

# Addressing climate change in residential and commercial property: plus, what do home movers think?

How is climate change being viewed by property professionals and home movers across the industry

We asked 103 senior residential property solicitors and conveyancers, 43 commercial real estate lawyers and 501 home movers who had bought or sold a property in the UK over the last two years, for their views on climate change in the property industry. Despite climate change being a pressing concern only 18% of residential property solicitors expect to see climate-focused, property-oriented new regulations or legislation in the next 12 months versus 44% of commercial real estate lawyers.

For home movers, after a series of extreme weather events in the UK, they are focussing on the more immediate impact of climate change – starting with energy performance.



#### Addressing climate change in residential conveyancing

# TOWARDS NET ZERO

The need for a smooth and rapid transition to Net Zero for the benefit of all is clear. But a significant proportion of residential conveyancers do not have mature climate-change strategies in place yet, and many property lawyers are awaiting Law Society guidance before changing well-established, formative business practices.

Does your firm have a published Net Zero strategy in place?

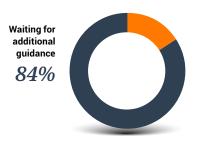
Yes, and it has been published Yes, but it has not been published

Zero strategy under way

No, we don't have a Net Zero strategy

# What's your approach to providing information around climate change risks?

We asked residential property lawyers about their approach to procuring information for their clients around future climate change risks for their transactions



Not waiting for additional quidance

*16%* 

No, we do not report on future climate change risks

83%



Yes, we report on future climate change risks for all transactions as standard

Yes, we do this for certain transactions

*11%* 

Opinions vary about the impact of a negative future climate risk report

believe purchasers would change their minds

believe there may be a negative impact on the ability to secure a mortgage

21%

believe a property's valuation may be downgraded

believe a purchaser may be unable to get insurance

# WHO IS RESPONSIBLE FOR ADVISING ON FUTURE CLIMATE RISK?

It may be due to a lack of guidance on roles and responsibilities, industry-wide, but there are mixed views as to who should advise clients on future climate change reports. Action is needed if home movers are to benefit from the climate change info that's now available.



#### Want to know more?

What's next for Residential Property Solicitors & Conveyancers?

Read our latest Property Trends Report here Explore our Legal and Conveyancing Service here Read our Climate Change white paper here



In September 2022, we canvassed the views of Estate Agents, Home Movers, Residential Property Solicitors & Conveyancers and Commercial Real Estate Lawyers right across the country, listening carefully to their opinions.

#### **About Landmark**

As part of the UK's largest property and land data business, Landmark Information Group supports the entire value chain of the property industry. With more than 25 years' experience, our data, technology and services power confident property and land decisions for architects, surveyors, estate agents, environmental consultants, mortgage lenders, real estate professionals, land developers, property lawyers and resellers to these markets.



# Addressing climate change in commercial real estate law

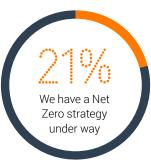
# TOWARDS NET ZERO

Positive action begins with changes at home. However, the commercial real estate industry is not yet fully aligned when it comes to effecting climate-change strategies.

Does your firm have a published Net Zero strategy in place?







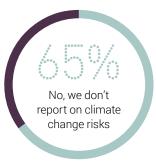


# CLIMATE CHANGE REPORTING

But what about reporting on current climate risks?

Our interviewees reported a good start – but much room for progress.

Do you source climate change information for your transactions?







When it comes to reporting on climate change in the future, **8 out of 28 firms said they were still waiting for guidance from the Law Society**.

However, on average, 10% of lawyers had received client requests for advice in this area. In all likelihood, this number will only increase.



We report on climate risk for commercial or domestic property near a river, flood plain, moorland, forest or heath.



We use information on future risk for every business, every service line... whether it's back office or front office and in every legal service, discipline and division.



... we do this [climate change reporting] for certain transactions in sectors where climate change is currently a big issue.

# WHO'S RESPONSIBLE FOR ADVISING ON FUTURE RISK?

Commercial real estate lawyers are in agreement that key environmental risks in climate change reports are likely to be flooding, energy performance and subsidence, in the next five years. But when it comes to sourcing those details for clients, climate change affects us all: there's a consensus the responsibility should be shared.

Who do you think should be responsible for advising clients on future climate change reports?



In the next 5 years, which risks will be most common in climate change reports?



### Want to know more?

What's next for Commercial Real Estate Lawyers?

Contact us <a href="here">here</a> to see how we can help you with climate change information for clients



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#### What do home movers think about climate change?

# IS EVERYONE CONCERNED?

Overall, it's perhaps not surprising that overall **79% of home movers** are concerned to some degree about climate change in respect of their property. But the highlight is the increase in concern from younger home movers: **82% of the under 35s** are somewhat or very concerned about climate change, compared with **50% of over-55s**.

Very concerned, mostly about the property itself

Very concerned that it could affect insurance or a mortgage offer

Somewhat concerned

Not concerned at all



# How much does climate change concern you when you think about buying a property?

#### What's changing?

After the warm summer of 2022, a stronger focus on climate change in general is impacting many home movers' choices.



are planning to move to a property that will be less impacted by climate change in the future



are actively taking measures to make their current property more energy-efficient

# ... And why?

Some home owners' choices around improving a property's energy performance are influenced by access to finances.



would invest, but only with a grant



would invest but only if it was a legal requirement



would invest, even without a grant

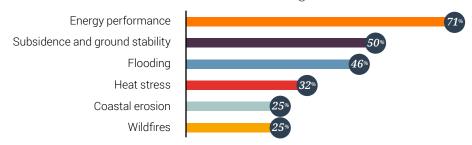


would not invest in energy efficiency measures

# ENERGY PERFORMANCE HAS AN IMPACT

Age has a bearing on views about climate change. **53% of home movers aged 35 to 55** were concerned about energy performance, compared with **38% of the over-55s**. Overall though, 43% worried that energy performance could affect their existing property's value. While it was promising to see that most home movers had received at least some information about climate risk, there is clearly still scope to provide more insight and guidance to an increasingly climate-conscious market.

#### Most discussed climate change risks.



#### Want to know more?

What's next for Home Movers?

Read our latest Property Trends Report <a href="here">here</a> Discover our Climate Change white paper <a href="here">here</a>



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