

FIGURES | SUSTAINABILITY INDEX | 2026

# Sustainability Index results to H2 2025

## Efficient assets outperform over index history

### Main findings

Over the history of the index total returns for efficient assets remain higher due to the underperformance of inefficient stock, although this varies across sectors, with the strongest outperformance posted by the industrial and office sectors.

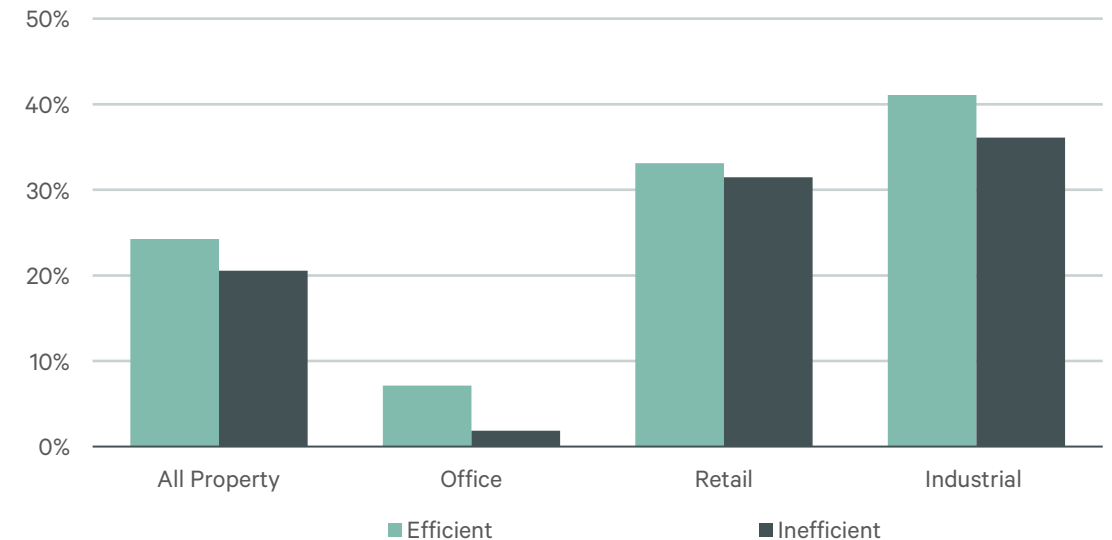
**Office** – Offices still display the clearest correlation between inefficiency and value discounts, despite the gap in between efficient and inefficient assets did narrowing over H2 2025. However, this isn't in line with the trend across the history of the index.

**Industrial** – The underperformance of inefficient stock became more pronounced in H2 2025, with the value discount for inefficient assets increasing. This trend was seen across both small and large industrial units.

**Retail** – The retail sector continues to show the weakest link between efficiency and performance; which this is largely due to sample composition of the sector. Performance across efficient and inefficient assets is particularly similar for Retail Warehouses.

As at Q4 2025, the index comprised of 750 assets totalling approximately £15bn.

Total returns for efficient and inefficient buildings since index inception

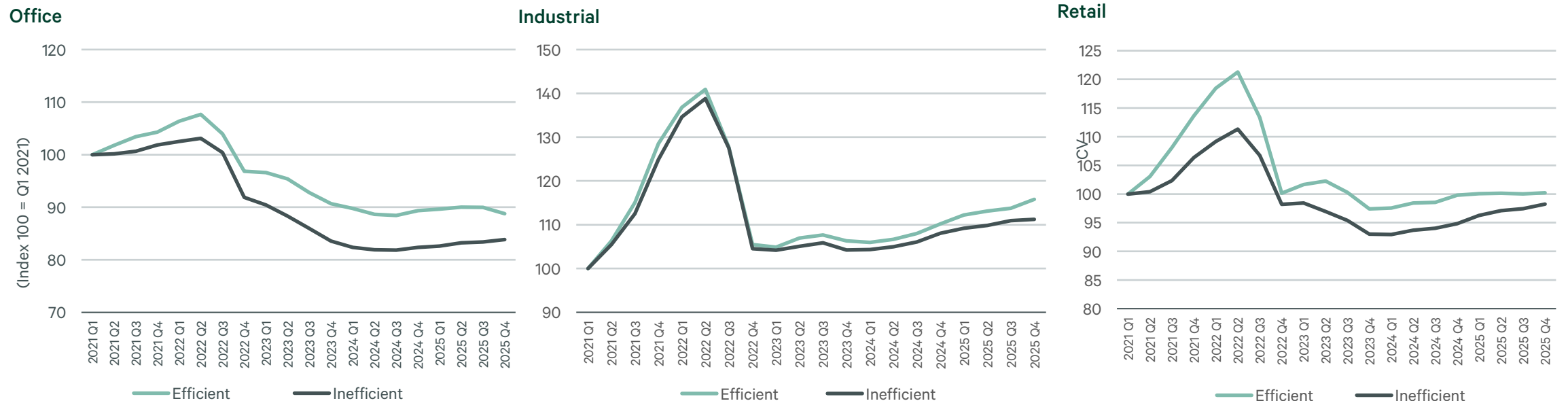


Source: CBRE Research

# Capital values

The discount for inefficient industrial assets increased in H2 2025, as sustainability features remain a main priority for investors and occupiers across the sector. However, capital performance gap across offices and retail narrowed over the second half of the 2025.

Across the whole index, capital values for efficient assets increased by 0.5% in H2 2025 but were outpaced by inefficient assets (1.5%). This coincides with increased office transactions in H2 2025 enabling further price discovery across the sector, but over the index history efficient assets have seen better capital performance.

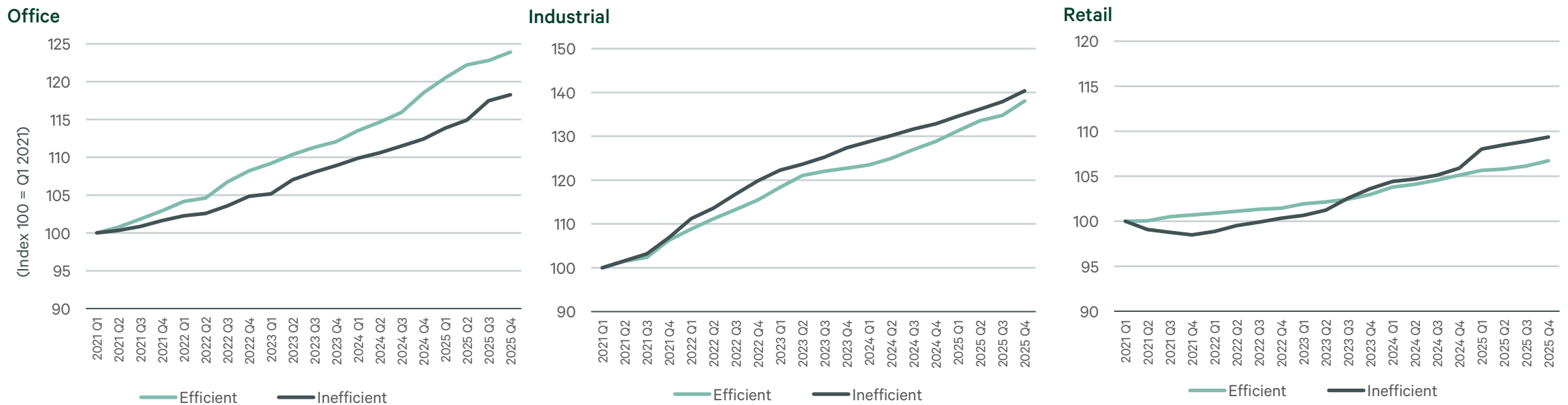


Source: CBRE Research.

# Rental values

Rental growth for efficient assets was 2.1% in H2 2025, however inefficient assets posted rental growth of 2.8%. This was driven by the office sector, as rental growth for inefficient assets outpaced energy efficient offices. However, over the history of the index, efficient assets have outperformed.

Efficient assets across the industrial and retail sectors posted higher rental growth throughout H2 2025, reducing the divergence in rental values over the history of the index.



Source: CBRE Research.

## Contacts

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### Further information

To create the Sustainability Index, Energy Performance Certificates (EPCs) at the unit level were aggregated into an asset level EPC rating. This was done using a weighted average. Unit level EPCs were weighted according to their share of floorspace in the whole asset. We only used assets valued at a quarterly or monthly frequency and where EPCs were available for more than 80% of the total floor area recorded for that asset. We then defined efficient assets as those with an aggregate EPC of B or higher and inefficient assets as those with an aggregate EPC of C or lower. Our definitions of efficient and inefficient are consistent with those used by the [Sustainable Finance Disclosure Regulation \(SFDR\) in principle adverse impact 18](#). EPC ratings for asset valuations prior to Q1 2022 were applied using the aggregated asset level EPC ratings calculated for assets from Q1 2022 onwards. We do not demonstrate a causal relationship between energy efficiency and investment performance in this analysis, but we do illustrate how they correspond.

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