



UNEP Finance Initiative
Innovative financing for sustainability

What Real Estate Investing Can Do for the Future Environment

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UNEP FI Property Working Group

Mission:

To encourage property investment and management practices that achieve the best possible environmental, social and financial goals, as consistent with fiduciary responsibilities.



UNEP SBCI
Sustainable Buildings &
Construction Initiative



UNEP FI Property Working Group

Aviva Investors

AXA Real Estate Investment Managers France

BC Investment Management Corporation

Caisse des dépôts et consignations

F&C Property Asset Management

Hermes Real Estate

Infrastructure Leasing & Financial Services

Innovest Strategic Value Advisors Inc.

Mitsubishi UFJ Trust and Banking Corporation

Mn Services

PRUPIM

The Sumitomo Trust & Banking Co., Ltd.

WestLB AG

UBS



CEO Briefing and Full Report are now available



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CEO briefing

A document of the UNEP FI Property Working Group (PWG) • October 2007

During 2006-2007, UNEP Finance Initiative's Property Working Group undertook a key markets survey to identify and highlight emerging opportunities in responsible property investment. This CEO Briefing crystallizes the findings of that survey and presents a series of mini case studies for investors focused on property as an asset class. The full report will be published on the UNEP FI website (www.unepfi.org) by January 2008.

Key Findings

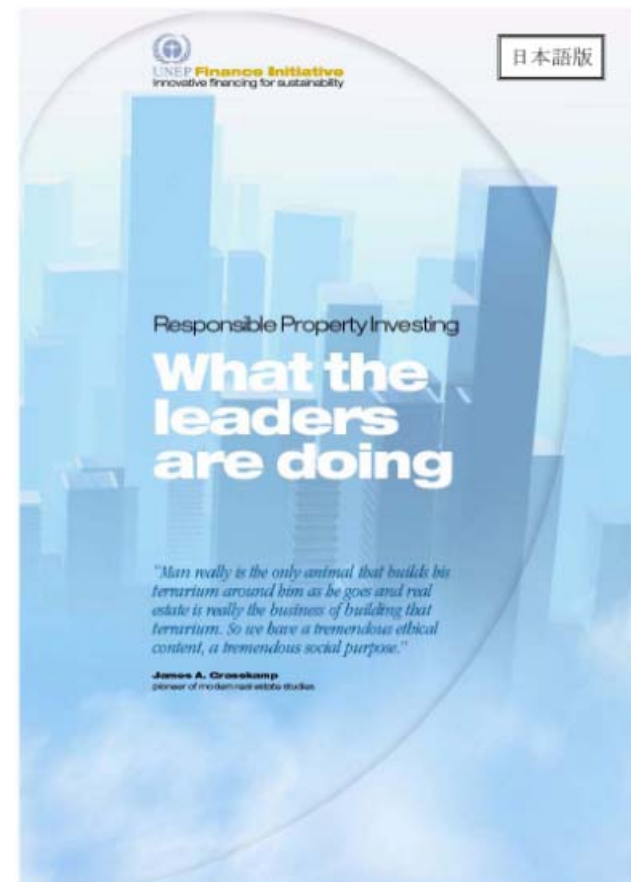
- Property investors can realize greater returns on their investments through considering and acting on a range of social and environmental issues. We call this Responsible Property Investing (RPI).
- Lenders, owners, fund managers, asset and property managers, and developers can all incorporate RPI strategies into their own activities.
- RPI strategies can be categorized into ten elements covering environmental, social and community issues.
- There are two types of financially sound RPI strategies: no cost and low cost approaches.
- More research needs to be carried out to understand the economic impacts of some unquantifiable strategies.

Responsible Property Investing

What the leaders are doing

Man really is the only animal that builds his terrarium around him as he goes and real estate is really the business of building that terrarium. So we have a tremendous ethical content, a tremendous social purpose.

James A. Graesskamp
partner of rochford real estate studies



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Energy Conservation

Better lighting, boilers, AC and office equipment and recommissioning are nearly always cost-effective.

Investa saved AUS\$30,000 and 363 tonnes of CO² per year in Parramatta offices at “minimal or no cost”.



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Green Power

- 15% premiums
- A willingness to pay
- Cost may be offset with conservation or bulk buying



PRUPIM is saving £15,000 per annum (7%), taxes and CO² via bulk purchasing for 240 properties.

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Transit Oriented Development

Properties near transit reduce driving and appreciate faster than other investments.



Mockingbird Station, Dallas - “very successful” and attracting rents with a 40% above-market premium.

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Water Conservation

Savings of 20-30% are cost-effective based on payback rates

Hermes is saving £9,300 per year after spending £3,510 to install waterless urinal systems in London's tallest office tower.



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Tree Planting

Trees increase property values by 14%, lower energy bills, and attract more shoppers who will pay 9-12% more for the same goods and services.



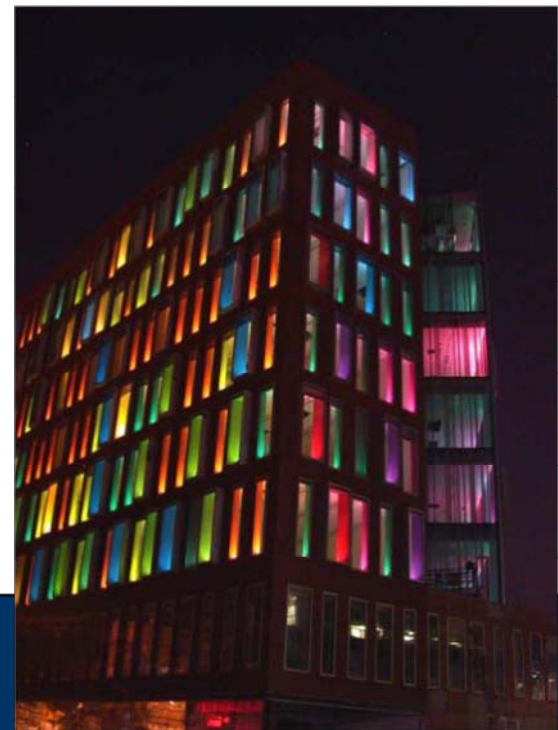
Aeon's Hometown Forest program planted more than 500,000 trees at 59 sites in 2005.

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Certified Green Building

Promises lower running costs, greater productivity, and lower risk at little to no added cost. Higher rents & values.

ICADE/EMPG 's green building in Paris has 20% lower than average running costs without a construction cost premium.



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Green Building Funds



At least 3 dozen worldwide

Acquisition, retrofit and new build strategies

REIT Funds: Nissay Green Global REIT Fund

Equity Funds: Hines CalPERS Green Development

Green Loan Fund:



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Urban Regeneration

Property in UK regeneration areas have matched or exceeded national benchmarks, lowered risk per unit of return, and added diversification to property portfolios

Morley Igloo Fund - the UK's first urban regeneration fund - is expected to outperform its benchmarks.



Marshalls Mill, Holbeck, Leeds

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Other Examples

Safety and Risk Management

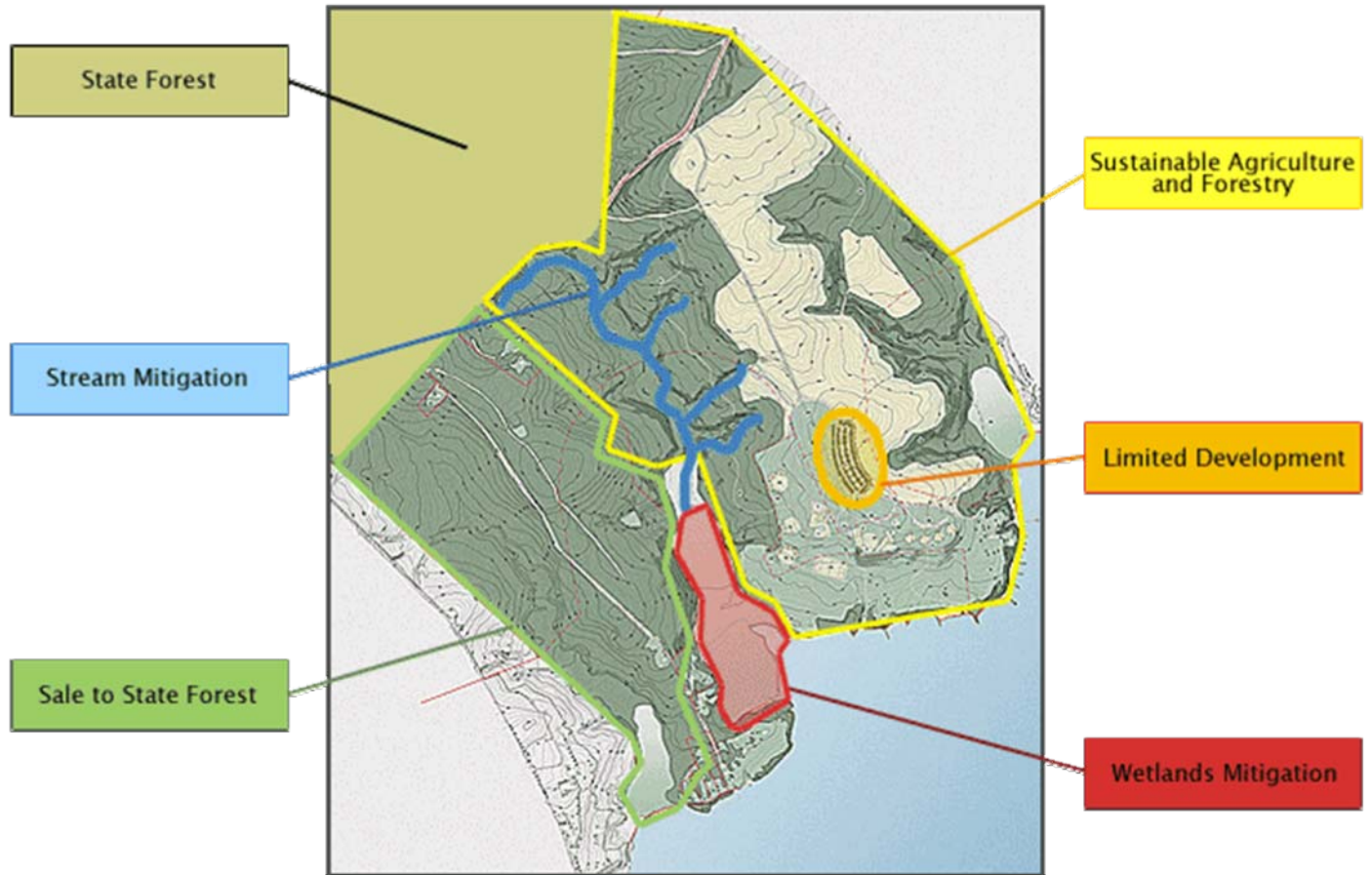
Parks, Plazas, and Atriums

Historic Preservation

Recycling



MuniMae Sustainable Land Fund



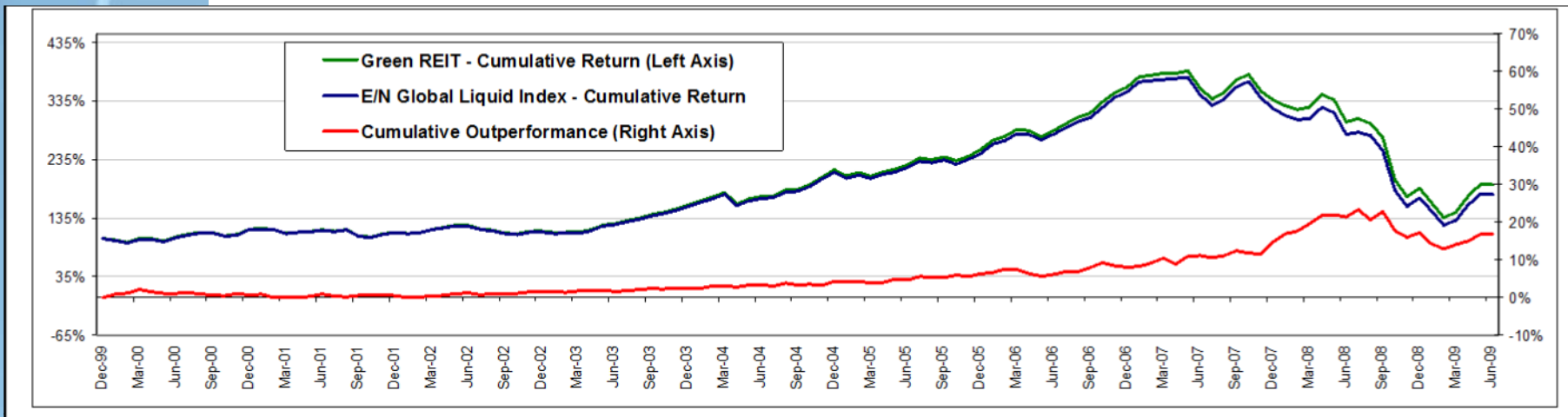
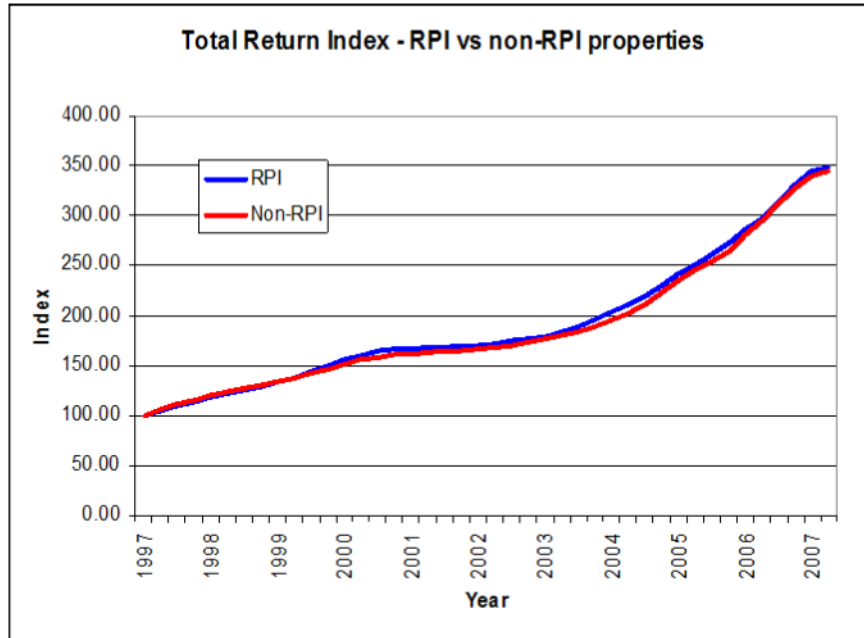
Learning Links Centers



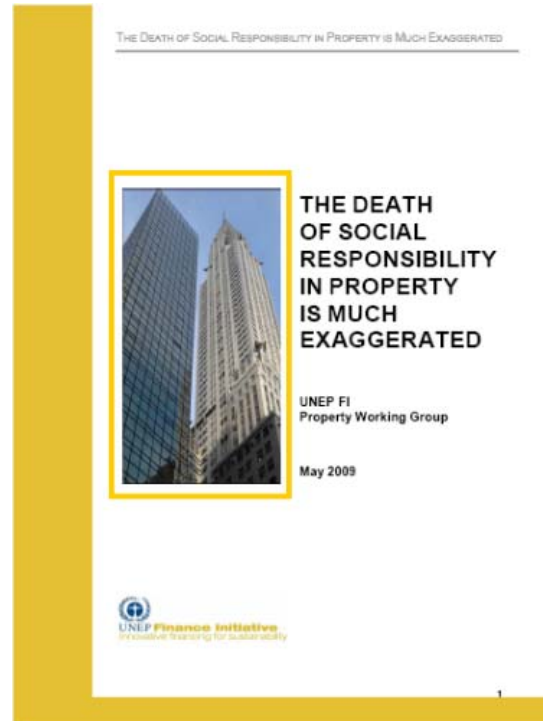
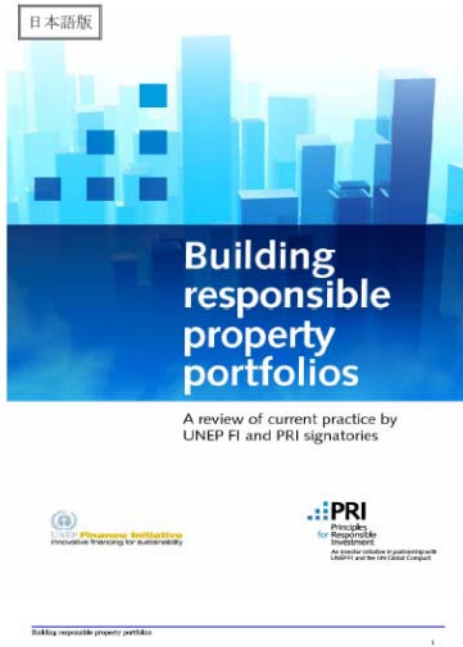
UN Framework Convention on Climate Change



What About Returns?



More Reports from UNEP



Committing and Engaging

First in a Series of Toolkits on Responsible Property Investing

「約束と関わり合い」

責任不動産投資の手引き集 その1



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Thank you for your attention!

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