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# The green dream

John Macdonald-Brown is all about alignment. His stars aligned to launch his consultancy back in 2010, he is focused on aligning landlord and occupier on the benefits of decarbonisation, and even his business – Syzygy – is named after the process of alignment. Emily Wright finds out more

**W**hen John Macdonald-Brown launched a consultancy dedicated to decarbonising real estate in 2010, he had a hunch he was on to a good thing. He wanted to bridge the gap between commercial real estate and green tech.

His vision with Syzygy, he says, is to lead the market and deliver commercially viable and practical renewable energy solutions for property owners, investors and occupiers.

But that wasn't always his calling. Macdonald-Brown spent the bulk of his early career in commercial property fund

management, with 15 years at Ashtenne Holdings and Spitfire Estates.

It was only when the global financial crisis called to a halt plans to develop trade parks with £100m of backing from BlackRock that Macdonald-Brown went green. It was 2008. Macdonald-Brown did not have a full-time job and was “keeping the wolf from the door”, having got married and had a baby.

“I had to find something to do, and I knew it had to be a property thing,” he says. “Then, in July 2009, Ed Miliband launched the UK Renewable Energy Strategy. That was really the kick-start behind democratising energy, and we

were already a bit behind other European countries.”

It was the government's now expired feed-in tariff scheme, which was launched in 2010, that nudged Macdonald-Brown into formulating a plan for what was to become Syzygy.

“You couldn't help but think: how is this going to work in the real estate environment?” he says. “Lots of people using lots of energy, all those challenges that will need to be overcome. This has got to be a no-brainer as a business idea.

“I wasn't doing much at the time. I didn't have to leave a job to set up the business. I didn't have a salary to lose,

interest rates had gone down. We were renting out our basement so we could survive. Basically, I had the freedom to think: this is going to work, this is what the real estate sector is going to need."

The leap of faith he took then, when going green was new and "nice to have", rather than the necessity it is fast becoming, appears to have paid off. The planets have aligned, perhaps as Macdonald-Brown anticipated ("syzygy" means the nearly straight-line configuration of three celestial bodies), and ESG is now the lens through which all real estate decisions are made.

### Sustainable growth

Having focused his attentions on helping and supporting the real estate sector to decarbonise nearly 15 years ago, Syzygy is now well ahead of the pack, says Macdonald-Brown.

The firm is now one of the most well-established sustainability and ESG consultancies in Europe, with clients including Abrdn, British Land, LondonMetric, Landsec, Nuveen, Aviva and SEGRO on its books.

Since coming out of the pandemic, Syzygy has grown exponentially, says Macdonald-Brown. Year-on-year, the business is growing by 50%, he says, with expectations that it will generate revenues of £20m within the next three years.

Growth will come from a targeted expansion throughout mainland Europe, where the business already has seven regional offices. With sights set on expanding operations in Poland, Italy, Spain, Germany, France and the Netherlands, the expectation is that, within two years, the majority of Syzygy's revenue will come from outside the UK.

But a decade or so ago, things were very different.

"While we had some incredibly forward-thinking clients right at the start, a lot were driven solely by the financials," he says. "The government feed-in tariffs were very generous. In the early days, no-one was really quantifying what the green story was or how many tonnes of CO<sub>2</sub> were being saved.

*"The vast majority of institutional real estate is under pressure from their investors, their occupiers and government to decarbonise"*

John Macdonald-Brown



Syzygy's projects have included Capital Park in Cambridge for Nuveen and Longfellow; The Wave surf park in Bristol (right, top); and the White Rose Shopping Centre in Leeds for Landsec (right, bottom)

NUVEEN

"Now there is a shift from 'why wouldn't we do this as it makes complete financial sense?' to 'if we can see a return, if it washes its face, that's OK'. And that's because there is more focus now on the importance of the decarbonisation element itself. Everything has changed. The stranding of assets is terrifying lots of people."

### Get yourself connected

Go back a few years, however, and if Syzygy – or any other consultant – had come to an investor or developer, suggesting that they might want to put solar panels on their assets and think about generating on-site energy for their tenants, the response would be one of "but isn't that going to impact our liquidity?". Macdonald-Brown and his team would then have to argue the benefits.

"It was very difficult to prove [the benefits] at the time, as there wasn't

transactional evidence," says Macdonald-Brown. "Have faith' just wasn't enough for clients back then."

Now it could not be more different, he says. "The vast majority of institutional real estate is under pressure from their investors, their occupiers and government to decarbonise," he says. "There are some very ambitious targets being set in boardrooms, which is laudable.

"But we are at a point in time now where everyone is going, 'OK, but how do we actually hit those? How do we do this?' It's a tough market – there is less cash flow, higher interest rates and, still, the pressure is on.

"Now clients want to know what they should be looking for when they are buying a building, and they often ask us."

Macdonald-Brown's advice is pretty simple. Whatever you are buying, if you want to have the ability to decarbonise and you want to ensure that your asset is



THE WAVE



LANDSEC

*“You’re not going to get to net zero if you’re not focused on reducing or removing operational carbon from buildings”*

**John Macdonald-Brown**

never stranded, and your investment is solid, ensure you are connected, or can get connected, to the grid.

“Even if you are not planning to do a renewable energy project on your asset, get a grid connection,” he says. “Because when you sell that building you are selling it with the ability to do something.”

And that ability to decarbonise is valuable today, he says, adding that investors also need to understand the finite nature of that grid connection.

“Anyone buying an asset is going to try to understand what their costs to decarbonise will be. If you’re selling a building that is going to be difficult to decarbonise, people just aren’t going to buy it now,” he says. “The biggest impact on operational carbon is on-site generation – by a mile. And in order to do that, you need a grid connection or several grid connections.”

**It’s good to talk**

Research undertaken by Syzygy has shown that on-site generation of green energy has had a huge impact on achieving net zero, reducing emissions by more than 60%.

And while landlords across the country are working hard to improve the energy efficiency of their buildings, it is the electrification of real estate and transportation that will increase demand, with EV charging points becoming a

must-have, particularly at logistics sites, business parks, shopping centres and retail parks.

Macdonald-Brown’s second piece of advice for investors and developers is to engage with their tenants.

“You’re not going to get to net zero and you’re not going to decarbonise if you’re not focused on reducing or removing operational carbon from buildings,” he says. “And you’re not going to do that unless you collaborate with your occupiers.”

But getting landlords and tenants to enter into a dialogue and try to understand each other sometimes needs a little help from a friend. A friend who understands the language, the commercial drivers and how to align those celestial bodies in a nearly straight line.

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