

Survey:

Sustainable buildings: Investors lack clear evaluation criteria

Sustainability seen as competitiveness issue / Metrics systematically recorded / Investors still cautious about benchmarking

Assessing the sustainability of buildings is still problematic for investors, although a growing number of them now systematically collect metrics on their existing properties. Professional investors also largely agree on which KPIs are needed to evaluate ecological sustainability. However, there is a lack of clear evaluation criteria for sustainable buildings at European level. That is the finding of a study by Union Investment Real Estate, who commissioned market research institute Ipsos to interview 174 European property investors. According to the survey, just 24% of participating property investors in Germany, France and the UK think that clear evaluation criteria exist for measuring the sustainable quality of buildings in their respective countries.

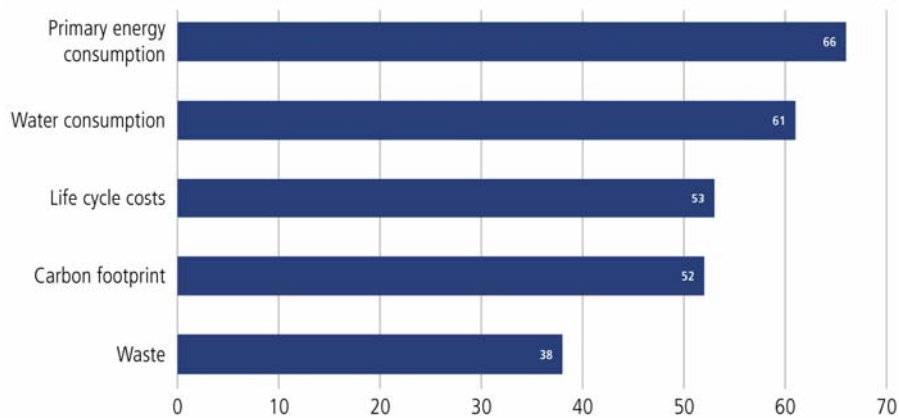
Despite this statistic, sustainability remains a prominent feature in the strategies of European property investors. 66% of the surveyed investors plan to invest significantly more in green buildings in future, with more than one in two (56%) seeing “sustainability” as important to their competitiveness. As well as developing new green buildings, corresponding refurbishment of existing buildings is an emerging

trend: 55% of investors intend to optimise their property holdings with a strong focus on sustainability over the next year. Key aspects here are a building's primary energy and water consumption, lifecycle costs and carbon footprint. Systematic collection of these metrics varies widely among investors, with 59% of respondents recording their buildings' primary energy consumption, 50% the water footprint, and 43% the volume of waste produced. By contrast, carbon footprint and lifecycle costs are less important to investors, both being collected by just 32%. German investors lead the way when it comes to systematically recording all green KPIs, although British investors are clear front runners with regard to carbon footprint information.

Another surprising finding of the study is that 72% of the real estate companies surveyed present metrics at building level, 40% by usage category and only 27% based on the overall portfolio. "Although many investors clearly have the relevant values available for each property, especially German portfolio managers, benchmarking is still treated with great caution," says Dr. Reinhard Kutscher, Chairman of the Management Board of Union Investment Real Estate GmbH. "More transparency is needed. Over the next couple of years, we will increasingly see investors comparing data and publishing it in the form of benchmarks." Tenants can also make a significant contribution towards creating greater transparency, with the study revealing that their consumption figures were included in the data of just 45% of surveyed investors.

Primary energy consumption at forefront in terms of building sustainability

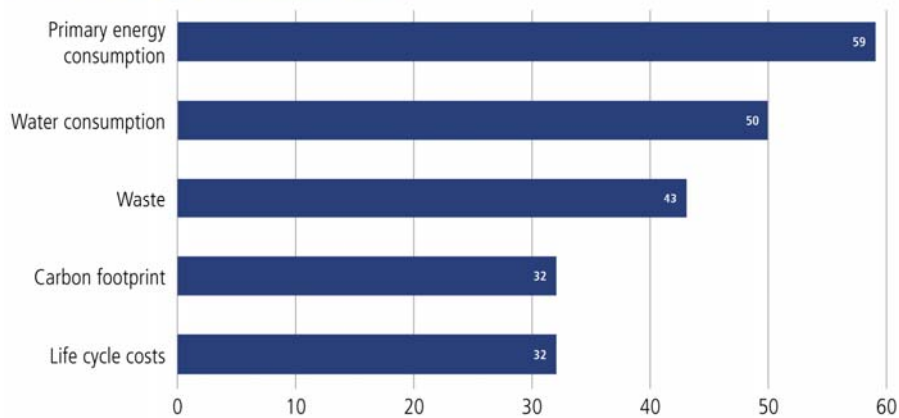
Significance of key figures with regard to sustainability (total)



Basis: 174 property investors in Germany, France and Great Britain; figures in percent
Question: "Which of the following key figures are particularly important for your company with regard to the sustainability of your building?"

Key figures recorded primarily for primary energy and water consumption

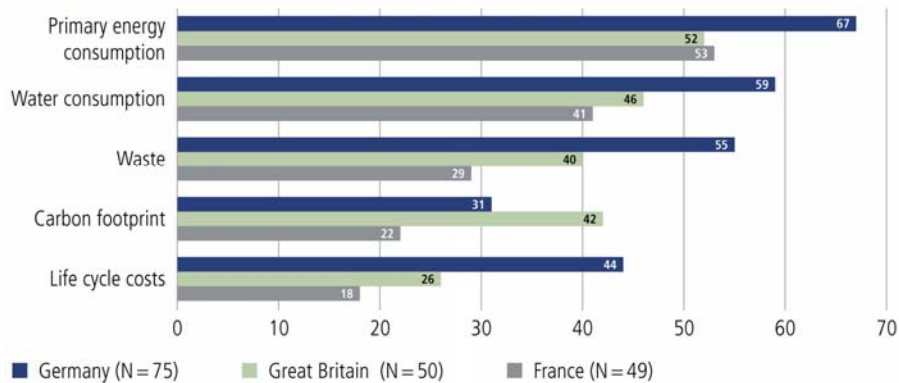
Key figures collected systematically (total)



Basis: 174 property investors in Germany, France and Great Britain; figures in percent
Question: "Which key figures are systematically collected for your building?"

With the exception of the carbon footprint, Germany is the leader in terms of recording key figures

Key figures collected systematically



Basis: 174 property investors in Germany, France and Great Britain; figures in percent
Question: "Which key figures are systematically collected for your building?"

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