

## Bywater Properties – Real estate with impact

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# BY W AT ER

*At Bywater the first thing we think about in everything we do is the impact that our decisions will have on the environment and society surrounding our projects. We know that if we focus on this first then companies and employees will want to occupy our buildings, investors and lenders will want to invest with us and we will continue to be successful.*

From an environmental perspective, UN Climate Change reported at the end of 2020 that the number of global commitments to reach net zero emissions from local governments and businesses had doubled since 2019. Companies with a combined revenue of over \$11.4 trillion (equivalent to more than half of US GDP), are now seeking to achieve net zero emissions by the end of the century with the majority of these aiming for zero-carbon by 2050. Corporate occupiers, investors and lenders are now sold on the importance of minimising the impact of their activities on the health of the planet.

At a more micro level, in terms of social impact, the response of the office sector globally to the disruption of the global Covid-19 pandemic has been widely reported and analysed in the last year. Physical real estate – away from the “home” office - will continue to be an important part of life at a corporate and individual level. How much a part of life this will be though remains to be seen.

What is clear to us at Bywater is that companies and employees will have a wider choice of office real estate in the post pandemic future and will be much more discerning in how they make this choice – looking for both better environments to occupy and more seamless ways to access them.

As an owner and developer of office led real estate if we can create interesting environments where employees can be healthy, happy and productive in an economic, social and environmental way and make it as easy for companies to occupy these environments then we will continue to be successful.

The physical part of our aim – the “building part” – is only one half of the equation. It is the actions of Bywater and partners in the management of these buildings – the “operational part” that helps us deliver on the second part.

Alongside Maples Teesdale we are currently working across all of our projects to ensure that from the first step of engaging with new companies we are giving our occupiers the opportunity make the best efforts from an environmental and social perspective.

We have generated a suite of operational “Bywater Lease” documents together that represent a new way of approaching and looking at the leasing of real estate within our portfolio.

From a technical perspective throughout the documents where possible we stipulate, and in others at the very least to encourage, companies to adopt progressive stances in the following areas:-

- Use of green energy suppliers across our projects;
- Recycling and measurement of recycling activities on site;
- Procurement of carbon neutral suppliers and/or those that support the local economy;
- Use of sustainable furniture and fit out and a sustainable approach to repair and reinstatement;
- Use of green transport to/from buildings;
- Coordination of site servicing with reducing environmental impact in mind; and
- The development of environmental sustainability and social impact thinking alongside occupiers and suppliers through regular presentations and workshops at our sites.

Taking one of these elements as an example, office furniture and fitout is the single biggest source of greenhouse gas emissions of a commercial building, representing 42% of the overall lifetime impact. Each day in the UK, 300 tonnes of office furniture and fitout is sent to landfill and we want to help reduce this impact, both through our actions on projects as owner (where we fitout common areas and tenant space) and also by using the new clauses in our Bywater Lease to ensure that occupiers to make the same efforts.

At a less technical level our aim is that use of the Bywater Lease will also make our projects more accessible for occupiers. We will make sure that at the very least all Bywater Lease documents are easily legible and navigable, use Plain English as a minimum entry requirement and are shorter and easier to digest for occupiers.

We know that developing and leasing office space in a post pandemic world is going to be more difficult and more competitive than it ever has been. By making our projects the best environments to occupy and ultimately the simplest to access from a legal perspective will mean that and we will continue to be successful.

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