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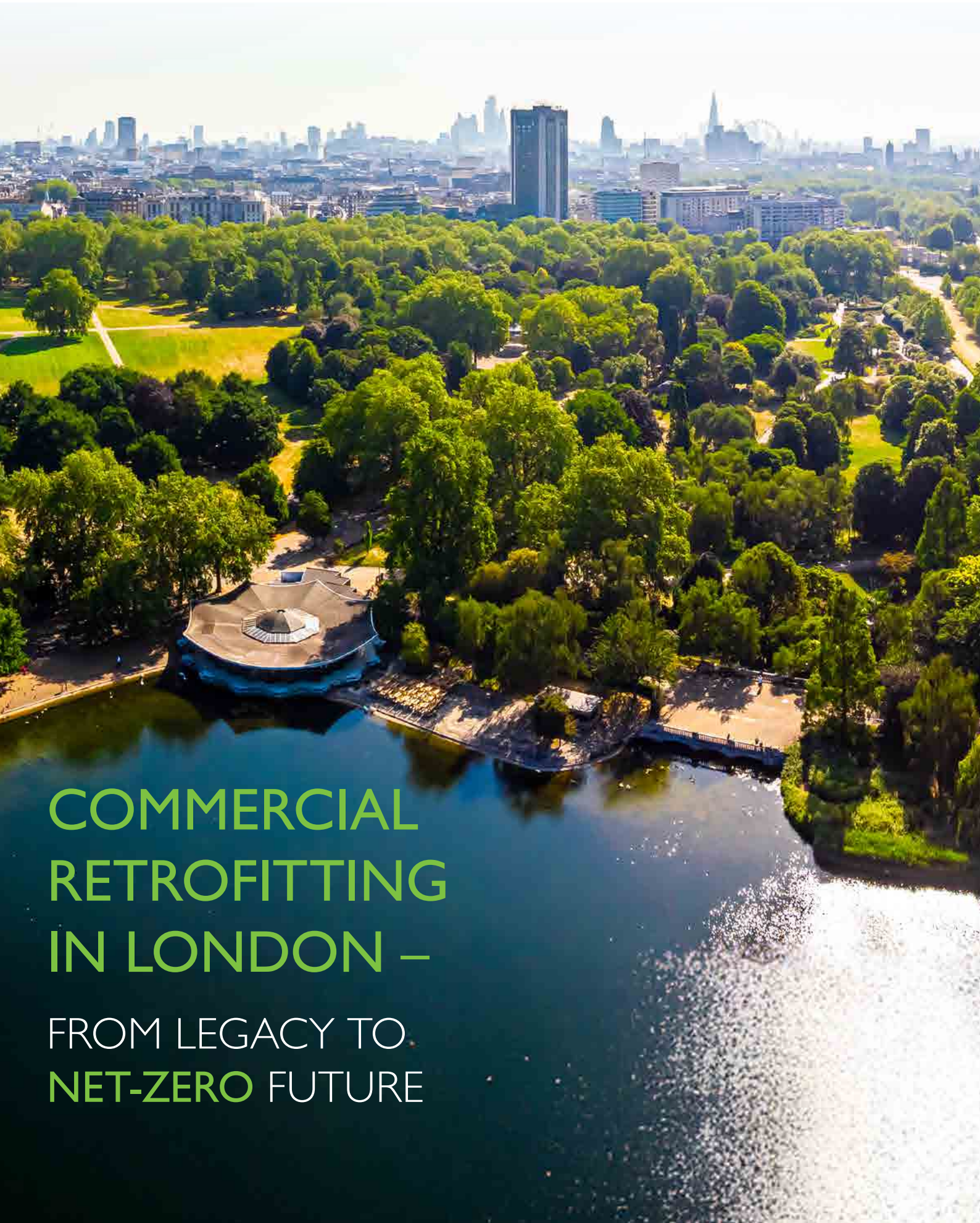


COMMERCIAL RETROFITTING IN LONDON –

FROM LEGACY TO NET-ZERO FUTURE

EXECUTIVE SUMMARY

Survey Overview: Retrofitting in Focus

To understand how London businesses are engaging with the retrofit agenda, LCCI partnered with Savanta to conduct two waves of surveys in 2024, capturing responses from companies across all sectors and sizes. The findings show that, while sustainability is widely recognised as necessary – 74% of businesses consider it essential – practical action remains limited.

- Only **28%** of firms have a decarbonisation plan; **72%** have none.
- **15%** have already retrofitted their premises, while **25%** plan to do so.
- Larger businesses are significantly more proactive than micro and small firms, which make up 97% of London's business base.
- The most common retrofit measures include energy efficiency upgrades (60%), on-site renewables (36%), and mechanical and electrical system improvements (36%). However, uptake is uneven, and SMEs face the most significant barriers to participation.

Key Challenges Identified

Survey data and stakeholder engagement highlight a complex set of barriers:

- **Financial Constraints:** 22% of businesses cite insufficient finance as the main reason for not retrofitting. Awareness of available funding remains low, and application processes are often perceived as complex.
- **Regulatory and Lease Barriers:** Uncertainty around planning requirements and restrictive lease terms creates additional friction, particularly for tenants.
- **Operational Pressures:** Many firms report a lack of time, skills, and internal expertise to plan and deliver retrofit projects.
- **Skills Shortage:** The limited availability of qualified retrofit coordinators, energy assessors, and PAS 2035-compliant installers poses a systemic risk to scaling delivery.

These challenges are compounded by fragmented policy frameworks and uneven access to technical support, leaving SMEs at risk of falling behind as energy standards tighten.

High-Level Recommendations

To accelerate commercial retrofitting and ensure inclusive participation, this report calls for:

- **Integrated Finance Solutions:** Expand access to grants, interest free loans, and innovative models such as green leases and performance based contracts, supported by clear signposting and advisory services.
- **Policy Alignment and Simplification**: Harmonise national, regional, and borough-level regulations, mainstream "retrofit-first" planning policies, and streamline approval processes.
- **Skills and Capacity Building**: Invest in training programmes, apprenticeships, and digital tools to close the workforce gap and enable data-driven delivery.
- **SME Engagement and Support:** Provide practical guidance, case studies, and collaborative procurement models to help smaller firms overcome structural barriers.
- **Innovation and Circular Economy Practices:** Encourage adoption of advanced materials, smart systems, and reuse strategies to reduce costs and embodied carbon.

Commercial retrofitting is not only an environmental imperative but a strategic opportunity for London's businesses to reduce costs, enhance asset value, and strengthen resilience. The challenge now is to move from ambition to action – scaling delivery through coordinated policy, finance, and skills development.

CONTENTS

1. INTRODUCTION

No challenge is more pressing than reducing carbon emissions and mitigating the impacts of artificial climate change. In 2019, the UK set a historic precedent by committing to achieve net-zero carbon emissions by 2050 – a legally binding target that has since driven transformative action across both public and private sectors.

Commercial retrofitting has become a vital part of London's move towards net zero. While new-build projects often attract most policy focus and media attention, about 80% of the city's commercial buildings that will be in use by 2030 – and even 2050 – are already standing today. In this context, the targeted retrofit of offices, retail centres, warehouses, and other non-residential properties is essential for London to achieve climate targets, control rising operational costs, and maintain its economic competitiveness in a global market that is increasingly influenced by environmental standards and resource efficiency.

Unlike domestic retrofit, commercial projects pose unique delivery challenges: lengthy lease terms, intricate landlord-tenant arrangements, and the need to minimise operational disruption. Yet they offer considerable upside: retrofitting a single Grade A office building can deliver annual energy savings equivalent to those of dozens of homes, create high-value jobs in green trades, and enhance asset valuations. For businesses seeking both to reduce their carbon footprint and align with evolving environmental expectations, retrofitting represents a pragmatic, cost-effective alternative to new development, particularly in densely built central areas. As environmental performance becomes increasingly closely linked to investor confidence, occupier demand, and regulatory compliance, retrofitted buildings are emerging as both a strategic business asset and a sustainable choice.

Transforming legacy infrastructure into energy-efficient, low-carbon assets requires substantial capital investment, the adoption of advanced technologies, and strategic workforce development – all while adapting buildings to evolving operational needs. In return, commercial retrofitting unlocks a wide range of economic benefits, driving job creation in emerging green industries, delivering enduring energy savings, and enhancing property values, thereby positioning London as a global hub for sustainable urban innovation.

Despite its strategic importance, commercial retrofitting in London has progressed more gradually than its residential counterpart. This disparity reflects the higher costs, technical complexity, and layered regulatory requirements associated with upgrading non-residential properties. Offices, retail units, and industrial facilities often require extensive structural modifications, advanced HVAC system integration, and compliance with multiple planning and building control regimes. A recent analysis by the British Property Federation indicates that 83% of commercial buildings in UK city centres, including London, currently hold an EPC rating of C or below, placing them at risk of non-compliance with the 2030 Minimum Energy Efficiency Standards (MEES) thresholds.[1] Similarly, the UK Green Building Council has found that 77% of the UK's office stock falls short of the EPC B target standard for commercial buildings by the end of this decade.[2]

By contrast, residential retrofit delivery, while also behind pace, benefits from more visible and structured public interventions. Initiatives such as the Mayor's Warmer Homes Scheme[3] have enabled thousands of home upgrades, although they still reach less than 1% of the housing stock in need of intervention. The depth of work required across the residential sector varies widely – from low-cost insulation measures to full-system decarbonisation – resulting in uneven cost profiles and delivery timelines.

Although residential retrofit lies beyond the scope of this report, the contrast in pace and policy attention underscores the need for a cohesive cross-sector retrofit strategy. While homes continue to receive targeted support and remain a focal point of public discourse, commercial buildings remain a significant source of emissions, and their decarbonisation is essential if London is to meet its 2030 net-zero ambitions. Industry experts and policy advocates have consistently emphasised the need to accelerate commercial retrofit delivery, highlighting the critical role of London's existing business infrastructure in shaping a viable, low-carbon urban future. Without improved data, more substantial alignment between funding and regulation, and a more coherent delivery framework, both sectors risk falling short of the city's broader climate goals. Scaling up commercial retrofit requires more than just finance and regulation – it fundamentally depends on workforce capacity. Deep-retrofit interventions are not just construction projects; they involve technical precision, performance modelling, and coordination across multiple disciplines.

1 bpf_epc-commercial-real-estate.pdf
2 Missed Commercial Retrofit Opportunities | UKGBC
3 Warmer Homes | London City Hall

This creates demand for a wide range of specialist roles that go well beyond traditional trades: building physicists, energy assessors, retrofit designers, digital modellers, and PAS 2035-compliant coordinators are increasingly central to delivery. As retrofit projects grow in scope and complexity – particularly in older commercial stock – new vocational pathways, interdisciplinary training programmes, and on-site learning models must evolve in parallel. Cross-functional teams capable of integrating digital tools, materials science, and energy system optimisation will be essential. Without sustained investment in skills development, matched by clearer career progression routes and stronger employer engagement, London risks falling short not due to policy or ambition but because it lacks the people to carry the work forward at the required scale.

Commercial buildings account for approximately 23% of emissions from the built environment, underscoring the sector's central role in achieving urban sustainability.[4] As demand for energy-efficient, future-proofed office spaces grows, retrofitting has become a strategic priority. It enhances energy performance, reduces environmental impact, and increases asset value, reflecting the growing market premium on sustainable commercial properties.

For SMEs in London, the path to commercial retrofitting presents both challenges and opportunities. Key barriers include the need for substantial upfront investment, navigating a complex regulatory landscape, and managing the technical demands of retrofit delivery. However, the incentives are equally compelling: improved compliance with energy efficiency standards, reduced operational costs, and greater long-term resilience. In this context, retrofitting is more than an environmental obligation – it is a strategic lever for sustainable business growth and economic stability, playing a vital role in London's low-carbon transition.

The London Chamber of Commerce and Industry (LCCI), the capital's largest independent business advocacy organisation, represents a diverse business community – from micro-companies and sole traders to multinational corporations – across all 33 London boroughs. LCCI's 'Sustainability Committee champions London's emergence as a centre of excellence for sustainable development. Through both multi-sector and sector-specific initiatives, the committee has consistently addressed key policy challenges to help London businesses contribute to – and benefit from – the city's net-zero ambitions.

This business-led momentum aligns with London's "Accelerated Green" pathway[5], which sets an ambitious target to retrofit approximately 250,000 commercial buildings by 2030. The figure was drawn from modelling estimating commercial properties to account for nearly a quarter of the city's built-environment emissions, making retrofit a cornerstone of both climate action and the broader Green New Deal objectives. Recognising this urgency, LCCI has actively championed accelerated retrofit delivery through initiatives such as the Commercial Retrofit Call to Action. By urging firms to develop detailed retrofit plans aligned with the UK Green Building Council's Net Zero Carbon Buildings Framework, LCCI seeks to bridge the gap between policy ambition and business readiness. As industrial and commercial premises contribute a significant share of London's emissions, retrofitting is essential not only for environmental reasons but also for its clear financial benefits – from lower energy and water bills to greater operational efficiency.

For the purposes of this report, "commercial retrofit" refers to the systematic upgrading of existing commercial buildings to improve energy efficiency and reduce carbon emissions. This includes a broad range of interventions, from light-touch optimisation and system upgrades to deep structural renovations. These measures often align with key moments, such as lease renewals, tenancy transitions, or scheduled maintenance, making planning and timing critical to success.

To capture the current business landscape surrounding retrofit activities, LCCI partnered with Savanta to conduct two waves of online surveys: from July 30 to August 30, 2024, and again from October 18 to November 17, 2024. In total, 530 and 520 London businesses participated in both waves, respectively. The data was weighted to represent all London businesses by company size and broad industry sector. Savanta is a member of the British Polling Council and abides by its rules. Full data tables are available online.[6] Businesses were categorised into three groups: micro-businesses (with fewer than 10 employees, including sole traders), small and medium-sized enterprises (SMEs, with 10 – 249 employees), and large businesses (with 250 or more employees). All data cited in this report should be referenced appropriately.

This report lays the foundation for a detailed examination of how London businesses plan, finance, and implement retrofit initiatives, as well as how policy and financial frameworks can be refined to accelerate non-residential decarbonisation at scale.

4 Commercial Retrofit | UKGBC
5 Pathways to Net Zero Carbon by 2030 | London City Hall
6 Savanta, https://savanta.com/

In the following chapters, we analyse the unique challenges and opportunities in London's commercial retrofit market, outline practical delivery steps, evaluate supporting financial instruments, and propose policy interventions to move from ambition to widespread implementation. Through this approach, we emphasise the crucial role of commercial retrofitting in shaping a sustainable, low-carbon future for the capital.

Acknowledgements

The London Chamber of Commerce and Industry would like to thank our contributing members whose invaluable insight and expertise have helped to shape this paper.

Special thanks to the **Chamber's Sustainability Committee** and its **Chair Mark Jenkinson** for his leadership and guidance. We also extend our thanks to our programme partners at CIBC, SSE and Panin.

2. MARKET OVERVIEW: COMMERCIAL RETROFITTING IN LONDON

The commercial retrofitting landscape in London is shaped by a convergence of environmental priorities, economic incentives, and evolving market dynamics. Tightening regulatory standards – such as the Minimum Energy Efficiency Standard (MEES)[7] – are compelling property owners to enhance energy performance, making retrofit a critical pathway to future compliance. Economically, retrofitting can be more cost-effective than new construction, as upgraded properties often command higher rental premiums and benefit from increased valuations.

London's built environment is highly segmented, ranging from large office complexes and retail centres to industrial facilities. Ownership structures vary widely: institutional investors hold many prime assets, while SMEs typically operate from leased premises. This diversity necessitates retrofit strategies that balance the ambitions of asset owners with the practical constraints faced by tenants.

SMEs play a vital role in London's economy but face particular hurdles in pursuing retrofits. Limited capital and the restrictions imposed by standard lease terms can prevent smaller businesses from investing in major upgrades. Despite these challenges, successful retrofits offer SMEs substantial rewards – lower operating costs, improved energy performance, and stronger sustainability credentials. Targeted financial support mechanisms, such as grants and interest-free loans, alongside collaborative programs, can help these enterprises overcome barriers and unlock these benefits.

Lease structures themselves are often a barrier. Conventional leases can prohibit tenants from making significant alterations, leaving both parties uncertain about cost-sharing, responsibilities, and long-term returns. In response, the development of green leases – contractual agreements that explicitly allocate retrofit responsibilities and incentives – can help align the interests of landlords and tenants. By embedding sustainability requirements into lease terms, green leases enable more comprehensive retrofit solutions and ensure that all parties share in the value created by energy-efficient upgrades.

While LCCI does not provide direct financial mechanisms, it plays a critical role in facilitating access to financial industry leaders with extensive expertise in sustainable investments. This network empowers businesses to navigate the complex financing landscape and unlock tailored funding solutions for retrofitting projects. Through our Sustainability Committee, LCCI leverages a broad spectrum of expertise to enable the green transformation of London's built environment.

Government-led initiatives, including those supported by Innovate UK, are also essential in advancing commercial retrofitting. Innovate UK adopts a universal approach designed to stimulate the development and implementation of breakthrough innovations, with a particular focus on supporting SMEs. Empirical retrofit solutions emerging from the market illustrate this progress: advanced insulation materials, energy-efficient glazing, and sustainable construction alternatives – such as hempcrete and mycelium-based composites – have been successfully applied in various projects. Additionally, transformative technologies such as smart building systems, modular construction, and Building Information Modelling (BIM) are reshaping retrofit practices, delivering enhanced project outcomes and accelerating the transition to a low-carbon future.

London's commercial retrofit market sits at the nexus of regulatory imperatives, economic opportunity, and technological innovation. As MEES and other standards tighten, upgrading existing buildings becomes not only a compliance exercise but a strategic investment – one that can deliver higher asset values, lower operating costs, and enhanced tenant appeal. Yet the city's diverse property landscape – from flagship office towers to leased SME premises – requires equally varied retrofit approaches, marrying large-scale capital programmes with agile, tenant-focused solutions. Overcoming the twin hurdles of finance and lease complexity will be essential to bringing SMEs fully into the retrofit fold, while green leases and targeted funding can align incentives across landlord-tenant relationships.

Emerging pilot projects and early adopter schemes – from zero energy fit-outs in public sector jobs buildings to innovative façade upgrades and photonic display trials – demonstrate how advanced materials, smart controls and circular economy principles can drive measurable carbon, cost and comfort gains.

7 Domestic private rented property: minimum energy efficiency standard - landlord guidance - GOV.UK

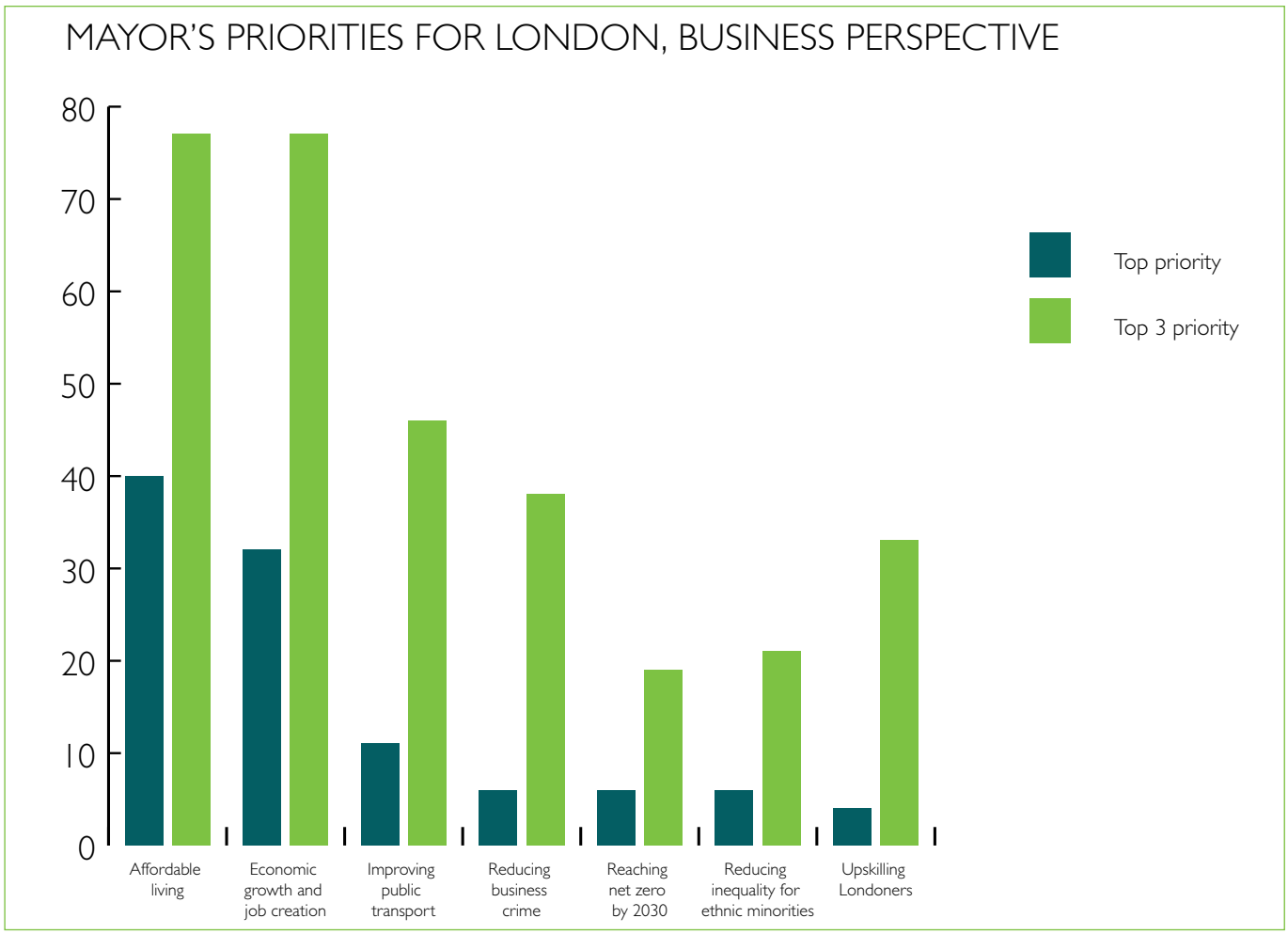
As London continues to refine its policy frameworks and expand its financial ecosystem, these real-world examples will provide invaluable lessons in delivery, measurement, and stakeholder collaboration.

In the next chapter, we turn from market drivers to the lived experiences of London businesses – exploring how organisations plan, finance and execute retrofit interventions, and what support they need to scale up their low-carbon transition.

3. CHARTING THE PATH TO SUSTAINABILITY: INSIGHTS FROM A SURVEY

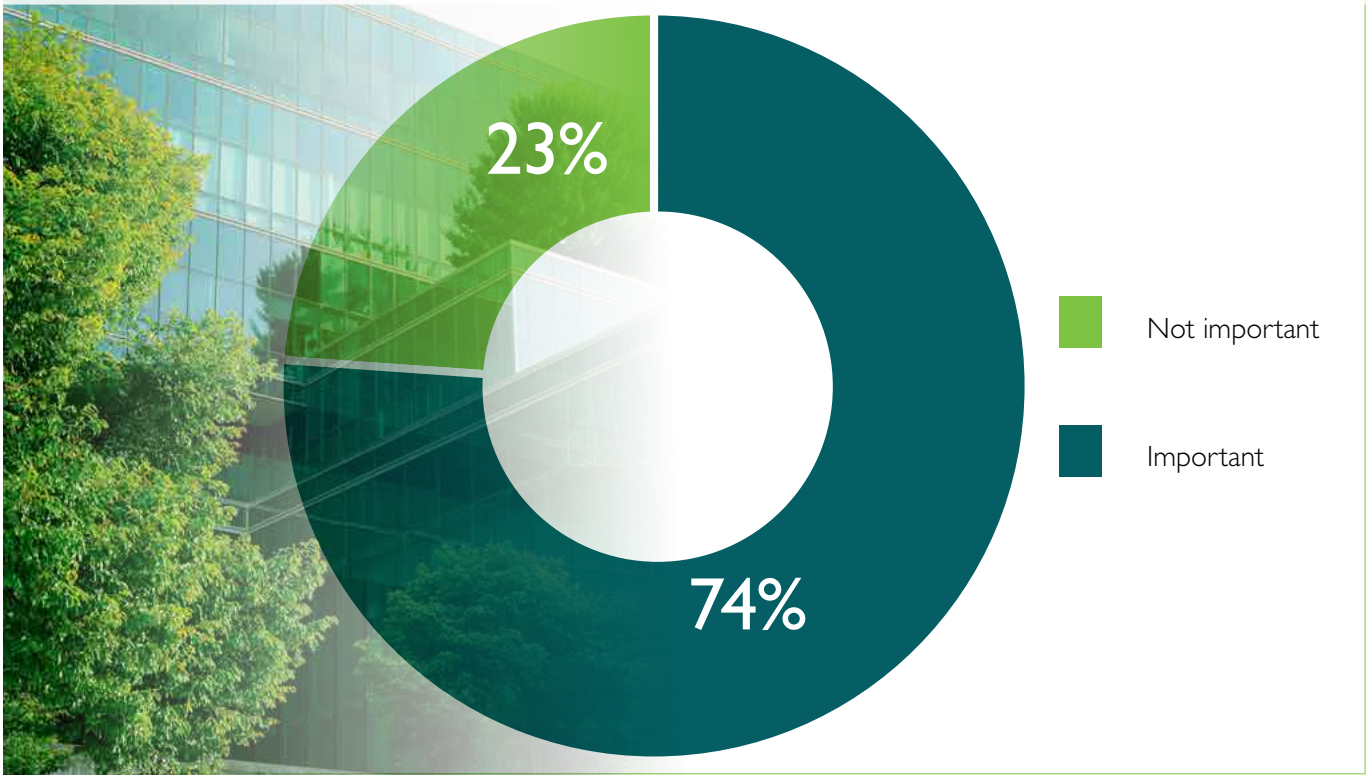
While frequently featured in the news, the concept of net zero does not currently represent a primary concern for business decision-makers; merely 6% prioritise its execution by 2030. Moreover, two-fifths of businesses (37%) classified 'Achieving net zero by 2030' as the least significant among the seven proposed priorities.

Conversely, the cost of living remains a foremost priority for businesses in London. Forty percent of respondents believe that the Mayor's paramount objective should be to make London a more affordable city for residents, an opinion that signifies a seven percentage point increase from the third quarter of 2023 (33%), when affordability was similarly regarded as the leading issue. This sentiment is notably pronounced among microbusinesses employing nine or fewer individuals, at 42%, compared to 26% within larger enterprises with 10 or more employees. Given that 97% of London's businesses are classified as small or micro, many owners and operators experience these pressures firsthand – making immediate cost concerns more salient than broader corporate-scale objectives. Additionally, one-third (32%) of businesses contend that the Mayor should emphasise economic growth through job creation and the promotion of local entrepreneurship.



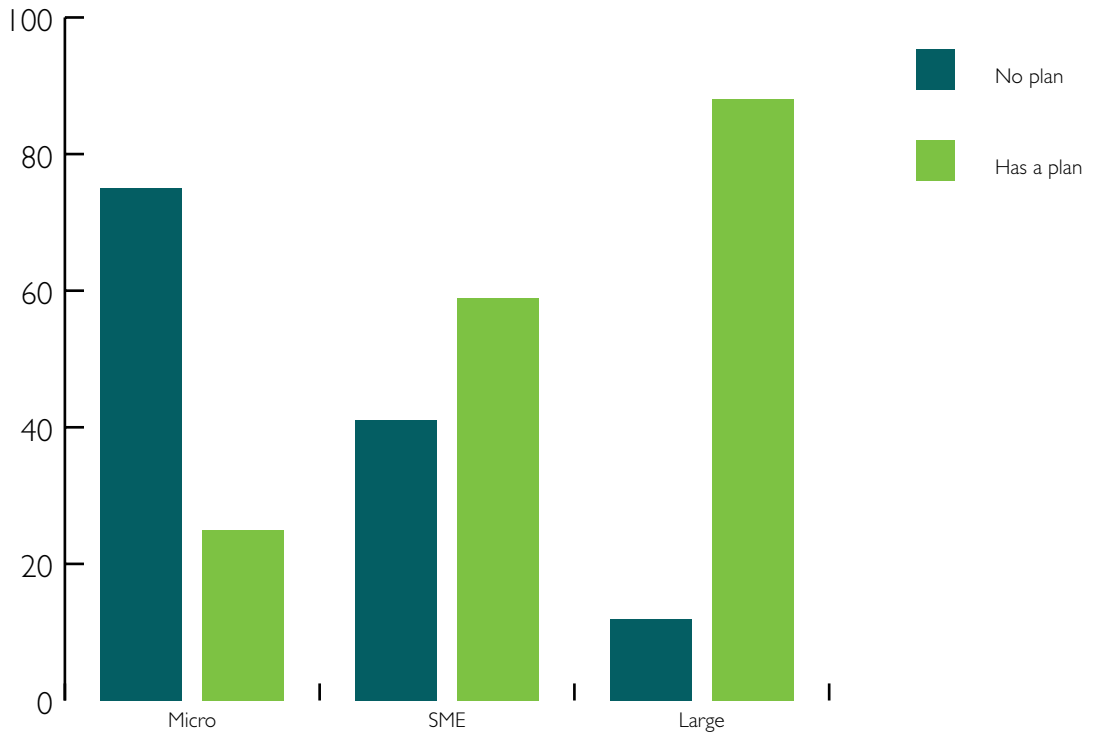
While net zero targets are not a primary concern for London businesses, sustainability is essential to decision - makers. Three-quarters (74%) say it is crucial for their organisation to consider sustainability in its everyday operations, with 23% saying it is not essential. The perceived importance of sustainability varies with business size. Microbusinesses are less likely than larger businesses (with 10 or more employees) to consider sustainability a necessary part of their everyday operations (73% vs. 89%).

IMPORTANCE OF SUSTAINABILITY IN OPERATIONS

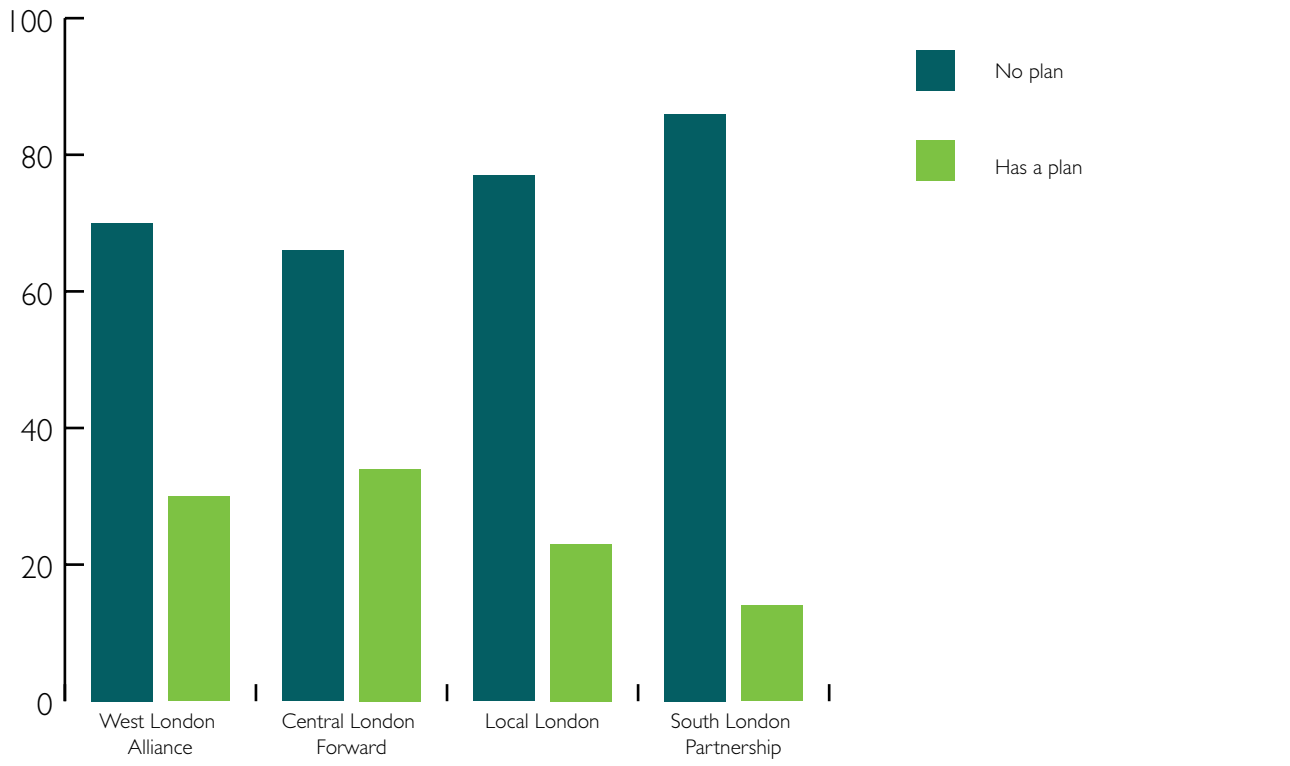


The data reveal a diverse landscape of decarbonisation planning and retrofitting activities among London businesses. While 28% of firms have a defined decarbonisation plan, 72% have yet to establish a formal emissions reduction strategy. Among companies that have a plan, 2030 is the most commonly cited target (18%), with larger businesses (those with 10 or more employees) significantly more likely to have a strategy in place (59%) compared to microbusinesses (25%).

DECARBONISATION STRATEGY ADOPTION BY BUSINESS SIZE

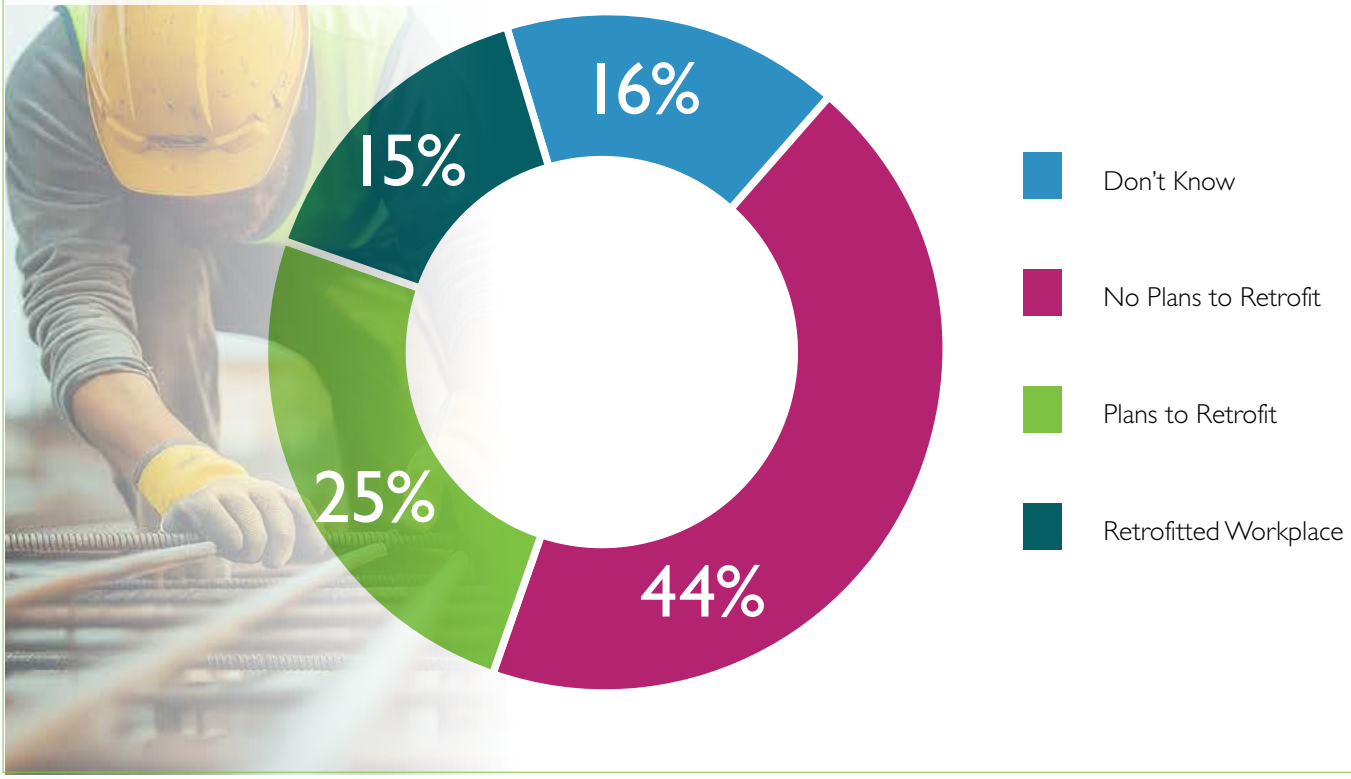


GEOGRAPHICAL PERSPECTIVE ON DECARBONISATION PLANNING



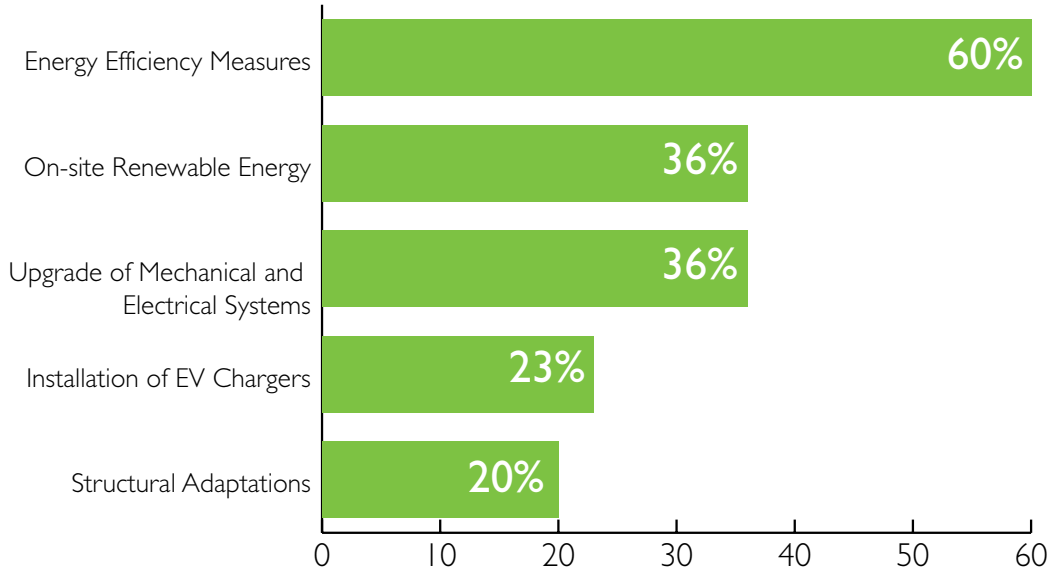
Similarly, commercial retrofitting activity remains unevenly distributed. Only 15% of businesses have already undertaken retrofits, while 25% plan to do so – leaving 44% with no retrofitting efforts or future intentions. Larger firms (10+ employees) are more proactive in this regard, with 35% having completed retrofits and an equal proportion planning to retrofit. The ownership structure also influences retrofitting decisions: businesses that own their premises are more likely to have already retrofitted (26%), while tenants of leased properties demonstrate a greater inclination to implement future retrofits (38%).

RETROFITTING PLANS AND ACTIONS



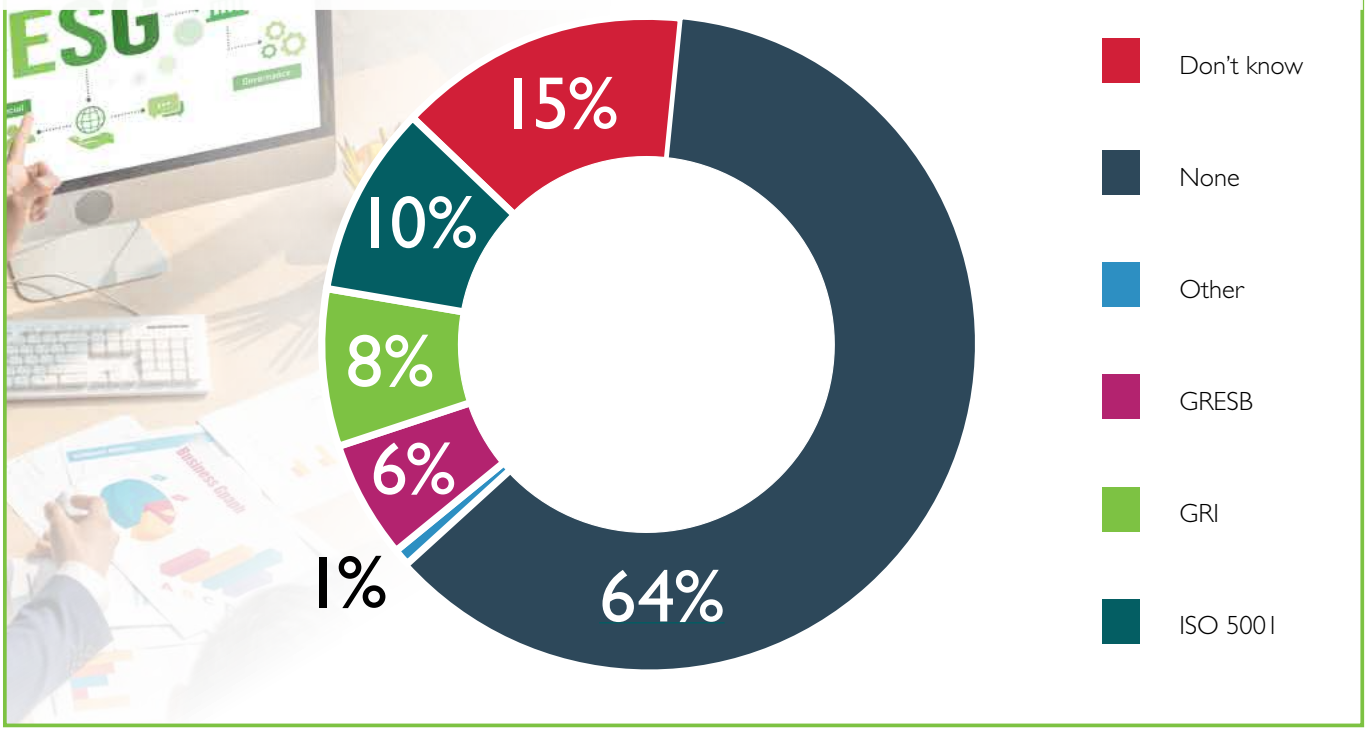
Of businesses that have retrofitted or plan to retrofit their workplace, three in five (60%) have/plan to introduce energy efficiency measures, making this by far the most common adaptation. A third of businesses have or plan to implement on-site renewable energy (36%) and upgrade their mechanical and electrical systems (36%). There are differences between businesses that have already been retrofitted and those that plan to do so in the future. Upgrades to mechanical and electrical systems are significantly more prevalent among companies that have made retrofitting adaptations (44%) than those that intend to (31%). There is a similar picture for structural adaptations to the building itself (29% of businesses that have retrofitted vs. 14% of those that plan to).

ADOPTED RETROFITTING SOLUTIONS



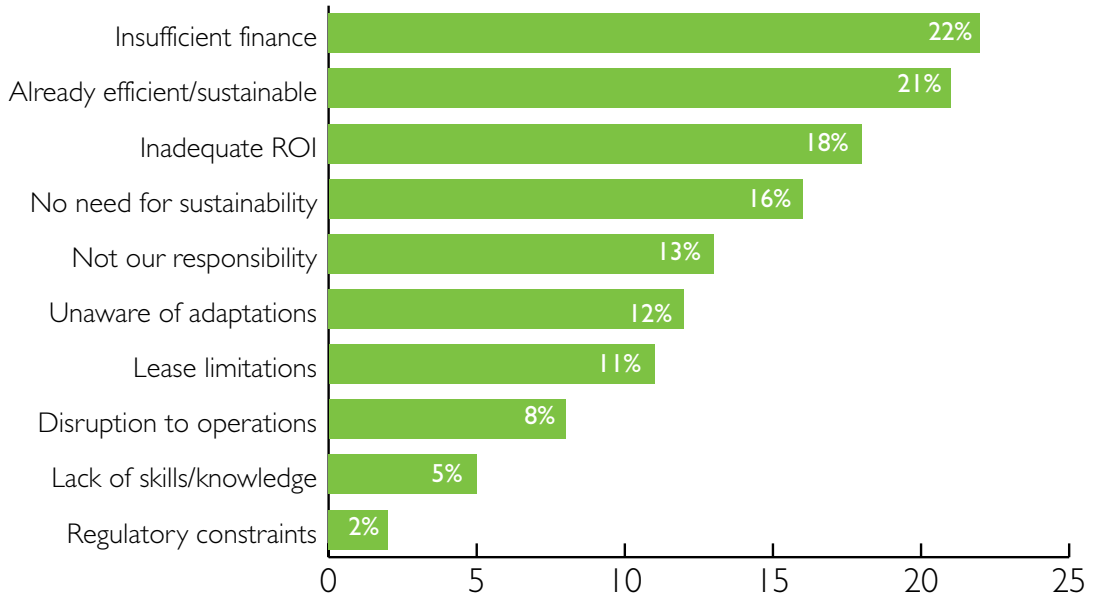
Financial constraints (22%) are the most significant barrier for businesses that do not plan to retrofit their premises, followed by a perception that their workplace is already highly efficient and sustainable (21%). Linked to the issues of funding constraints, almost one in five London businesses (18%) doubt that retrofitting will deliver an adequate return on their investment.

SUSTAINABILITY STANDARDS ADHERENCE



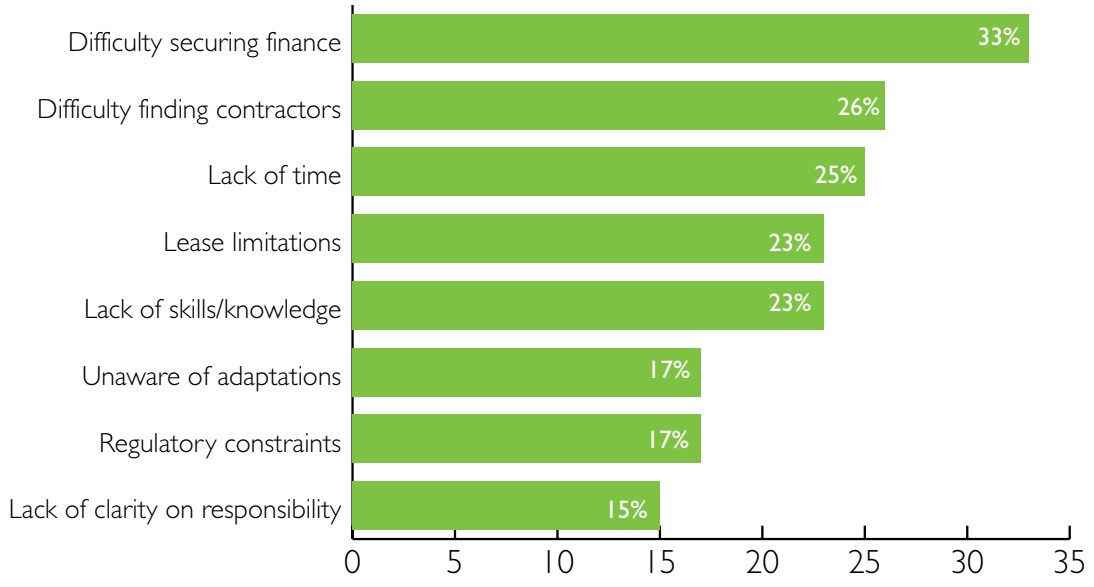
Almost a quarter of businesses (23%) – all of them microbusinesses – selected 'other', and most explained that since they work from home and do not have a distinct 'workplace', the question of retrofitting does not apply to them.

FACTORS DISCOURAGING RETROFITTING



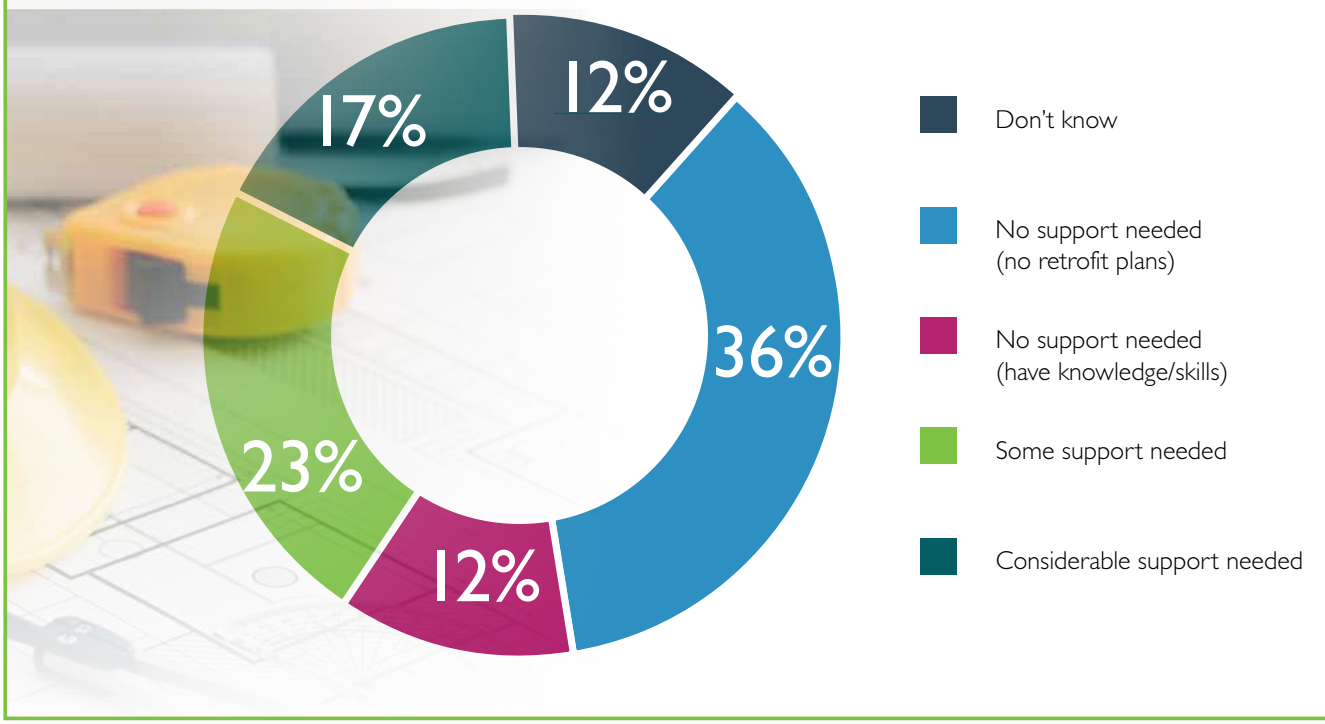
Businesses in London encounter a range of barriers when considering retrofitting, underscoring the complexity of the process. The primary issues are difficulties in securing finance to fund adaptations (33%), locating external companies to carry out the work (26%), and a lack of time to concentrate on making adaptations (25%). This suggests that businesses do not face a single barrier but rather grapple with multiple aspects of the process. Notably, only 14% of companies reported experiencing no significant barriers, a statistic primarily influenced by those that have already completed retrofits (21% compared to 10% of businesses still planning their projects).

COMMON BARRIERS IN RETROFITTING



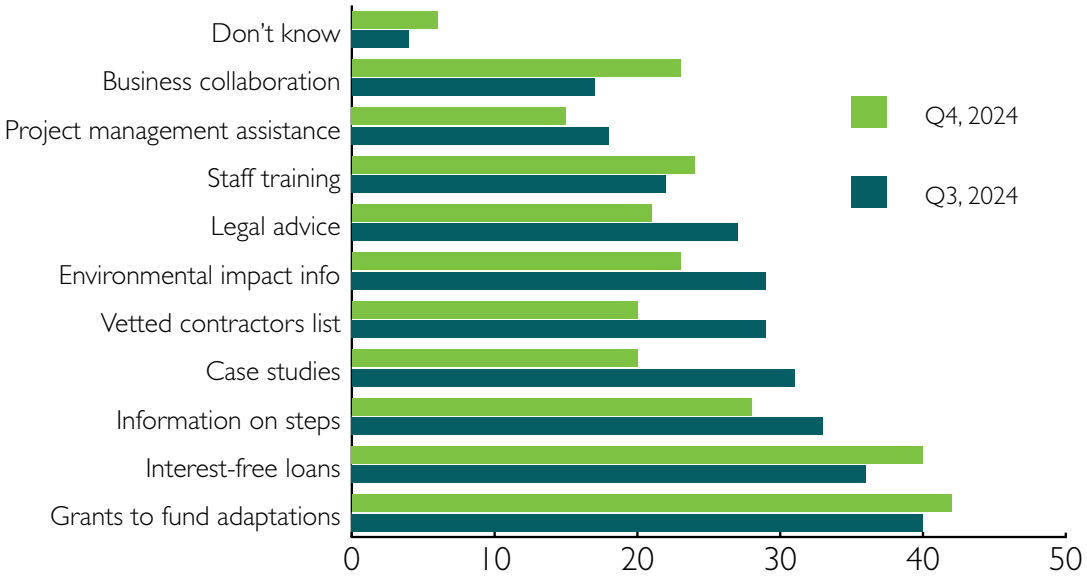
Recognising these challenges, businesses expressed a strong demand for financial and informational support to facilitate retrofitting. While 17% of firms require substantial guidance and an additional 23% need some level of assistance, larger businesses (with 10 or more employees) are significantly more likely to seek support (67%) compared to microbusinesses (37%). However, 48% of companies indicated they do not require support, primarily those with no retrofit plans (36%) rather than those possessing comprehensive retrofit knowledge (12%).

RETROFITTING SUPPORT NEEDS



Financial assistance remains the top priority among the forms of support deemed most beneficial by businesses. Grants for retrofit adaptations (40%) and interest-free loans (36%) were the most commonly requested mechanisms, highlighting the financial constraints identified as a primary barrier. In addition to funding, businesses also emphasised the need for greater access to knowledge and best practices, with 33% seeking more straightforward guidance on retrofitting steps, 31% expressing interest in case studies of successful projects, and 29% requesting insights into the environmental impact of retrofitting measures.

TYPES OF SUPPORT NEEDED FOR RETROFITTING



4. FUNDING THE FUTURE: CAPITAL ACCESS AND RETROFIT DELIVERY

Financing retrofitting projects remains one of London's key enablers and challenges in the net-zero transition. While sustainable finance has gained prominence in national climate strategies, access to tailored financial mechanisms remains uneven, particularly for small and medium-sized enterprises. The upfront costs associated with upgrading energy systems, improving insulation, and implementing renewable technologies continue to present a substantial barrier to action, even when long-term economic benefits are clear.

Building on previous findings from LCCI's policy research, as outlined in Funding the Transition – Measuring Businesses' Access to Sustainable Finance[8], this report continues the Chamber's work to understand how capital constraints impact the practical implementation of low-carbon strategies. The earlier report revealed that around a fifth of all London businesses had sought finance, such as loans, grants, or investment products, for the purpose of reducing emissions. However, only 13% of those applicants were successful, while a further 6% were unsuccessful, and the majority, over 55%, did not consider applying for finance at all.

The reasons behind this reluctance are critical. Lack of awareness of available products was the most commonly cited barrier (28%), followed closely by a lack of internal expertise (26%), the apparent absence of suitable products (24%), and difficulties in aligning retrofit plans with suppliers or partners (14%). These figures point to a broader issue of financial inaccessibility – not in terms of availability per se, but in terms of visibility, comprehension, and readiness.

When viewed through the lens of business size, the disparities become even more pronounced. Within the SME segment, micro-businesses most frequently cited a lack of awareness about where to access sustainable finance (27%), while small and medium-sized firms with more developed operational structures pointed to insufficient in-house expertise as their primary barrier (36%). Larger companies, meanwhile, were more likely to report challenges in finding financial products appropriately tailored to the scale and complexity of their retrofit needs (37%). Across the board, there was a clear appetite for better financial tools, underscored by the 80% of respondents who agreed that new, targeted financial products should be developed specifically to support SMEs in undertaking sustainable investments.

This divergence between financial offers and business capability reveals a persistent gap in how capital support is designed and delivered. While funding streams may technically exist, their utility is limited if businesses are unable to locate, interpret, or implement them effectively. Bridging this gap requires more than new products; it calls for better signposting, accessible advisory support, and a deliberate shift toward finance models that are SME-compatible. Without these adjustments, the risk is that smaller businesses will be sidelined in the city's transition to a low-carbon future despite being central to London's economic frame.

In response to these barriers, a growing range of financial tools and programmes has emerged to support businesses in planning and delivering retrofit projects. These include targeted grants, interest-free loans, green bonds, tax relief schemes, and performance-based contracting models. At the core of this evolving finance landscape lies the principle of enabling capital investment where it is most needed – helping businesses overcome inertia and engage in meaningful decarbonisation at scale.

The Mayor of London's Green Finance Fund[9], launched in 2023 as part of the wider London Climate Finance Facility[10], signals a significant commitment to accelerating investment in climate-aligned infrastructure. The fund has earmarked up to £500 million in flexible, long-term loans to support projects focused on energy efficiency, clean transport, and renewable energy. Designed to reduce borrowing costs and mitigate project risk, it offers interest rates at least 20 basis points below the Public Works Loan Board (PWLB)[11] certainty levels. Funding is targeted at public and quasi-public institutions – including local authorities, NHS trusts, universities, and social housing providers – able to deliver operational outcomes within three years.

8 Funding-the-transition-report.pdf
9 The Green Finance Fund | London City Hall
10 London Climate Finance Facility | London City Hall
11 About PWLB lending

While businesses are not direct recipients, the implications for the private sector are considerable. Many supported initiatives – particularly those related to retrofitting, transportation, and energy systems – are expected to create procurement opportunities for SMEs across construction, engineering, technology, and consultancy services. By easing financial constraints for anchor institutions to deliver green infrastructure, the fund indirectly stimulates demand for business-led innovation and delivery. For smaller firms, aligning with the fund's priorities and building partnerships with funded entities may unlock access to emerging markets and help position them within London's expanding green economy.

The Mayor's Energy Efficiency Fund (MEEF), launched in 2018, has laid the necessary groundwork for blending public capital with private investment to support energy retrofit projects across London. To date, MEEF has mobilised over £420 million in total capital – approximately 70 % of which has come from private sources – and has financed a diverse portfolio of low-carbon upgrades, including lighting systems, HVAC improvements, and renewable energy installations. Notably, the fund has extended support to both public bodies and private sector entities, including SMEs, using flexible financing structures tailored to specific project needs.

Building on this foundation, successor funds within the London Climate Finance Facility are expected to expand access to a broader range of commercial participants. This shift aims to strengthen SME engagement not only by offering potential funding routes for eligible projects but also by positioning small businesses as delivery partners within larger retrofit and infrastructure programmes. As London's investment environment continues to evolve, SMEs aligned with the capital's net-zero objectives – particularly those in energy services, construction, and clean technology – will be well-placed to benefit from new markets and collaborative opportunities across the retrofit supply chain.

In addition to conventional grants, loans, and tax reliefs, planning-related charges – such as the Community Infrastructure Levy (CIL)[12] – offer an underexplored yet increasingly relevant route to funding sustainability-driven upgrades, including commercial retrofitting. Managed by local planning authorities, CIL allows funds collected from new developments to be reinvested in supporting infrastructure. While traditionally associated with transport, the public sector, and community facilities, the City of London's Planning for Sustainability Supplementary Planning Document (SPD)[13] and *Infrastructure Funding Statement (2023–2024)*[14] highlight that CIL revenues can also be channelled towards environmental infrastructure, including carbon reduction and energy efficiency measures.

Although CIL is not currently ring-fenced for commercial retrofitting, the SPD encourages alignment of CIL spending with the City's net-zero and climate resilience targets. This opens up the potential for retrofit-related projects to qualify for funding, particularly when they contribute to borough-level environmental and infrastructure strategies.

For London's SMEs, the implications are twofold. First, as local authorities broaden their sustainability mandates, retrofit projects may increasingly qualify for support or co-funding through CIL allocations. Second, smaller firms in architecture, construction, energy efficiency, and related services could benefit indirectly as suppliers or delivery partners for CIL-backed infrastructure programmes that incorporate retrofit elements. In this context, strengthening the connection between planning contributions and net-zero ambitions not only broadens the funding landscape but also improves SME access to local decarbonisation efforts.

Despite this expanding suite of financial mechanisms, survey findings from LCCI's business engagement reveal that significant barriers remain. Only a small proportion of London businesses report accessing financial support for retrofitting, with 22% of companies citing insufficient finance as the primary reason for not planning retrofit works. Among businesses that have retrofitted or intend to do so, a third identified difficulties in securing finance as a significant challenge. These figures highlight the persistent gap between available financial instruments and their practical adoption among commercial property occupiers.

SMEs, in particular, face a disproportionate share of this burden. While larger organisations often have the internal capacity to navigate funding streams, the model returns on investment, and engage consultants, many SMEs lack the bandwidth or expertise to do so. This divide was reflected in the survey results, which found that larger businesses were significantly more likely to have a decarbonisation plan or an active retrofit strategy in place. Without targeted support, smaller businesses risk falling behind – not only in terms of sustainability but also in competitiveness and compliance as energy regulations become increasingly stringent.

12 Community Infrastructure Levy - GOV.UK
13 Planning for sustainability SPD
14 Infrastructure Funding Statement 2023-2024

To address this imbalance, several finance-linked support models have been trialled and scaled across London. One example is the Energy Performance Contracting framework developed under the GLA's Re:fit programme. Though initially intended for the public sector, the framework has proven adaptable to private building owners seeking a guaranteed savings model. By ensuring energy or carbon performance outcomes over the payback period, this model removes a key area of financial risk and supports lender confidence. Projects delivered under Re:fit have saved over 500,000 tonnes of CO_2 emissions, achieved more than £30 million in annual energy cost savings, and catalysed nearly half a billion pounds in capital investment – highlighting the power of aggregated, results-based funding structures.

Alongside these public-sector frameworks, new financing models, such as green leases and sustainability-linked loans, are helping to align incentives between landlords and tenants. In many commercial leases, retrofit investment is complicated by split incentive issues, where landlords carry upgrade costs while tenants benefit from reduced bills. Green leases offer a mechanism for sharing responsibilities and benefits more transparently, often tied to shared sustainability goals or operational targets. As MEES requirements continue to tighten, these collaborative finance tools will play a crucial role in addressing structural disincentives.

Another promising opportunity involves integrating retrofit support into the Mayor's business engagement campaigns. For instance, the Business Climate Challenge not only promotes emissions reduction plans but also provides technical support to navigate funding and investment options. By embedding financial advice within broader climate advisory services, businesses can better align their environmental goals with their capital strategy, making retrofitting a more accessible and compelling proposition.

Ultimately, the acceleration of commercial retrofitting in London depends not just on the availability of capital but also on its accessibility and applicability. Improved signposting, simpler application procedures, and dedicated advisory support will be key to unlocking the full potential of existing finance tools. For London's SMEs, in particular, reducing the administrative burden and improving clarity around eligibility and expected outcomes will ensure they are not left behind as the city's retrofit economy continues to scale.

London's future retrofit market will be shaped by its ability to de-risk private investment while creating long-term financial incentives for sustainable building management. As the city moves toward its 2030 climate targets, building owners, lenders, policymakers, and retrofit service providers must collaborate to expand the financial ecosystem and ensure that every commercial building, regardless of size or sector, has a viable pathway to energy efficiency and carbon neutrality.

5. POLICY AND REGULATORY ENVIRONMENT

London's regulatory framework for commercial retrofitting is undergoing rapid transformation in response to the city's net-zero targets and climate adaptation ambitions. With buildings contributing significantly to the capital's total carbon emissions – and commercial properties playing a substantial role – the pressure to modernise London's built environment is intensifying. A blend of national legislation, strategic regional frameworks, borough-level planning policy, and a growing ecosystem of public initiatives shapes the city's approach to retrofitting. Together, these measures aim not only to decarbonise London's infrastructure but also to enhance its resilience, economic competitiveness, and inclusivity.

At the national level, the **Minimum Energy Efficiency Standards (MEES)**[15] provide a legislative baseline for commercial buildings. Since 2023, landlords in England and Wales have been prohibited from granting new leases on properties with an Energy Performance Certificate (EPC) rating of F or below. This standard is expected to tighten significantly, rising to EPC C by 2027 and EPC B by 2030. Given current performance levels, approximately 70% of London's commercial stock is at risk of non-compliance under these future thresholds. For owners and occupiers alike, these changes present a serious operational and financial challenge, including potential asset devaluation and reduced leasing options.

Regionally, the **London Plan**[16] remains the city's principal policy document guiding urban development and sustainability. Within it, **Policy 5.4: Retrofitting**[17] articulates the Mayor's vision to reduce the environmental impact of London's existing building stock. The policy encourages boroughs to implement measures that reduce carbon emissions, enhance water and energy efficiency, and minimise pollution and waste. As part of this directive, boroughs must reflect retrofitting priorities in their **Local Development Frameworks (LDFs)** – identifying opportunities to align upgrades in existing buildings with new development and infrastructure rollouts.

The **Accelerated Green scenario**, developed under the **London Environment Strategy**[18], further intensifies this focus by setting a target to retrofit around **250,000 commercial buildings by 2030**[19]. This projection reflects the urgency of scaling up delivery mechanisms city-wide. Achieving this level of intervention will require a coordinated mix of technical support, skills development, policy incentives, and governance innovation. In line with this strategy, the **Mayor's Retrofit Accelerator – Workplaces**[20] and the **Business Climate Challenge**[21] offer tailored assistance to businesses seeking to reduce their energy use and emissions. These initiatives are designed to translate strategic ambitions into practical retrofit routes, particularly for firms that lack in-house sustainability capacity.

The LCCI has been an active partner in this effort, supporting a Commercial Retrofit Call to Action[22] and advocating for greater uptake of retrofit planning and delivery among its business membership. The Chamber's engagement across boroughs, sectors, and supply chains has helped build the conditions for more inclusive retrofit momentum, especially as the city moves beyond pilot programmes to wide-scale adoption.

Yet despite these efforts, the retrofit landscape remains uneven, particularly for SMEs. The city's commercial policy landscape has historically focused on larger buildings and public infrastructure, often with more structured investment planning cycles and access to retrofit expertise. SMEs, by contrast, frequently operate from leased properties with fragmented responsibilities and limited capital. Many lack the internal capacity to interpret evolving energy regulations or develop retrofit plans aligned with minimum compliance standards.

Survey findings from London businesses reinforce these concerns. A large number of micro and small companies have not developed decarbonisation plans, and only a small proportion have already implemented retrofitting measures. The uptake is significantly lower among businesses with fewer than 10 employees, indicating a widening capability gap. As the regulatory framework becomes more demanding, the risk of SMEs being left behind grows.

15 Non-domestic private rented property: minimum energy efficiency standard - landlord guidance - GOV.UK
16 The London Plan 2021 - Table of Contents | London City Hall
17 Policy 5.4 Retrofitting | London City Hall
18 London Environment Strategy | London City Hall
19 Pathways to Net Zero Carbon by 2030 | London City Hall
20 Retrofit Accelerator - Workplaces | London City Hall
21 The Mayor's Business Climate Challenge | London City Hall
22 Retrofit: a call to action for London's businesses | London City Hall

This disparity has clear implications for London's net-zero pathway: without meaningful SME engagement, a significant share of commercial floor space could remain underperforming in terms of energy and emissions.

To address this, borough-level plans must be better tailored to support SME participation in retrofitting. This includes clearer signposting of regulatory requirements, practical guidance on navigating leasehold constraints, and opportunities to participate in borough-led programmes. Some boroughs have begun experimenting with business retrofit advisory services, while others are considering ways to simplify the planning approval process for commercial upgrades[23]. Strengthening the presence of SMEs in these strategies is essential for a just and inclusive energy transition.

In parallel, London's public sector has continued to pilot and refine delivery models that could help standardise retrofit processes. One prominent example is **Energy Performance Contracting (EPC)**, previously **Re:fit**[24], which delivers guaranteed energy savings in public buildings. This framework, combined with the Public Sector Retrofit Forum[25], enables public institutions to share lessons, coordinate procurement, and accelerate delivery. While designed for the public estate, this model offers potential insights for SME-led projects, especially in shared office spaces or multi-tenant commercial properties.

In parallel with delivery models like Re:fit, planning authorities are increasingly proactive in shaping London's retrofit agenda through local policy frameworks. The City of London Corporation's **Planning for Sustainability Supplementary Planning Document (2023)** stands out as a leading example of how borough-level planning can embed commercial retrofitting into wider sustainability strategies. Under this guidance, major development proposals must now include a detailed Energy and Sustainability Statement outlining how schemes will minimise operational energy use, assess the feasibility of retrofitting existing structures, and align with the City's overarching net-zero commitments.

While not all applications will result in full-scale retrofit interventions, the requirement ensures that energy efficiency is considered from the earliest stages of the design process. This approach signals a shift in regulatory culture – from passive compliance to active facilitation of climate action – encouraging adaptation and reuse over demolition. The City's model demonstrates how planning can be used not only as a compliance mechanism but also as a strategic tool to deliver climate targets while supporting economic viability and protecting historic environments.

To further reinforce this integration of sustainability and heritage, the City of London has developed the **Heritage Building Retrofit Toolkit**[26] – a practical, step-by-step resource for owners and occupiers of historic properties. The Toolkit translates policy intent into actionable guidance, covering issues such as fabric assessment, compatible insulation materials, reversible interventions, and the consent process for listed and non-listed buildings. Although not a statutory requirement, it is explicitly referenced in the **Planning for Sustainability SPD** and informs supplementary guidance in other London boroughs.

The Toolkit provides essential clarity for retrofit practitioners, particularly SMEs operating within conservation areas. It outlines acceptable retrofit strategies, provides examples of successful low-carbon interventions, and demystifies heritage constraints without compromising architectural integrity. By embedding this resource within local planning processes, authorities reinforce the principle that sustainability and heritage preservation are not mutually exclusive. Instead, they are mutually reinforcing objectives that can – and must – be followed in tandem if London is to decarbonise its commercial building stock while safeguarding its historic character.

As the market continues to evolve, data infrastructure and coordination platforms are becoming critical. The launch of the **London Office for Retrofit (LOfR)** – a new hub for coordinating city-wide delivery – aims to tackle long-standing challenges such as fragmented data, inconsistent procurement, and duplication of effort across boroughs. Tools like the **Built Environment Scanning System (BESS)**[27], developed in partnership with Innovate UK, aim to provide granular, investment-grade property data at scale, supporting better decision-making across public and private sectors. Another key development is the growing attention to workforce skills. With retrofitting increasingly framed as a national and local priority, the shortage of skilled professionals is now a widely recognised bottleneck.

23 Retrofit Advisory Services Directory for Local Authorities - National Retrofit Hub
24 Energy Performance Contracting (previously Refit) - Local Partnerships
25 Public Sector Retrofit Forum - 10 September 2024 - Local Partnerships
26 Ecocity Poster
27 Next Gen building data assets making headlines - Innovate UK Business Connect

In response, London has supported several retrofit skills initiatives, including hubs and training centres, to deliver programmes for PAS 2035-qualified coordinators, project managers, and installers. One such initiative, the **Retrofit Skills Centre**[28], led by the South London Partnership, offers accredited training to build capacity for compliant retrofit delivery. These efforts aim to ensure retrofit projects are not only technically compliant but also resilient to performance and quality risks. However, the sector remains under-capacitated, and unless SME contractors and tradespeople are better integrated into these initiatives, retrofit ambitions risk being slowed by delivery bottlenecks.

Yet despite these efforts, London's retrofit workforce remains significantly underdeveloped. The scale and complexity of deep-retrofit interventions – particularly those involving historic and commercial buildings – demand a broad spectrum of professional and technical competencies, from energy modelling and whole-building assessment to materials conservation, innovative systems integration, and low-carbon heating installation. *The Heritage & Carbon report* (2023)[29], published by Grosvenor in partnership with Historic England and others, notes that specialist roles such as retrofit coordinators, energy assessors, and PAS 2035-qualified installers remain in limited supply. More broadly, the retrofit supply chain lacks the capacity to deliver at the necessary pace and quality across London's boroughs. Without decisive action to grow and diversify the retrofit workforce, the capital risks falling short of its delivery targets, not due to a lack of ambition, but because the skilled labour simply isn't there.

Closing this skills gap requires a coordinated policy response that goes beyond short-term training interventions. Boroughs and regional authorities must embed workforce development into planning policy, linking major retrofit or redevelopment schemes to local job creation and certified skills delivery. Smaller firms should be supported through accessible training grants and upskilling pathways that reduce the cost and complexity of complying with retrofit standards. At the same time, retrofit apprenticeships and on-site learning opportunities must be scaled up to give new entrants and young professionals a clear route into the green economy.

A pan-London workforce strategy – mapping current shortages, projected demand, and geographic distribution – would provide the clarity needed for education providers, industry bodies, and local authorities to align their programmes and investments. As retrofit activity intensifies, the workforce strategy must no longer remain a parallel conversation; it must be a central focus. It should be embedded within the retrofit agenda itself, ensuring London has both the technical capacity and labour resilience required to meet its 2030 objectives.

Lastly, new forms of regulation – such as green leases and circular economy-based building policies – are gaining traction as tools to reinforce the retrofit agenda. Green leases can help resolve the split incentive dilemma by aligning the interests of tenants and landlords, while circular economy planning guidelines promote reuse and material efficiency in retrofit schemes. Both approaches point toward a more dynamic and innovation-oriented regulatory environment – one that supports transformation while protecting long-term value.

Overall, London's policy and regulatory ecosystem is becoming more aligned with the demands of large-scale retrofitting. The city is laying the groundwork for a commercially viable and socially inclusive retrofit market through strategic planning, local-level delivery, skills investment, and the development of new governance models. At the same time, to fully unlock the capital's retrofit potential, greater emphasis must be placed on addressing the needs of SMEs, improving data transparency, and supporting coordination across the public and private sectors. Only through this kind of systemic alignment will London be able to turn its climate commitments into meaningful outcomes across its diverse built environment.

28 Retrofit skills. Home - Retrofit Skills Centre . Training. Courses
29 Heritage-and-Carbon_Final_Digital_DPS.pdf

6. IMPLEMENTATION: BEST PRACTICES AND LESSONS LEARNED

To sustain momentum, the strategic actions outlined above must translate into tangible delivery models that businesses can confidently replicate. While policy alignment, financial innovation, and workforce development establish the foundation, it is the practical application of these principles that determines success. The following case studies show how London organisations – across sectors and scales – are transforming ambition into action. Each example highlights a different aspect of the retrofit journey, from skills development and stakeholder engagement to digital innovation and circular economy practices. Together, they offer a blueprint for businesses aiming to navigate complexity, unlock value, and accelerate their low-carbon transition.

As London moves from planning to implementation, several clear themes are emerging from early retrofit projects and pilot initiatives. These shared lessons provide practical guidance for businesses navigating the city's commercial retrofit landscape.

First, engaging stakeholders early proves essential. Whether landlords and tenants, local planning officers, or technical advisors, involving everyone from the start helps prevent misunderstandings later. Embedding sustainability clauses in green leases and holding pre-application discussions with planning, conservation, and building control teams can make the approval process smoother. Similarly, bringing retrofit consultants and supply-chain partners together from the beginning ensures that energy targets, carbon baselines, and scope are agreed upon before detailed designs are created.

Second, bundling complementary measures into single projects generates scale, synergies, and economies of procurement. Combining insulation upgrades with lighting retrofits and small-scale renewable energy sources not only deepens carbon savings but also simplifies contract management. Performance-based contracting models, which guarantee energy or carbon outcomes, have proven particularly effective in reducing risk and attracting favourable financing terms from lenders.

Third, robust measurement and verification protocols underpin confidence for both public and private supporters. Projects that set clear "before and after" baselines, following recognised standards, are better equipped to secure grants, sustainability-linked loans, or guarantee schemes. Linking financing terms to verified sustainability ratings helps align commercial incentives with measurable environmental performance.

Fourth, public-sector retrofit accelerators and green finance facilities play an outsized role in catalysing private action. Programmes that combine technical advisory support with guidance to funding sources help businesses turn intentions into investment-ready projects. Even when direct lending is limited to public bodies, the downstream contracts for retrofit works create significant opportunities for SMEs, embedding local firms in new low-carbon supply chains.

Fifth, addressing the skills gap is not optional – it's essential for project success. Incorporating accredited training for retrofit coordinators, installers, and energy management specialists into project scopes helps close the sector's workforce shortfall while ensuring installation quality. Simultaneously, integrating digital monitoring tools allows for real-time adjustment of building systems and validates predicted savings. These training components also ensure continuity between workforce development and project delivery, which is crucial for the long-term scale-up of retrofits across the capital.

Sixth, applying circular economy principles to material reuse can lower embodied carbon and project costs. Initial demolition audits identify salvageable building components that can be cleaned, reconditioned, and reinstalled for reuse. Collaborative reuse platforms then help connect surplus materials with new projects, reducing waste and encouraging community participation.

Finally, transparent documentation and knowledge sharing transform individual successes into collective progress. Publishing post-project energy, carbon and financial performance data fills crucial information gaps, allowing peers to calibrate expectations and refine their own retrofit strategies. Regular "lessons learned" reviews ensure that operational insights are fed back into evolving standards, accelerator frameworks, and policy guidance.

To illustrate how these guiding principles are put into practice, we begin with an example from an LCCI member whose work addresses one of the most significant enablers of retrofit delivery: a skilled and adaptable workforce. The Harrow, Richmond & Uxbridge Colleges (HRUC) initiative demonstrates how targeted education and strong employer collaboration can help close the skills gap and prepare London for large-scale retrofit deployment. We then move to further examples from fellow LCCI members, showing how effective stakeholder engagement, integrated design, and innovative financing work together in practice. Each case highlights a different aspect of the playbook in action, providing tangible insights that other businesses can adopt for their own retrofit journeys.

HRUC: Building Retrofit Skills for London's Future Workforce

The HRUC group is addressing one of London's most persistent retrofit challenges – the shortage of skilled labour – by embedding sustainability and retrofit readiness across its training offer. Through partnerships with employers such as Redrow, Borras, and Chalfont Electrical, HRUC integrates low-carbon technologies, smart systems, and energy efficiency principles into both traditional construction pathways and emerging disciplines. This approach ensures students are familiar with modern systems, while employers can shape course content to match evolving sector needs.

Provision spans Level 1–3 courses, T Levels in Electrotechnical Engineering and Plumbing & Heating, and specialist upskilling opportunities for post-apprenticeship professionals. Across its three colleges – Harrow, Richmond, and Uxbridge – HRUC delivers multi-skills training in areas such as carpentry, joinery, bench work, and electrical design. Apprenticeship delivery is supported through platforms like OneFile, while skills bootcamps are being explored to attract new entrants and returning professionals into the sector.

Initiatives such as the Green Skills Hub and engagement with CITB help align training with market demand, while new Warm Homes qualifications are under development in partnership with awarding bodies to broaden access routes into the sector. By coupling technical instruction with strong employer engagement, HRUC is building a pipeline of retrofit-ready talent, directly supporting London's ability to deliver large-scale, high-quality retrofit projects.

Retrofit as a Business Enabler: The Morton House Transformation

Morton House, named after Luton Town Football Club legend Bob Morton, is a four-storey, 33,000 sq ft building opposite Luton Airport Parkway Railway Station. Formerly known as K block, it has formed a core part of Vauxhall's operation since 1907. Over the years, K block had a wide variety of uses, and at its peak, 36,000 people were employed there. However, since Vauxhall left in 2019, the building stood empty and fell into disrepair.

Starting in 2021, the project to retrofit the building was led by Luton Rising, the Luton Council economic development company that owns London Luton Airport and associated assets for community benefit, supported by funding from the South Midlands Growth Hub.

The complete refurbishment of Morton House has provided Luton with a much-needed business and skills hub, which will make a significant contribution to increasing the employability of local residents. This is an integral part of the town's 2040 vision of creating a healthy, fair and sustainable town where everyone can thrive, and no one has to live in poverty.

The building features state-of-the-art wireless IT and communications systems, as well as flexible, open-plan office spaces designed to attract further inward investment to the south of the town.

Sustainability is at the heart of the design, with the building featuring a range of sustainable features, including solar panels, electric vehicle charging points, air-source heat pumps, intelligent ventilation systems, an electric point-of-use hot water system, triple-glazed windows, and a rain and grey water harvesting and recycling system.

On the ground floor, a training and skills hub, led by Luton Council, has been established, focusing on learning practical and social skills through its Adult Learning department's Passport to Employment programme. This innovative programme will improve the employment prospects of more than 1,500 adults each year. Social and co-working spaces also form an essential part of the ground floor, featuring a café, seating area, and an outside courtyard as part of the development.

The three floors above are targeted at startup companies, particularly within the aviation, automotive, artificial intelligence (AI) and data-driven sectors. It is intended that these facilities will encourage and foster an exchange of skills and knowledge between the building's business tenants and adult learners.

The development is expected to create 200 jobs in Luton, with 75 of these being new positions, while construction is anticipated to generate an additional 80 jobs in the local supply chain. The Morton House retrofit in Luton demonstrated how revitalising a historic building can deliver both community benefits and tangible energy savings. By combining modern mechanical systems with fabric upgrades and renewable technologies, the project demonstrated the importance of thorough stakeholder collaboration, practical procurement bundles, and skills-focused training hubs.

Retrofitting Solar Thermal at the All England Lawn Tennis Club

Building on these lessons, the following case explores the All England Lawn Tennis Club's approach to decarbonising heat demand. At Wimbledon's Aorangi Pavilion, the Club has installed solar thermal collectors in a manner that respects heritage architecture, meets year-round hot water needs, and provides real-time performance data, offering fresh insights for commercial retrofit in an iconic setting.

Founded in 1868, the All England Lawn Tennis Club (AELTC) is a private members' club that organises and stages The Championships, Wimbledon. The Club has been based at its Church Road site since 1922 and includes a variety of buildings ranging from the original Centre Court to a members' Indoor Tennis Centre completed in 2022.

The Club places strong emphasis on its "environment positive" strategy and is committed to decarbonising its operations by 2030. In line with this ambition, a retrofit project was undertaken in time for The Championships 2025 to install solar thermal collectors on the roof of the Aorangi Pavilion. The building is used during The Championships as a player facility with changing rooms, communal areas, and restaurants. Year-round, it houses a gym and changing rooms for members and staff. As a standalone facility with consistent hot water demand throughout the year, it presented an ideal site for solar thermal technology to complement the newly installed electric boilers and support the decarbonisation of heat.

The project was delivered in collaboration with AELTC and funded by Barclays, the official banking partner of The Championships, with solar technology supplied by manufacturer Naked Energy.

The process began in 2024 with an initial feasibility study to assess solar efficiency, compatibility with existing systems, and the building's heat and energy needs. These factors were reviewed against installation costs to evaluate the return on investment. Further technical assessments followed, including structural, asbestos, and plant space surveys, alongside aesthetic evaluations to ensure architectural cohesion with the Club's visual identity. Site visits to comparable installations informed design choices.

Procurement was managed through a tender evaluation process, securing specialist product suppliers and principal contractor Vito Energy. Planning permission from the London Borough of Merton was granted in March 2025, enabling installation to proceed later that month and conclude in early June, ready for The Championships.

The completed 50 kW solar thermal system features 150 reinforced glass tubes, generating zero-carbon heat through a closed-loop hot water system capable of producing up to 3,500 litres of hot water per day. This pre-heated water reduces electricity demand on the main electric boiler system.

The system's in-built frame is recessed into the roof and tinted to match the existing colour tone, preserving the building's aesthetic character. The technology's low maintenance requirements were especially valuable given limited roof access.

A bespoke monitoring system provides real-time data on solar energy generation. This will soon be integrated into the Club's Building Management System (BMS), supporting broader energy efficiency measures and operational insight.

As the first use of this technology at AELTC, the retrofit has provided valuable lessons for potential applications elsewhere across the site.

Data Driven Insights for Smarter Retrofits

Building on lessons from Luton's community-focused Morton House and Wimbledon's solar thermal upgrade, it's clear that successful retrofits depend on balancing heritage, performance, and user needs. A critical next step is understanding how spaces are actually used before any physical intervention begins, enabling retrofit designs and operational strategies that maximise impact while minimising disruption.

Abintra Delivers Data for Informed Real Estate Decisions

In an AI-driven, smartbuilding world, retrofitting demands evergreater insight. Abintra partners with major corporations and public bodies to provide the granular space and environmental data required for confident decision-making.

Over a four-week survey, Abintra deploys wireless desk sensors, bespoke routers, and cloud-based reporting to map real occupancy patterns. These findings guide layouts for new or refurbished premises, ensuring space is neither underutilised nor overcrowded. Because real estate often represents the most significant overhead after staffing, these insights deliver clear ROI, and many clients choose to make the installation permanent.

Unlike ceiling-mounted, wired systems that can be difficult to retrofit, Abintra's wireless solution integrates seamlessly into existing offices. This allows organisations with mixed portfolios to benchmark older buildings against newer ones, highlighting retrofit priorities across the estate rather than focusing solely on high-profile projects.

Abintra also integrates environmental sensors – tracking temperature, CO_2, light, humidity, and air quality – that can feed into smartbuilding systems to optimise HVAC controls and alert teams to stale or polluted zones. By correlating occupancy and environmental data, the platform identifies opportunities to reduce energy use, lower carbon emissions, and improve occupant well-being.

With two decades of deployments at global companies and leading public institutions, Abintra has built a near-perfect client retention rate. Their continued innovation ensures that data-driven insights remain at the heart of effective, future-proof retrofit strategies.

Quantaco: Accelerating Portfolio-Wide Decarbonisation Through Data-Driven Greentech

Elaborating on data-driven insights from Abintra's workplace monitoring, the next frontier in commercial retrofitting lies in harnessing advanced digital platforms – made accessible to SMEs through Innovate UK support – to streamline decision-making and unlock deep decarbonisation at scale.

Innovate UK – part of UK Research and Innovation – is the UK's national innovation agency, supporting the development and commercialisation of new technologies, products, and services. Its mission is to foster sustainable economic growth by backing innovation that addresses key national challenges, including decarbonisation. LCCI actively supports this ecosystem by acting as a regional access point for Innovate UK's Business Growth services. Through this role, LCCI helps innovation-driven businesses – particularly SMEs – navigate available support, secure funding opportunities, and connect with expert advisory networks, thereby facilitating the scale-up of impactful low-carbon solutions.

From Local Councils to Regional Programmes

Quantaco is currently working with seven West London boroughs and the Greater London Authority (GLA) to decarbonise local public estates. While these ongoing initiatives are yet to be completed, a recently finalised multi-site retrofit programme with Neath Port Talbot Council provides a clear illustration of the potential impact of Quantaco's platform. Across three public buildings, the project delivered carbon savings of up to 62%, energy reductions of 57%, and operating cost reductions of 40%. The council described the report produced as "very useful", noting that the clarity of technology options and associated costs enabled a well-informed procurement pathway.

The Quantaco Platform

Quantaco is an award-winning software platform designed to simplify and accelerate decarbonisation for commercial and public-sector estates. It offers investment-grade, scientifically validated green tech retrofit options that reduce carbon emissions, ensure regulatory compliance, and protect long-term asset value.

The platform enables senior decision-makers to assess opportunities across entire portfolios, streamlining processes that traditionally required extensive consultancy and weeks of analysis.

Multi-Site Retrofit in Practice

For Neath Port Talbot Council, the retrofit journey began with the digital upload of building information for three sites: Baglan Innovation Centre, Cwmtawe Community School, and The Quays (council offices). The Quantaco software combined this input with meteorological and half-hourly energy-use data to generate tailored retrofit plans for each building.

These plans incorporated six key technologies – solar PV, battery storage, heat pumps, EV charging, solar thermal, and thermal storage – matched to each building's structure and usage profile.

Results at Building Level

Within hours, the software generated an interactive investment report detailing decarbonisation potential, energy and cost savings, and regulatory compliance outcomes, alongside procurement-ready options that included product specifications, pricing, embodied carbon, and Scope 3 emissions data.

Highlights from the project include:

- **Baglan Innovation Centre:** 62% carbon reduction, 57% energy saving, 40% cost saving, with a DEC rating improvement from 47/B to 15/A.
- **Cwmtawe Community School:** 58% carbon reduction, 53% energy saving, 32% cost saving, and a DEC uplift from 72/C to 16/A.
- **The Quays:** 27% carbon reduction, 25% energy saving, 70% cost saving, with DEC improvement from 64/C to 28/B.

Payback periods across the three buildings ranged from one to six years, allowing the council to choose investment pathways aligned to its operational goals – whether focused on decarbonisation, cost savings, or a balance of both.

Scientific Validation and Strategic Benefits

The Quantaco platform's analytical engine has been independently validated by Swansea University, providing further assurance to clients. For Neath Port Talbot, the ability to generate procurement-ready outputs at speed represented a significant step forward in accelerating retrofit action.

The council's experience highlights how digital tools can democratise access to complex retrofit planning – especially when coupled with support from organisations like Innovate UK – enabling local authorities and SMEs to operate with the same confidence and agility as large institutions.

Passive Digital Technologies and Their Role in Retrofit Strategies

Emerging Concepts from Panin Photonics

Building on digital-led retrofit strategies demonstrated by Quantaco, another innovation trend gaining traction is the use of *passive photonic materials* to retrofit façades and storefronts.

New technologies such as Panin's Sustainable Photonic Display Panels[30] reflect a growing effort to bridge the gap between environmental responsibility and commercial viability. These concepts demonstrate how display surfaces–historically energy-intensive–can be reimagined to contribute positively to building performance and operational economics.

Passive Photonic Storefronts for Energy and Engagement

Panin's passive display technology transforms traditional retail windows into *low-energy, high-impact storefronts* by embedding a nanoparticle matrix within standard glazing. Unlike conventional digital signage, which relies on electronics and active lighting, Panin's system utilises a separate, low-wattage laser light source to project visuals onto the photonic panel, dramatically reducing electricity consumption and heat generation.

While currently in pre-commercial deployment, the first UK pilot is underway at the Royal Docks Centre for Sustainability (University of East London). This installation will test the performance of a 100 sq ft panel powered by a 240W laser unit. For context, typical LED panels of comparable size often exceed 1,200W and require significant cooling loads. According to Panin, early test installations (e.g. at their Mumbai experience centre) have demonstrated *80% lower energy use, negligible maintenance requirements*, and the potential to extend operational life without degrading visual performance. In retrofit terms, these storefront solutions aim to support retailers with older or energy-inefficient spaces who seek to modernise their visual communications without incurring added operational costs. By replacing conventional display units, these panels help reduce HVAC demand and offer a 24/7 platform for advertising or digital engagement, making the case for retrofit action with clearer commercial returns.

Photonic Façade Panels as Carbon-Neutral Billboards

Extending the same technology to the exterior of commercial buildings, Panin's façade concept reimagines the entire building envelope as a revenue-generating asset. Unlike active LED façades, which require thousands of watts per square metre and increase cooling demand, Panin's photonic façade panels operate with no integrated electronics, power cables, or heat-emitting components.

The panels are designed to act as *carbon-neutral billboards*, capable of displaying branded content or advertising without consuming on-site energy. The only powered element is the remote laser light source, which, according to Panin, requires only a fraction of the power compared to traditional systems. This opens up the possibility of monetising underused vertical surfaces while reducing building energy intensity and embodied emissions associated with typical retrofitted media displays.

At the time of writing, Panin is in the final stages of securing a deployment at a London government building, where modelling suggests:

- Over 90% energy reduction compared to LED façades,
- Significant carbon savings over time due to eliminated cooling loads and lower maintenance,
- And a potential new revenue stream for reinvestment into further sustainability upgrades.

Early Lessons and Opportunities

Although still pre-commercial, these technologies reflect a broader shift in retrofit thinking, where sustainability is integrated not only into performance upgrades but into the revenue model of buildings themselves. Innovations like passive photonic panels may not be universally applicable, but they demonstrate how sustainability and profitability can coexist, particularly when supported by forward-thinking planning policies and pilot initiatives.

As London continues to experiment with new retrofit tools and models, enabling innovation through access to test sites, collaborative pilots, and visibility for emerging technologies will be essential to diversify and future-proof the retrofit toolkit.

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7. UNLOCKING LONDON'S RETROFIT POTENTIAL

London's move towards a low-carbon future – and its goal to reach net zero under the "Accelerated Green" scenario – relies on retrofitting about 250,000 commercial buildings by 2030. Achieving this transformation cannot be done through isolated efforts. It demands a coordinated, city-wide strategy that unites policy frameworks, financial mechanisms, and delivery capacity across sectors and boroughs.

The "Accelerated Green" pathway discussed in this report is a scenario model created under the London Environment Strategy to show what is needed to achieve net-zero emissions by 2030. It is not a legal requirement but an aspirational target meant to guide policy and investment decisions. Current national law requires net-zero by 2050, supported by interim energy performance standards; however, the 2030 scenario demonstrates the level of ambition London needs to stay a global climate leader and reduce the risks of delaying action.

Despite increasing attention and the introduction of several enabling schemes, commercial retrofitting in London remains inconsistent. As outlined in earlier chapters, significant gaps persist – particularly among SMEs, which often lack the technical expertise, access to capital, or operational capacity to start retrofit projects. Survey findings confirm that most businesses have yet to act, citing limited awareness of financial options and uncertainty about delivery models and planning requirements.

The current pace of retrofitting also reflects labour market constraints. While demand is growing for certified professionals – such as PAS 2035 coordinators, energy assessors, and retrofit installers – the local workforce remains under - capacitated. Without investment in skills development and broader supply chain coordination, even well-designed policies risk stalling at the point of delivery. Initiatives like the HRUC programme show how targeted education and strong employer partnerships can help close this gap by integrating retrofit skills into mainstream training and creating clear routes for new entrants and upskilling professionals. Scaling such models across London will be vital to ensure that the retrofit agenda is not limited by workforce shortages but is supported by a steady flow of qualified talent ready to deliver at pace and quality.

To address these issues and scale retrofit efforts effectively, four interdependent enablers should be considered:

- **Stronger collaboration** between public and private sectors on finance, procurement, and technical delivery;
- **Consistent policy alignment** between national programmes, City Hall priorities, and borough-level planning;
- **Improved capacity** in skills, supply chains, and digital infrastructure to support effective implementation;
- **Increased engagement** among small and micro businesses to better integrate environmental goals into business strategies and investment decisions.

Some progress is already visible. Several London boroughs, backed by City Hall, are embedding energy and carbon considerations into their planning frameworks. "Retrofit-first" guidance in Westminster and Camden, alongside the City of London's whole-life carbon appraisal framework and SPD-linked Heritage Building Retrofit Toolkit, demonstrates how local planning authorities can support reuse, adaptation, and energy efficiency. At a national level, recent developments such as the pilot rollout of the Energy Efficiency Grants Scheme and the SME-focused Business Climate Hub offer further potential for alignment with London's retrofit goals.

While a range of programmes and policies are underway, their delivery remains distributed across multiple agencies and levels of governance. Currently, there is no single integrated strategy that focuses specifically on commercial retrofitting, connecting planning frameworks, financial tools, and workforce development across London. As a result, businesses – particularly smaller firms – may find it challenging to navigate the variety of schemes available or to access clear, coordinated guidance on how to plan and finance retrofit works effectively. Strengthening strategic alignment would help ensure that policy ambition translates more consistently into practical, scalable delivery.

This chapter presents a series of strategic recommendations designed to address these gaps. Drawing on the report's earlier insights – including survey results, case study evidence, and policy analysis – it outlines priority actions to help unlock London's retrofit potential. The focus is on enabling business-led progress, encouraging regulatory clarity, and creating the conditions for scalable, commercially viable retrofit solutions that contribute meaningfully to the capital's broader decarbonisation ambitions.

The following actions distil this agenda into four priority areas for government and industry. They highlight where targeted interventions can deliver the most significant impact—whether by strengthening collaboration, refining regulation, investing in skills and digital capacity, or embedding innovation and circular practices. Together, these areas provide a clear structure for coordinated delivery and a shared framework for scaling retrofit across London.

Key Actions for Government and Industry

Improving Business Collaboration and Investment Readiness

Investing in Workforce and Digital Infrastructure

Optimising Policy and Regulatory Support

Promoting Innovation and Circular Economy Practices

1. Improving Business Collaboration and Investment Readiness

To unlock the full potential of retrofitting, increased collaboration between the public and private sectors is essential. Cross-sector partnerships can facilitate shared learning, joint procurement initiatives, and the development of centralised technical support and data-sharing platforms. Structuring retrofit projects to be investment-ready, with transparent performance metrics and clear cost-saving benefits, will strengthen investor confidence and drive long-term financial sustainability.

- **Establish pan-London retrofit consortia.** Bring together boroughs, Business Improvement Districts, LEPs, and green finance hubs (e.g., Clean Growth Finance Initiative) to bundle SME retrofit demand – aggregating dozens of small projects into a single procurement pipeline that attracts investment and drives down unit costs.
- **Standardise "investment-ready" templates.** Publish a standard term sheet, technical scope and performance metrics package (akin to RE:FIT) so developers, landlords and tenants can pitch retrofit bonds or sustainability-linked loans with confidence.
- **Launch a London Retrofit Marketplace.** An online portal where accredited retrofit coordinators, installers and material suppliers can connect with building owners – linking live projects to vetted service providers and investors.

2. Optimising Policy and Regulatory Support

Local governance plays a critical role in refining regulatory frameworks to remove barriers and streamline retrofit processes. Adopting flexible, performance-based guidelines that encourage material reuse, energy efficiency, and principles of a circular economy is key. Harmonising planning regulations across boroughs and establishing clear pathways for funding and project approvals will create a more predictable environment that incentivises retrofitting. Additionally, targeted measures to enhance access to national funding programs can help bridge existing funding disparities.

- **Mainstream "Retrofit First" across all boroughs.** Extend Westminster's and Camden's policies – requiring detailed retrofit feasibility (including whole-life carbon comparisons) before any demolition consent – to every London borough, with City Hall oversight to ensure consistency.
- **Align MEES & London Plan targets.** Work with MHCLG to confirm EPC C by 2028 and EPC B by 2030 for commercial stock, and use the London Plan's SI2.F whole-life carbon policy to mandate reuse-over-demolition in major applications.
- **Leverage national grant schemes locally.** Ensure London SMEs can plug straight into the new UK Energy Efficiency Grants Scheme (up to £5k for lighting/insulation, £20k+ for major upgrades) by coordinating through Business Climate Hub ambassadors and London Growth Hubs.

3. Investing in Workforce and Digital Infrastructure

A skilled workforce is vital for the success of retrofitting initiatives. Investment in specialised training programs and capacity-building initiatives tailored to improve coordination and implement advanced building technologies is necessary. Complementary investments in digital infrastructure – such as comprehensive data collection systems and real-time performance tracking tools – will enable more efficient project delivery and informed decision-making throughout the retrofit process.

- **Scale up retrofit apprenticeships.** Expand existing construction college programmes and PAS 2035 retrofit coordinator courses into every sub-region – targeting 2,000 new certified coordinators by 2027.
- **Create a London Retrofit Skills Hub.** A one-stop training and accreditation platform hosted by the Mayor's Skills for a Sustainable Skyline Taskforce, offering subsidised short courses in energy modelling, heritage conservation and low-carbon heating installation.
- **Deploy a Building Renovation Passport pilot.** In partnership with the Green Finance Institute and Innovate UK, test "passport" profiles for 500 London buildings – recording embodied and operational carbon, retrofit history, and future upgrade routes – to inform borough-level retrofit planning.

4. Promoting Innovation and Circular Economy Practices

Encouraging innovative retrofit technologies and sustainable construction methods can reduce costs and improve overall performance. A strategic focus on circular economy practices, such as upcycling building materials and optimising the lifecycle of building components, can reduce carbon emissions and create new economic opportunities. Collaborative platforms that integrate research insights, industry expertise, and policy development are crucial for advancing the innovation agenda.

- **Fast-track "Better Futures" accelerator spin-outs.** Champion Imperial College's retrofit-tech startups (insulating robots, IoT monitoring, sustainable materials) in borough procurement frameworks – trialling innovations on publicly owned buildings.
- **Adopt circular economy mandates in contracts.** Require the reuse, remanufacture, or upcycling of at least 50% of demolition-grade materials in every public-sector retrofit, paving the way for private-sector adoption.
- **Establish Retrofit R&D zones.** Designate innovation districts (e.g., in East London enterprise zones) where retrofit pilots can test new products and methods under relaxed planning rules – and then scale best practices city-wide.

Strategic Guidance for London's SMEs

London's dynamic business community is uniquely positioned to drive progress in retrofitting, provided it can effectively access finance, forge robust partnerships, and harness digital tools. To that end, practical solutions are emerging that enable smaller enterprises to overcome common barriers and take decisive action toward decarbonisation.

1. Accessing Capital and Financial Support

A key priority for businesses is identifying and securing the right financial instruments. Smaller companies are encouraged to explore tailored funding opportunities, ranging from government-backed grants and interest-free loans to innovative financing models such as green bonds and sustainability-linked loans. By consolidating projects into a unified portfolio, organisations can improve their investment readiness and present a compelling case to potential funders. Clear guidance on application processes, eligibility criteria, and dedicated advisory services would further facilitate navigation of the complex funding landscape.

2. Building Strategic Partnerships

Collaboration is crucial for scaling retrofitting efforts. Small businesses can benefit from establishing partnerships with larger organisations, local authorities, and industry associations. Such alliances not only facilitate shared learning and resource pooling but also strengthen bargaining power when negotiating procurement and contracting arrangements. Joint initiatives and consortia provide access to a broader range of expertise and create opportunities for economies of scale, ensuring that even modest retrofit projects can achieve meaningful environmental and economic outcomes.

3. Leveraging Digital Tools and Data Innovations

Digital transformation offers significant advantages in planning and managing retrofit projects. Access to comprehensive data systems and real-time monitoring platforms enables businesses to accurately assess their energy performance, track improvements, and identify areas for further investment. Small companies can streamline project delivery and enhance transparency by integrating digital tools – such as advanced building information modelling (BIM) systems, energy management platforms, and retrofit performance tracking software. These technologies also empower businesses to benchmark progress and optimise operational efficiency, making retrofitting initiatives more attractive to investors and more manageable on a daily basis.

Beyond accessing finance, building partnerships, and leveraging digital innovations, businesses are encouraged to cultivate a forward-thinking mindset. This involves engaging with tailored training programs that enhance retrofit coordination skills and familiarise teams with industry best practices. With structured advisory services and capacity-building initiatives in place, businesses can refine their retrofit strategies and continuously monitor and improve their performance. Establishing internal benchmarks and collaborating with local policy bodies to ensure alignment with evolving regulatory standards further positions these enterprises to benefit from economies of scale and enhanced project delivery. Such comprehensive, practical measures empower businesses not only to optimise operational efficiency but also to contribute actively to London's overall decarbonisation ambitions.

Looking Ahead: Advancing the Retrofit Agenda

The strategic directions outlined here chart a clear path for London's commercial landscape to embrace low-carbon retrofitting in a way that is both economically viable and environmentally transformative. By integrating innovative financing models, collaborative networks, and advanced digital tools, London's businesses are well-equipped to overcome traditional barriers to retrofitting. These measures pave the way for scalable, sustainable growth, setting a robust foundation for subsequent efforts that will further expand and refine the city's decarbonisation strategies.

These recommendations draw directly on the gaps and opportunities identified in earlier chapters. Together, stronger cross-sector partnerships, consistent "retrofit-first" policies, scaled skills development and innovative delivery models will transform London's commercial stock – and ensure every business, large or small, can play its part in reaching net zero by 2030.

8. FUTURE OUTLOOK – THE EVOLUTION OF LONDON'S COMMERCIAL RETROFITTING

London's transition to a low-carbon economy is no longer a matter of long-term aspiration – it is a near-term imperative. Within this context, commercial retrofitting is gaining momentum as a defining mechanism for urban decarbonisation, business resilience, and inclusive economic renewal. What was once deemed a complex and optional sustainability measure is now emerging as a business-critical strategy. The findings and reflections throughout this report underscore one central point: retrofitting is no longer about "if" but "how fast" and "at what scale."

Recent geopolitical shifts and rising political scepticism around sustainability targets pose a tangible risk to London's retrofit momentum. Worldwide and across the UK, some politicians are increasingly questioning ESGG frameworks, with some pledging to roll back regulations seen as burdensome to business. Similar debates are unfolding in almost all major economies, where right-leaning figures have signalled a recalibration – or even reversal – of existing decarbonisation commitments. In this environment, London's retrofit agenda cannot be taken for granted: policies that underpin funding, planning approval, and building performance standards are vulnerable to abrupt change. By explicitly acknowledging these headwinds, London's stakeholders must not only maintain current gains but also develop adaptive strategies that can withstand shifts in political will at Westminster or beyond.

As shown through survey data and policy review, London has established a credible foundation for accelerating retrofitting across the capital's diverse business landscape. Public and private sector awareness has increased, primary policy instruments are in place, and stakeholders have a more comprehensive understanding of technical standards. To safeguard progress against potential policy reversals, London's retrofit leadership must invest in resilient institutions and cross-party consensus. Embedding retrofit requirements within local planning powers, rather than relying solely on national statutes, can create a degree of "policy permanence" even if Westminster's priorities waver. Likewise, formalising multi-borough retrofit alliances and public-private consortia ensures that commercial retrofitting remains a priority irrespective of which national party is in power. In practice, this means accelerating the integration of retrofit criteria into borough-level development plans and developing shared funding pools that are legally ring-fenced for green upgrades – measures that are insulated from rapid legislative change. However, the issue of implementation at scale, especially among smaller firms, remains unresolved. The future of retrofitting in London will be determined not by individual actions but by the city's capacity to align ambition with ability and transform intent into infrastructure.

Beyond political risks, global macroeconomic volatility – including commodity price fluctuations, tariff wars and tightening credit conditions – exerts immediate pressure on retrofit economics. High inflation and rising interest rates have pushed borrowing costs upward since 2022, reducing the relative attractiveness of long-term retrofit investments. Simultaneously, shortages in key materials[31] (for instance, copper for electrification[32] and speciality insulation[33]) have driven up supply-chain premiums. These headwinds disproportionately impact smaller firms, which lack scale and balance-sheet resilience. Recalibrating retrofit business cases to account for these evolving costs – through stress-tested financial models, dynamic procurement frameworks, and procurement partnerships – will be essential to maintaining momentum for retrofits under less certain economic conditions.

Beyond momentum: transitioning from readiness to delivery

What we see today is a landscape in transition, undergoing a retrofit. Policies are sharper, support structures are more visible, and funding mechanisms are beginning to mature. However, a clear delivery architecture – one that synchronises planning, finance, technical skills, and building ownership models – has yet to materialise fully. For many businesses – especially those with limited in-house capacity – retrofitting remains a complicated proposition. The critical challenge is not only to raise awareness of the benefits but also to clarify routes forward and reduce the operational friction associated with retrofit projects.

31 Executive summary – Global Critical Minerals Outlook 2025 – Analysis - IEA
32 Copper's role in the energy transition grows as demand surges | EY - US
33 UK Construction Building Material Prices & Costs: Update 2024 - Cost Estimator

There is a growing recognition that London's retrofit journey must now progress from foundation-building to practical coordination. While previous policy responses have successfully clarified intent, the next phase requires a focus on execution, where financial design meets regulatory clarity, allowing businesses to move decisively from consideration to action.

Strategic signals are clear but not yet fully coordinated

Across multiple chapters, this report has tracked the emergence of strong strategic signals. Initiatives from City Hall, borough-level planning reforms, and government-backed funding schemes have all improved the visibility and legitimacy of retrofits. Workforce development programmes are gradually beginning to fill essential gaps in the labour pipeline. Meanwhile, green finance innovations – both public and blended models – have started to reshape access to capital for retrofit investment.

However, these efforts continue to advance in parallel rather than in concert. There is still no dedicated commercial retrofit strategy that fully integrates regulatory standards, planning approvals, SME incentives, and workforce pathways into a cohesive London-wide approach. This hinders uptake, particularly among those businesses least equipped to interpret overlapping schemes or navigate a fragmented support landscape.

To address this, London needs a retrofit delivery framework – one that builds on existing initiatives but goes further in coordinating investment flows, performance metrics, and data-sharing across sectors.

A different business landscape: visibility, value and co-benefits

In a post-pandemic economy increasingly shaped by ESG expectations, rising energy costs, and evolving workplace dynamics, the value proposition of retrofitting has become more multidimensional. It is no longer just about energy efficiency. It concerns reputational resilience, leasehold attractiveness, risk mitigation, and future-proofing investments.

This shift is reflected in the **growing commercial value** of energy-efficient assets. Investors are starting to incorporate whole-life carbon performance and EPC trajectories into their valuations. Occupiers are asking more questions about operational efficiency, indoor environmental quality, and digital building management systems. As a result, retrofitted buildings – especially those with measurable performance improvements – now command increased attention and, in some cases, higher rental yields.

Yet, this trend also reinforces market inequality. Larger firms with internal expertise and access to capital might be better placed to respond. Despite clear interest in sustainability, many SMEs remain at the margins, uncertain about costs, unclear on eligibility for funding, and lacking the internal capacity to manage retrofit projects effectively.

Enabling retrofit action across the SME landscape

While much of London's commercial property is held by large firms and institutional landlords, the vast majority of occupiers are SMEs. They represent the beating heart of the city's economy, but also the cohort least served by current retrofit infrastructure.

Findings from this report reveal that awareness, capacity, and confidence are the primary barriers facing SMEs, rather than a lack of intent. The Sustainable Finance Report referenced earlier shows that 80% of businesses believe dedicated financial products should be created for SMEs to support green investment. Many individuals are unsure where to start, whom to contact, or how to align retrofit investments with their day-to-day business priorities.

This must be addressed through more than funding alone. The solution lies in combining simple, guided processes with sector-specific support. Local authorities and business networks – such as the LCCI – can play a leading role in consolidating advisory services, convening local partnerships, and championing the success stories of small firms through retrofitting. Strategic interventions must be visible, trusted, and practically tailored to SMEs' business lifecycle and real estate patterns.

From policy integration to place-based acceleration

London's next phase of retrofit delivery must also consider its geographical context. This is a city of overlapping jurisdictions, diverse building types, and dynamic market conditions. A retrofit strategy focused solely on pan-London measures risks overlooking the unique strengths and needs of different boroughs and business districts.

Place-based retrofit planning, targeting clusters of high-need, high-impact properties, can effectively address this issue. Retrofit programmes designed around business parks, industrial estates, high streets, or specific commercial corridors can leverage shared procurement, modular solutions, and localised delivery teams to reduce costs and increase scalability. This spatial strategy must also account for historic buildings, which comprise a significant portion of London's commercial stock.

Looking ahead – connecting lessons to outcomes

Looking ahead, London's retrofit strategy must be both nimble and future-proof – a framework that can adapt to shifting political mandates, economic cycles, and technological breakthroughs. This implies continuous scenario planning: modelling the retrofit pipeline under multiple trajectories (e.g., rapid interest-rate hikes, abrupt regulatory rollbacks, or faster-than-expected decarbonisation of the grid). By building iterative feedback loops – where project outcomes regularly inform policy refinement and financial products evolve in step with market conditions – London can sustain delivery even when external variables change rapidly. In concrete terms, this might involve launching "climate stress" workshops for borough planners, integrating rollback-safe performance metrics in retrofit contracts, and fostering public-private research collaborations to anticipate future technology risks. In this way, London's commercial retrofitting agenda can become an exemplar of resilience in an era defined by geopolitical uncertainty.

From intent to impact

The strategic groundwork for London's commercial retrofitting agenda is now in place. The city knows where it needs to go, and much of the required infrastructure – regulatory, financial, and technical – is emerging. However, retrofitting at scale will not happen automatically. It requires leadership, local alignment, and delivery focus.

This report offers a roadmap, not a conclusion. The opportunities are clear: lower emissions, lower bills, stronger buildings, and a greener economy. Nonetheless, they must be activated through smart coordination, equitable access, and shared purpose.

Commercial retrofitting is not a sectoral issue. It is a foundational challenge for London's climate future, economic resilience, and social equity. And the time to act – at scale, with intent – is now.