REBUILT Project / Activity 2.4.

Business modelling for circular economy projects

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ReBuilt

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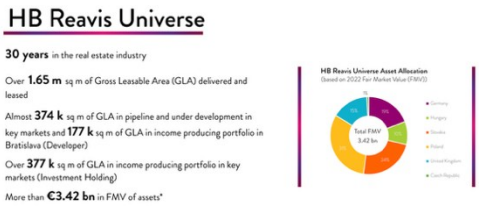
HB REAVIS is a real estate company operating in Central Europe, Germany and United Kingdom (later referref as “UK”).



Regarding this last country, the administration decided to set up a Net Zero Carbon policy (hereunder referred as “NZC”) for the construction industry, which of course impact the activity of HB REAVIS in this area.

Target of this policy is to reduce the carbon emission (see spreadsheet hereunder with the company targets for the scope 1,2 and 3 reduction) during the design, procurement and construction phases,

IT concerns mainly for steel structure and aluminium consumption.

Targets	Baseline (MB) (2021) tCO2e	% reduction 2030	Emissions in 2030	% Reduction 2050	Emissions in 2050
Scope 1/ 2	14,865	42%	8,622	90%	1,486
Scope 3	203,748	25%	152,811	90%	20,375

2. Market analysis.

As UK implemented this NZC regulation, we had to be compliant to this new environment and consequently, we developed a software able to comply from the stage of buying carbon consumption certificates until realizing the minimum carbon consumption. It goes from for the full construction process, from design to completion.

2.1. Existing and potential markets.

The first objective market was in the London Greater area where HB REAVIS is operating.

The targets was to addressed private **investment funds, insurers and final buyers** to offer a product (building) meeting the new regulations. Being in the future a long-term player in this building market segment implies to have a full compliance solution to be set up and audited. *Please to be checked and a bit develop if possible*

2.2. Decision making process.

Not applicable, only checking the full compliance with the NZC regulations (see mandate of a approved LCA consultant)

2.3. Competition.

HB REAVIS is operating in the Greater London area where about 10 other real estate companies

3. The solution and its implementation.

3.1. Description of the solution.

The solution was experimented on the construction of a building in London and developed under Excel.

The main backbone is to monitor the carbon final consumption compared to the carbon rights bought at project start (price around 70 GBP/ton). The solution was implemented by the environmental department within HB REAVIS.

Two departments are mainly involved :

- First the design team which shall have an approach of „no over engineering“ oft he building
- Then the procurement department to ensure that the services provided (MEP) or the products bought (steel, aluminium) are matching the carbon rights mentioned above.

Of course, the site management ist he responsible body within the project organization.

Implementation Plan

Procurement	Design Team Expertise	Select design teams with experience designing low carbon buildings and only select principal consultants that have set a net zero pathway or carbon reduction commitments
	Bias for Action	Assess sustainability criteria and net zero carbon commitments for all trade contractors
	Mandate EPDs	Mandate EPDs (Environmental Performance Declarations) for most significant embodied carbon contributors (steel, concrete, façade) and request EPD information from all trade contractors at tender stage
	Educate Supply Chain	Educate our supply chain on net zero carbon in onboarding sessions during tender stage using HB Reavis' Straight to Zero campaign and ESG strategy
	Sweat the Small Stuff	Atomise trade contractor packages to explore breakdown of building elements and drive efficiency of material usage to reduce embodied carbon
	Innovate	Present innovative net zero carbon ideas to market and trade contractors every quarter
	Promote Sustainability	Sponsor five innovative emerging low carbon solutions from our supply chain, promoting the outcome in our annual report

3.2. Certification.

Not applicable as it is an own developed software.

The are only 2 processes to be set up :

- Mandate a agreed LCA consultant to certify the carbon reduction after construction,
- Be sure of the compliance oft he products selected otherwise the insurers will refuse to give a warranty on the final project.

3.3. Mimimum viable product (MVP).

The solution is over the MVP stage, so it is not an issue.

3.4. Life Cycle assessment (LCA).

Not applicable.

The only item is to allocate expenses for changes to the solution in case of changes in legislation.

3.5. Further development areas..

HB REAVIS has 2 axis for development :

First implement the solution through a SaaS system, more reliable and user friendly compared tot he current Excel format.

Then, from a geographical point of view, deploy the system in Germany.

Some tests were done but unfortunately, the non-existence of strong carbon reduction legislation there is a barrier to develop the solution.

4. Business plan components.

4.1. Costs and CAPEX.

The CAPEX ist the transformation into a SaaS solution, which is estimated to 80 kGBP.

Fort he costs, these are the following :

- LCA consultant fee per project (20 kGBP)
- Depreciation of the CAPEX over 5 years.
- Cost to maintain the solution from an IT point of view : 15% of the software i.e. 10 k GBP

Total : 170 kGBP CPAEX and maintenance costs.

4.2. Revenues.

The direct revenues are mainly internal, with a better productivity of the staff during the selection of the subcontractors

The estimation is based on a yearly total cost to company in London for a procurement manager (75 kGBP + 20% for London area + 28% of social contribution, i.e. 115 k GBP/year.

By saving 6 months of the procurement staff per projects (1 project per year from 2027), the payback period is 4 years.

Finally there also indirects revenues, as the process in place can be a competitive advantage for potential clients, helping HB REAVIS to be better positionned on the UK market.

At this stage, it is unfortunately not possible to assess the development oft he SaaS solution in Germany for the reasons explained above (no regulation in place).

According to HB Reavis, the next usage of this software could be on 2 projects in 2027.

The Lean Canvas

Designed for:	Designed by:	Date:	Version:	Documentation:
HB REAVIS		March 2026	1	Read Instructions Watch YouTube video

Problem Main problem : Compliance with the Net Zero Carbon (NZC) regulation in United Kingdom. Selection process from tender stage to construction of subcontractors being able to match these criterias.	**Solution** Excel software to follow the carbon consumption of some parts of the building process (mainly facade ans steel for the moment which are containing large amount of embodied carben. At a later stage, activitities such as Mechanical, Electrical and Plumbery will be adressed.	**Unique Value Prop.** The solution is taking the full construction process of a building from tender stage to copmpletion and can really measure the savings in terms of embodied carbon. Due to ESG obligations, this solution could give a competitivve advantage for the final customer, prooving the lower impact on environmental solutions choosen by HB Reavis.	**Unfair Advantage** No unfair advantage foreseen as this tool allows a full compliance to the Net Zero Carbon regulation in place in UK.	**Customer Segments** Target Customers : Real estate companies and their representation Target Users : procurement and design departments of HB Reavis for the moment, mainly in UK but with potential in Germany (no existing regulation)
Existing Alternatives Unknow at this stage, as the competition is not publishing their solutions to address the NZC regulations.	**Key Metrics** Follow up of the carbon emission reduction in order to cope with the carbon rights bought at contract award	**High-Level Concept**	**Channels** After the UK pilot projects, 2 other projects are expected in 2027. After this second phase, the company shall decide to sale or not externally the software	**Early Adopters** Design and procurement departments of real estate companies. At this stage, only an internal usage of the Saas solution is envisaged.
Cost Structure List your fixed and variable costs. Customer acquisition costs : SaaS solution for 80 kGBP depreciated over 5 years Service provider costs : 20 kGBP per project (LCA) Maintenance software cost : 10 k GBP per year			**Revenue Streams** List your sources of revenue. Internal saving per project from 2027 : 57.5 kGBP Revenue : not applicable Gross Margin : 57,5 k GBP over 5 projects (1 per year)	

Lean Canvas is adapted from The Business Model Canvas (www.businessmodelgeneration.com/canvas)

Excel implementation by: Neos Chronos Limited (https://neoschronos.com/)

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