

WHAT IS THE UK NET ZERO CARBON BUILDING STANDARD?

A **personalised guide** specifically for Investment Managers, Asset Managers & Developers on how to successfully navigate the standard.

Prepared by

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Executive Summery

NAME:

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LOCATION:

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MISSION:

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VISION:

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GOALS:

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CONCLUSION:

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LifeProven was instrumental in the development of the **UK NZCBS**, leading pilot schemes across live projects that provided practical insights to inform the standard.

Who this guide is for? This guide is written for Investment Managers, Asset Managers, and Developers who need to understand the UK Net Zero Carbon Buildings Standard (UKNZCBS) without reading all 169 pages of the Standard itself.

How this document works: Pages 1 to 5 are a concise executive summary. The back of this document is a detailed technical guide for those who want to go further. Every section in the technical guide maps directly to the corresponding section here.

LifeProven's position: We helped develop the Standard and ran Pilot Schemes across live projects that informed it. We support clients in two ways: delivering New Works and Retrofit Works that achieve Net Zero Carbon Aligned status through Energy Modelling and Whole Life Carbon Assessment; and helping existing operational buildings transition toward a verified Performance Evaluation or full Net Zero Carbon Aligned designation.

01 What is the UKNZCBS

The **UK Net Zero Carbon Buildings Standard** (the Standard) was published in March 2026 by a coalition of 8 industry bodies (**BBP, BRE, CIBSE, IStructE, LETI, RIBA, RICS, and UKGBC**) and participating companies, including LifeProven. It was created in response to growing inconsistency in how “net zero” claims were being made across UK real estate. Different methodologies, modelling assumptions and definitions created significant credibility gaps across the market. The Standard establishes:

- a single, unified definition of a **Net Zero Carbon** Aligned Building in the UK,
- a common methodology for measuring carbon and energy performance, and
- a mandatory independent verification process that confirms a building's claimed performance is real.

The intention is that any building making a net zero claim in the UK should be verified through the Standard, so that every claim is measured the same way, assessed against the same limits, and verified by the same independent process.

What is the process?

In practice, the Standard sets numerical limits on a building's construction-phase carbon, operational energy use, on-site renewable electricity generation, and refrigerant performance. More significantly, it represents a major shift away from design-stage sustainability claims and modelled performance projections toward measured operational outcomes. Compliance is based on actual metered building data collected over a full 12-month operational period, with independent third-party verification required before any Net Zero Carbon Aligned claim can be made.

Is it a regulatory requirement?

No. The Standard is not currently a regulatory requirement and participation remains voluntary.

Its significance comes from the combined weight of the industry bodies and participating companies behind it, alongside the increasing number of investors, lenders, valuers, occupiers and developers beginning to adopt it as a benchmark for credible net zero performance. Although voluntary, the Standard is likely to become a key market reference point for assessing whether a building's net zero claim is credible.

The Standard has already been referenced within the **RICS ESG and Sustainability in Commercial Property Valuation Guidance (4th Edition)**, signalling its growing relevance to valuation and investment decision-making. The founding coalition is also actively lobbying for wider regulatory adoption across the UK market.

What is the Standard based upon?

The Standard's performance limits are calibrated to the UK's carbon budgets under the **Climate Change Act 2008**, the legislation that legally binds the UK Government to reaching net zero by 2050. This alignment is significant for two reasons. First, it means the Standard is built on the same legal and scientific foundation that future building regulation is most likely to reference. Second, it means the limits are not fixed permanently: if the UK Government revises its carbon budgets, the targets within the Standard will be updated accordingly.

What methodology does it use?

The Standard uses the **RICS Whole Life Carbon Assessment Professional Standard (2nd Edition)** as its core methodology for measuring embodied carbon, alongside **CIBSE TM65** for building services, **IStructE** guidance for structural elements, and the **GHG Protocol and UK Government DUKES** conversion factors for operational carbon calculations. **PAS 2038** governs the **Retrofit Plans** required for existing buildings taking the stepped compliance route. These are the same methodologies that credible **RICS-compliant** assessors are already using, which means funds and developers working with properly qualified advisors are likely already generating much of the data the Standard requires.



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How it differs from existing net zero tools and certifications

UKNZCBS does not replace frameworks such as **CRREM**, **BREEAM**, **NABERS** or **Passivhaus**. It sits above many of them as a common performance and verification framework for determining whether a building has actually achieved net zero carbon alignment in operation.

Tools such as CRREM identify transition risk and decarbonisation pathways, while certifications such as BREEAM and Passivhaus help improve design quality and energy performance. These frameworks may support alignment with the Standard and, in some cases, contribute toward compliance requirements. However, they do not themselves demonstrate conformity. UKNZCBS verifies whether the completed building has achieved the required operational and embodied carbon performance in practice.

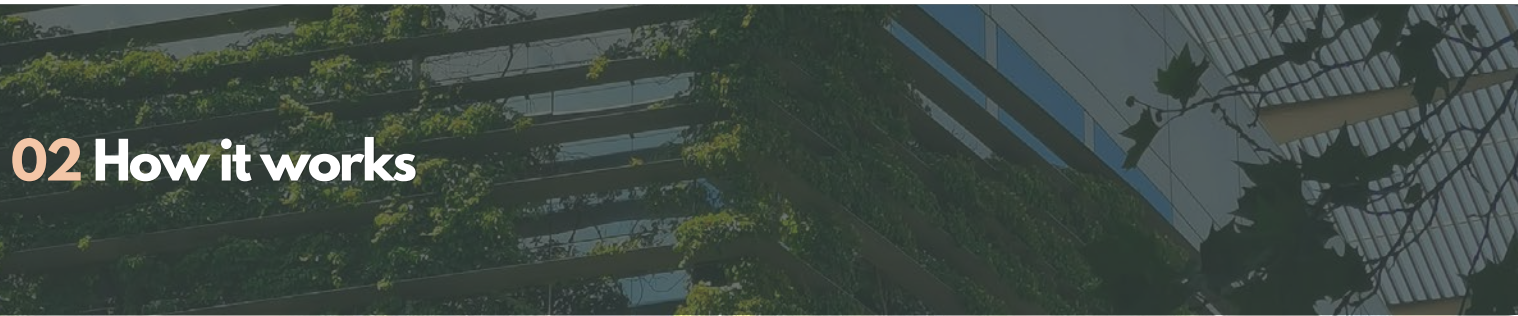
Why this matters to you

Although voluntary, the UKNZCBS is likely to become a major market reference point for assessing whether a building's net zero claim is credible, measurable and independently verified. As adoption grows, the distinction between verified and unverified claims is likely to become increasingly important across investment, lending, valuation, leasing and development decisions.

The Standard has already been referenced within the **RICS ESG and Sustainability in Commercial Property Valuation Guidance (4th Edition)**, adopted as part of the commercial property **Red Book** valuation process. Investors, lenders, valuers, occupiers and regulators are increasingly seeking credible operational data, rather than relying solely on design-stage claims or modelled projections.

For asset owners and managers, this creates both risk and opportunity. Buildings with verified operational performance are likely to become increasingly differentiated from assets relying on unverified net zero claims as stakeholder scrutiny and market expectations continue to evolve. Understanding the Standard early may help organisations:

- position portfolios ahead of evolving market expectations,
- identify future operational, retrofit or redevelopment requirements earlier,
- improve the credibility of ESG reporting and net zero claims, and
- prepare assets for future investor, lender and valuation scrutiny.



02 How it works

The **UKNZCBS** is a performance-based standard, which means a building should not claim Net Zero Carbon Aligned status on the basis of its design intent, modelled performance, or existing certifications alone. Performance must be measured from actual metered data, across a full year of operation, and independently verified by the appointed **UKNZCBS** verifier before any claim can be made.

The four verification statuses

The Standard currently supports four forms of assessment outcome and verification status, each reflecting a different level of performance and alignment with its requirements.

1. Net Zero Carbon Aligned	All applicable requirements have been met and independently verified, with the Net Zero Carbon Certificate publicly listed on the NZCBS website.
2. Net Zero Carbon Aligned (plus offsets)	Full conformity has been achieved, with a qualifying carbon offset or renewable electricity procurement mechanism applied to residual emissions.
3. PC-on-Track	A verified assessment carried out at practical completion, confirming the building is predicted to meet the Standard once occupied. This is not conformity, but it provides a credible independently verified statement.
4. Performance Evaluation	Launched in May 2026, this is a verified report card for buildings that are not yet fully aligned. It shows current performance against each metric relative to the applicable limits, providing a clear indication of how close the building is to full alignment. For many existing institutional assets, this is likely to be the most practical starting point.

Whole-building, landlord-only and tenant-only assessment routes

The **four verification statuses** above can each be pursued through different assessment routes depending on how operational control of the building is structured and where energy consumption sits between landlord and tenant areas.

- **Whole-building route:** assesses all operational energy use across both landlord and tenant areas. This is the most comprehensive route and represents full building conformity across all in-scope energy consumption.
- **Landlord-only route:** available for certain building types, primarily multi-tenanted office assets. This route assesses only landlord-controlled systems and areas, such as central plant, common areas and landlord energy use, where the landlord does not control tenant consumption directly.
- **Tenant-only route:** allows individual tenant-controlled spaces to be assessed independently, based on the tenant's own operational energy use and fit-out performance.

For many existing institutional assets, particularly multi-let buildings, sub-metering becomes a critical enabling requirement. Without sufficient separation between landlord and tenant energy data, landlord-only and tenant-only assessment routes may not be achievable.

The key assessment requirements

Buildings are assessed against a series of mandatory performance metrics and reporting requirements, which vary depending on building sector, geography, building type and whether the asset is classified as a **New Building, Existing Building, Retrofit Works or Reportable Works project**. Each requirement must be measured, evidenced and submitted to the verifier as part of the assessment process.

- **Upfront carbon limits:** mandatory numerical limits on construction-phase embodied carbon, set by building sector and year of commencement, which tighten year on year in line with the UK's carbon budgets. These apply to New Works, Retrofit Works, and Reportable Works. Existing buildings with no recent works have no upfront carbon obligation.
- **Operational energy limits:** energy use intensity limits covering total measured energy across all fuel types and all landlord and tenant loads, meaning plug loads and tenant small power are in scope alongside regulated building services. This is not limited to regulated energy as defined under Building Regulations.
- **Fossil fuel free:** no new fossil fuel use is permitted on site, with narrow exemptions for emergency backup systems. Existing fossil fuel systems, and leases signed before March 2026, have transition provisions in place until 2040.
- **On-site renewable electricity generation:** minimum generation targets apply per square metre of building footprint, with the specific target set by UK region.
- **Refrigerant GWP limits:** all refrigerant systems must use refrigerants with a Global Warming Potential of no more than 677 kgCO₂e/kg, and any non-compliant systems must be replaced by 2030.
- **Reporting requirements:** operational water use and electricity demand management are currently assessed and reported as part of the submission, though no numerical limits apply yet. Limits are expected to be introduced in future versions of the Standard.



Funds and developers working with properly qualified advisors are likely already generating much of the data the Standard requires.



The net zero claim window

Unlike traditional design-stage certifications, conformity under the Standard is not permanent and must be maintained through ongoing operational measurement and reverification. A verified certificate covers a specific **12-month Operational Reporting Period**, meaning **Net Zero Carbon Aligned** status must be continually evidenced through measured building performance.

Reverification is required annually for the first three years, then every three years thereafter if no significant works have taken place. To be eligible, the building must be at least 80% occupied on the first day of the reporting period, so a signed lease on an empty shell does not satisfy this requirement.

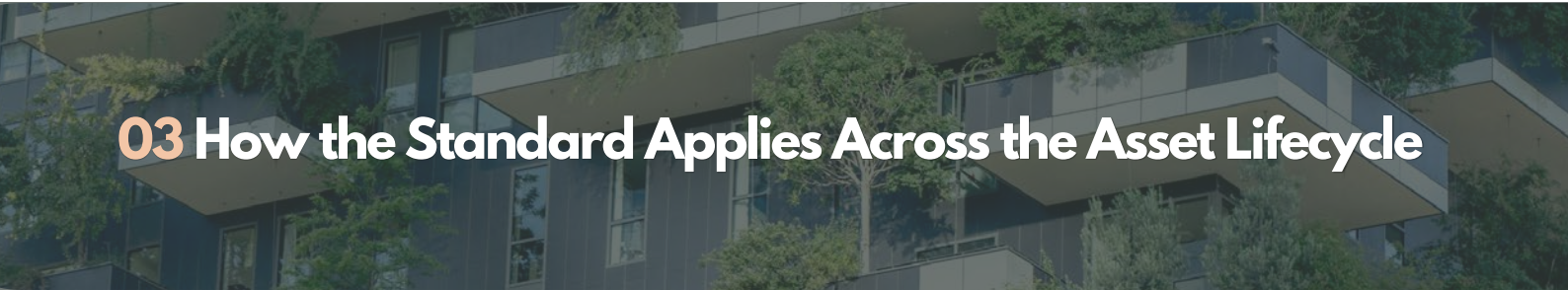
Carbon offsets and electricity procurement

The Standard places primary emphasis on reducing actual operational and embodied carbon emissions through building performance, rather than relying on offsets or renewable electricity procurement alone. However, qualifying offsets and electricity procurement mechanisms can still be used to address residual emissions under specific conditions.

Qualifying carbon offsets must use either **ICROA-endorsed or ICVCM Core Carbon Principle-labelled credits**, with evidence that the credits have been purchased and retired specifically against the building's reported emissions.

Standard **REGO-backed green tariffs**, although common in the UK market, do not qualify under the Standard for either emissions reporting or offsetting. Only three renewable electricity procurement routes currently qualify: **a UKGBC Silver or Gold rated tariff, a qualifying “Deep Green” electricity supply contract with UK-generator REGOs fully retired, or a qualifying direct Power Purchase Agreement (PPA).**

Where residual emissions remain after all applicable requirements have been met, qualifying offsets and/or renewable electricity procurement may be used to support the “Net Zero Carbon Aligned (plus offsets)” designation.



03 How the Standard Applies Across the Asset Lifecycle

The way these requirements apply in practice varies depending on whether the asset is an existing operational building, a refurbishment project or a new development.

Existing Buildings in Operation

Existing operational buildings with no qualifying **New, Retrofit or Reportable Works** have no upfront carbon obligation. The route to alignment is through operational performance and verification. For operational energy compliance, two routes are available: the “one-go” route, where the building meets the current operational energy limits in full immediately; and the “stepped” route, where progressively tightening interim limits apply over time through a **PAS 2038-compliant Retrofit Plan**.

For many existing institutional assets, the **Performance Evaluation** is likely to be the most practical starting point. It establishes a verified performance baseline, identifies the gap to full conformity and provides a credible output for investor reporting and transition planning.

Retrofit Works and Refurbishments

Works classified as Retrofit Works or Reportable Works under the Standard trigger embodied carbon assessment requirements. These classifications are based on the type and scale of works being carried out to the building, such as refurbishment works, major plant replacement or significant fit-outs, rather than project cost alone. A **RICS Whole Life Carbon Assessment** is required for the works within scope, while operational energy performance is assessed through either the one-go or stepped route. Existing buildings taking the stepped route must produce a **PAS 2038-compliant Retrofit Plan** before works begin.

For multi-tenanted assets, sub-metering is often the critical prerequisite for future verification, particularly where landlord-only or tenant-only assessment routes are being considered. Installing sub-metering as part of planned refurbishment works is often the capital expenditure decision that unlocks future verification pathways. Full conformity verification is typically submitted after the first full 12-month Operational Reporting Period following completion, provided the building meets the Standard's minimum occupancy requirements.

New Build Developments

New developments are assessed against all applicable requirements of the Standard, including upfront embodied carbon limits, operational energy performance, fossil fuel free design, renewable electricity generation and refrigerant requirements. Upfront carbon limits tighten year on year and cannot typically be recovered late in design. In practice, a whole life carbon assessor should be appointed from the earliest design stages to help shape the building's specification and carbon strategy before key decisions become fixed.

At practical completion, the optional PC-on-Track assessment can provide an independently verified statement that the completed building is predicted to achieve alignment once occupied. Full conformity can only be verified after the first full 12-month Operational Reporting Period, provided the building meets the Standard's minimum occupancy requirements.

One important strategic consideration is timing. Full conformity can only be verified once a building has completed a full **12-month Operational Reporting Period** and achieved the Standard's minimum occupancy requirements. However, the Standard only includes embodied carbon from works undertaken within the five years preceding verification. For developments with slow lease-up periods or delayed stabilisation, this may complicate the timing of a full whole-building conformity submission and should therefore be considered early in the project programme.



Buildings with verified operational performance are likely to become increasingly differentiated from assets relying on unverified net zero claims



04 What do do Next

The actions below are structured by asset type and project stage, recognising that the route toward alignment differs depending on whether a building is already operational, undergoing refurbishment works, or being developed as a future new build. The first step for most organisations is to categorise assets based on their likely long-term strategy and operational future, as this will determine the most appropriate route toward Performance Evaluation, Net Zero Carbon Aligned verification, retrofit planning or redevelopment under the Standard. Each asset type has practical actions that can be implemented now to improve future alignment potential, verification readiness and operational performance:

Existing Building

- 1 **Assess Occupancy and Data Availability** Review whether assets meet the Standard's 80% occupancy requirements and whether sufficient operational data exists for submission, including energy consumption, refrigerants, occupancy and renewable electricity data.
- 2 **Resolve Data Gaps** Where operational data is incomplete, establish a collection strategy through smart metering, sub-metering, utility data platforms and tenant data-sharing arrangements where necessary.
- 3 **Assess Operational Energy Performance** Compare measured operational energy use against UKNZCBS limits to understand which assets are closest to alignment and most suitable for early Performance Evaluation or full verification.
- 4 **Review Electricity Procurement Contracts** Assess whether existing renewable electricity procurement arrangements qualify under the Standard and identify opportunities to transition non-compliant contracts over time.
- 5 **Determine the Verification Strategy** Based on asset control, operational performance and data availability, determine whether assets should pursue Performance Evaluation, Net Zero Carbon Aligned verification, or whole-building, landlord-only or tenant-only assessment routes.
- 6 **Build Verification into Asset Management** Incorporate UKNZCBS verification costs, data management responsibilities, supply chain obligations and submission timelines into operational asset management and business planning processes.

Retrofit / Refurbishment

- 1 **Appoint Whole Life Carbon Expertise Early** Appoint a Whole Life Carbon Assessment (WLCA) advisor before major design decisions and specifications become fixed, as opportunities to reduce embodied carbon are difficult to recover later in the process.
- 2 **Determine the Compliance Route** Assess whether the project is likely to follow the one-go or stepped operational energy route, as this will influence design decisions, sequencing and future verification requirements.
- 3 **Produce a Retrofit Plan** Where the stepped route is being pursued, produce a PAS 2038-compliant Retrofit Plan before works begin, with clear sequencing, delivery timescales and operational improvement targets.
- 4 **Assess Scope of Works Against UKNZCBS Thresholds** Determine whether the planned works are classified as Retrofit Works or Reportable Works under the Standard, as this will define the applicable Whole Life Carbon Assessment and reporting requirements.
- 5 **Integrate Metering and Data Infrastructure** Use refurbishment works as an opportunity to improve smart metering, sub-metering and landlord/tenant energy separation to support future verification pathways and operational data collection.
- 6 **Review Plant and Refrigerant Compliance** Assess replacement plant, HVAC systems and refrigerants against the Standard's fossil fuel and refrigerant requirements to avoid future non-compliance risks.
- 7 **Plan Verification Timing** Align project completion, operational stabilisation and occupancy planning with the Standard's verification requirements, including the 12-month Operational Reporting Period and the five-year Whole Life Carbon Assessment reporting window.

New Build Development

1

Integrate UKNZCBS into Early Project Strategy Incorporate UKNZCBS requirements from the earliest design stages to ensure operational energy, carbon, metering and verification requirements are considered before key project decisions become fixed.

2

Appoint Whole Life Carbon Expertise Early Appoint a Whole Life Carbon Assessment advisor early in the design process, as upfront carbon limits tighten year on year and opportunities to reduce embodied carbon are difficult to recover later in design.

3

Design for Operational Verification Ensure operational energy strategies, metering infrastructure, renewable electricity procurement and occupier data collection processes are aligned with future verification requirements before practical completion.

4

Coordinate UKNZCBS with Existing Certifications Incorporate UKNZCBS requirements from the earliest design stages and coordinate alongside frameworks such as BREEAM or NABERS to reduce duplication and improve alignment between certification and operational performance outcomes.

5

Consider PC-on-Track at Practical Completion Assess whether the optional PC-on-Track verification route would provide strategic value for investor reporting, pre-let discussions or pre-sale positioning before the building becomes fully operational.

6

Plan Verification and Occupancy Timing Align lease-up strategy, occupancy planning and operational stabilisation with the Standard's verification requirements, including the 12-month Operational Reporting Period and the five-year Whole Life Carbon Assessment reporting window.

How LifeProven Helps

LifeProven helped develop the Standard and ran Pilot Schemes that informed its creation. We help Investment Managers, Asset Managers and Developers understand what the Standard means for their portfolios, projects and future asset strategies, and then support the implementation process from early-stage planning through to verification readiness.

Our integrated Technical Consultancy, Project Management and Cost Management teams allow us to manage the full process in-house across operational assets, retrofit pathways and new build developments. This includes: portfolio and asset-level gap analysis; Energy Modelling and Whole Life Carbon Assessments; ESG Data Management and verification support; project and supply chain coordination; and cost management support to help deliver retrofit and new build pathways within budget.

We typically support clients in two ways: helping existing operational assets transition toward verified Performance Evaluation or full Net Zero Carbon Aligned status; and helping New Works and Retrofit Works achieve Net Zero Carbon Aligned status through design, modelling and delivery support.

Book a Call if you would like to understand how the Standard applies to your portfolio, projects or future development pipeline, contact LifeProven to arrange a Portfolio Alignment Review. We assess which assets are closest to alignment, where Performance Evaluation is achievable, and what operational, retrofit or redevelopment pathways may be required.

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THANK YOU

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