co.uk](https://knightfrank.co.uk)





## Why is ESG crucial in investment decisions?

Environmental, social, and governance (ESG) factors are now a key consideration in almost all major commercial real estate decisions.





Our expert ESG Consulting team will guide you through ESG considerations as you navigate current climate challenges and growing regulations and legislation on the horizon. We help identify actions and opportunities, creating practical and actionable ESG strategies.




ESG is crucial in investment decisions, impacting all investors through evolving frameworks like Minimum Energy Efficiency Standards (MEES - *England & Wales*) EPCs (*Energy Labels - EU*), EU Taxonomy, and CRREM. Performing ESG due diligence at the earliest opportunity mitigates risks and strategically positions assets for the future.

Our consultants ensure your asset holds value against competing assets and into the broader market by achieving credible and valuable standards. We analyse your existing strategies, policies, and risk factors, creating approaches that make sure your asset achieves a notable ethical standard.

We strive to secure high-quality tenants by developing an overall strategy and creating successful leasing market collateral while reducing the utility costs of your asset. We help create the optimum occupier experience for stakeholders regarding health, wellbeing, and user journey.

# Knight Frank's ESG transaction services

ESG Due Diligence	Why?
<p><b>1</b></p> <p><b>EPC / Energy Label</b></p>  <p>The cost of an EPC / Energy Label varies based on the asset class and complexity. Industrial properties generally fall on the lower end of the pricing scale, while fees for complex office spaces are higher. Additionally, the EPC / Energy Label charges encompass the lodgement fee for entry into the country specific municipality (i.e. for UK, this is the Government Database).</p>	<p><b>Comply with local market regulation and de-risk asset</b></p>
<p><b>2</b></p> <p><b>EPC / Energy Label + Improvement Report</b></p>  <p>An addition to the EPC / Energy Label report which analyses the complete potential of the property, proposing an optimal EPC / Energy Label rating, and detailing the necessary modifications required to attain it. This comprehensive report includes cost estimates and a timeline for the recommended interventions. Cost varies on asset complexity.</p>	<p><b>Least cost path analysis to desired EPC / Energy Label grade</b></p>
<p><b>3</b></p> <p><b>ESG Checklist</b></p>  <p>A bespoke comprehensive document summarising the ESG attributes of an asset. This serves as a centralised source of information, encompassing details from CRREM, EU Taxonomy, EPCs (<i>Energy Labels</i>), and social initiatives. This serves as a Building Passport and acts as a singular, reliable source of information, streamlining the ESG documentation within the dataroom for any sale. These spreadsheets aid in facilitating transactions and outlining improvement plans for a building. Can be provided to interested parties as part of a marketing process.</p>	<p><b>Conduct accurate due diligence to help inform investment decision-making</b></p>
<p><b>4</b></p> <p><b>CRREM Report</b></p>  <p>CRREM stands for the “Carbon Risk Real Estate Monitor,” is a voluntary initiative within the European Union dedicated to evaluating and addressing the carbon risk linked to real estate assets. This report outlines the anticipated date when an asset may face stranding, primarily stemming from surpassing the allocated Greenhouse Gas Emissions required to adhere to the 1.5 degrees Celsius warming threshold.</p>	<p><b>Identify stranded assets and avoid economic obsolescence</b></p>

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<p><b>5</b></p> <p><b>CRREM+ Report with Decarbonisation Roadmap</b></p>  <p>As an addition to the CRREM report, this supplementary analysis involves a site visit conducted by an energy auditor. It provides recommendations regarding the methods, timing, and associated costs for achieving a deferred stranding date and a roadmap to net zero carbon.</p>	<p><b>Identify strategies to decarbonise an asset with clear guidance on CAPEX and timeline</b></p>
<p><b>6</b></p> <p><b>EU Taxonomy Compliance Report</b></p>  <p>A report that evaluates the asset based on the criteria outlined in the EU Taxonomy. This evaluation encompasses a screening of the physical risks linked to the asset. The report is applicable to broader SFDR (Sustainable Finance Disclosure Regulation) reporting and holds significant importance for sizable European investors in the pre acquisition phase.</p>	<p><b>Provides clarity to attract environmentally conscious investors and tenants to an asset</b></p>
<p><b>7</b></p> <p><b>Comprehensive 'ESG Asset Positioning Report' and Checklist</b></p>  <p>Comprehensive CRREM Report, Roadmap to Net Zero and EU Taxonomy report. This incorporates a site visit along with recommendations regarding the methods, timing, and costs associated with achieving net zero and EU Taxonomy compliance. The report will also include the ESG Asset Checklist. EPCs / Energy Labels are costed separately.</p>	<p><b>Encompassing points 1 to 6 under a single connected instruction</b></p>

\*With a bundled service reduction in price of 20%.

Bespoke ESG reports available on request including; Water, Waste, Social Value, Solar PV, EV Charging, Biodiversity Net Gain etc.

We use our freedom as an independent partnership to provide clear insights, advice, and solutions to support your ESG goals.

**Get in touch now to find out more:**



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