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Global CBRE Survey Finds Environmental and Social Features Have an Impact on Perceived Building Value and Transactions

The survey reveals how companies' intensified focus on environmental, social and governance (ESG) goals is driving their real estate decisions and strategies

DALLAS--(BUSINESS WIRE)-- Companies are favoring environmental, social and corporate-governance (ESG) factors more heavily in their decisions on which buildings to lease or buy, with many prioritizing green-building certifications and features that reduce energy consumption or generate renewable energy, according to a [new global survey](#) from [CBRE](#).

Released today, the survey examines responses collected in Fall 2022 from more than 500 commercial real estate professionals worldwide. Overall, more than two thirds of respondents said their companies' focus on ESG intensified in 2022 and that their primary ESG consideration for their real estate is to reduce energy consumption and carbon emissions.

Environmental features drive building appeal and transactions.

As companies face rising energy costs and government regulations, they're willing to pay a premium for spaces with features like on-site renewable energy generation (58%) or smart technology to monitor and adjust energy use (53%) to help reduce energy consumption and carbon emissions.

In fact, 84% of respondents said they specifically look for energy-reducing features - and almost half would either seek a discount or walk away from a deal if a building lacked these.

Another big ESG influence is green-building certification, such as the Leadership in Energy and Environmental Design (LEED) rating system or several administered by the Green Building Council. Forty-five percent of respondents would pay a premium to lease or buy a certified building, and a third would either seek a discount from or outright reject a building that lacked certification.

"The voice of our clients on this topic is clear," said [Matt Werner](#), CBRE's Global President of Client Care. "Reducing emissions is at the forefront for our clients, and they see ESG goals impacting all aspects of real estate decision making. That can include providing spaces that improve employee health and well-being, reducing resource use in building operations, or investing in renewables or efficiency. We anticipate the most highly sought-after real estate will help companies in achieving their stated environmental and social goals."

The survey consists of perspectives from investors and occupiers in major categories of commercial real estate in the U.S., Asia Pacific, the U.K., and Europe (excluding the U.K.).

Many survey participants have offices in several of the regions, with the largest shares of respondents claiming offices in the U.K. and Europe and the third-largest share claiming U.S. offices. The survey found mostly minor regional differences in the ESG initiatives that companies are focused on, their motivations for pursuing ESG goals and the challenges they face in achieving them.

Certain social features entice companies to pay a premium.

Tolerance for long commute times has waned considerably among employees in recent years, and companies have taken notice. Eighty-two percent of respondents named convenient access to public transportation as the social feature that most affects their interest in a given building, because easier commutes are associated with better employee well-being.

Companies are also placing a higher value on buildings that support their employees' mental and physical health. For example, respondents said buildings that make it easier for employees to ride their bike or walk (66%) and have an inclusive design to meet the needs of all employees (58%) are more attractive than those with an absence of those features.

Other findings discussed in the survey report include:

- **Organizational ethics and values:** Although government regulation and higher energy prices are contributing external factors, 63% of respondents said company ethics, values or purpose remain the main driver behind their respective ESG priorities.
- **Building resilience:** With natural disasters becoming more common, 75% of respondents cite a building's resilience to effects of climate change as having an impact on their real estate decision.
- **Challenges for implementing ESG goals.** The most common challenge across all regions was the lack of quality data (53%), followed by costs (47%) and uncertainty of benefits (36%).

To read the full survey, [click here](#).

About CBRE Group, Inc.

CBRE Group, Inc. (NYSE:CBRE), a Fortune 500 and S&P 500 company headquartered in Dallas, is the world's largest commercial real estate services and investment firm (based on 2022 revenue). The company has approximately 115,000 employees (excluding Turner & Townsend employees) serving clients in more than 100 countries. CBRE serves a diverse range of clients with an integrated suite of services, including facilities, transaction and project management; property management; investment management; appraisal and valuation; property leasing; strategic consulting; property sales; mortgage services and development services. Please visit our website at www.cbre.com. We routinely post important information on our website, including corporate and investor presentations and financial information. We intend to use our website as a means of disclosing material, non-public information and for complying with our disclosure obligations under Regulation FD. Such disclosures will be included in the Investor Relations section of our website at <https://ir.cbre.com>. Accordingly, investors should monitor such portion of our website, in addition to following our press releases, Securities and Exchange Commission filings and public conference calls and webcasts.

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