

**WINNING IN THE LONG RUN ?**  
Driving Sustainable Financial Performance  
on Real Estate

**PRESS RELEASE 1**

April 8, 2011

## **ACKNOWLEDGEMENTS**

### *GRANTS*

Royal Institution of Chartered Surveyors RICS Education Trust  
Austrian Chamber of Commerce, Federation of Real Estate Professionals  
EURO Institute of Real Estate Management

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Investment companies across Europe joining  
the s-i-r-e research platform:

# Exploring the financial drivers of sustainable real estate

**Are sustainable investments in real estate financially viable? Is there a specific profile of economic, environmental and social characteristics driving a 'green alpha' for sustainable financial outperformance?**

In their search for the 'green alpha', more than 40 leading investment companies from 10 countries have teamed up with the pan-European research platform on Sustainable Investment in Real Estate (s-i-r-e). This non-commercial platform is headed by the EURO Institute of Real Estate Management; a private institute based in Cologne (Germany) and Zug (Switzerland), an associate partner of Danube University Krems (Austria).

s-i-r-e is aggregating reliable data for the first empirical study on the financial performance of sustainable office and retail properties in Europe. This project named 'Winning in the Long Run?' is directed by Danube University Krems, Department of Building and Environment, in co-direction with Kingston University London, School of Planning and Surveying. For the research into standing real estate portfolios asset-specific data is provided by institu-

tional investment companies and location-specific data is collected from international market analysts. First results are expected to be published by mid-2011 (through [www.s-i-r-e.org](http://www.s-i-r-e.org)).

„Many real estate investment companies have recently set up their sustainable investment policies. But responsible investment decisions still lack hard facts on a rational link between sustainability and financial performance“, observes Juerg Bernet, Visiting Professor at Danube University Krems and head of the s-i-r-e research platform. „The mission of s-i-r-e is advancing credible knowledge on sustainable investment in real estate by pan-European networking with the professional leaders from the worlds of both business and science“.

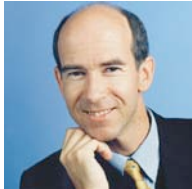
The project 'Winning in the Long Run?' has been awarded grants from the Royal Institution of Chartered Surveyors RICS Education Trust and the Austrian Chamber of Commerce, Federation of Real Estate Professionals. "The research question is: Will the current data provide first evidence for a 'Green Alpha' of commercial real estate in Europe?", wonders Professor Sarah Sayce, co-head of the project at Kingston University. The s-i-r-e research team is supported by an honorary advisory board of

experienced professionals and academics from the fields of investment, real estate, and sustainability. And the EURO Institute of Real Estate Management is providing s-i-r-e with 15 years of experience in market research, management coaching and strategic advisory for institutional investors across Europe.

*The common reporting framework*

Investment companies are reporting financial and sustainability data to s-i-r-e in electronic format of a standard Excel sheet. About 30 indicators are structured following the Sustainability Reporting Guidelines of the Global

Reporting Initiative GRI (Version G3.1) and the Construction and Real Estate Sector Supplement CRESS (Final Draft). The environmental aspects are measured in accordance with the Best Practice Recommendations on Sustainability BPR of the European Public Real Estate Association EPRA (Draft Version), referring to the common metrics identified by the Green Property Alliance GPA (Ground Rules for Property). The carbon footprint is measured by the Common Carbon Metric of the United Nations Environment Program UNEP Sustainable Buildings and Climate Initiative SBCI (Bottom-up Approach, Scope 1 and 2). ■



**CONTACT:**

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The EURO Institute of Real Estate Management is a private institute based in Cologne (Germany) and Zug (Switzerland), an associate partner of Danube University Krems (Austria). Since 1996 the EURO Institute has been supporting institutional investors across Europe with market research, management coaching and strategic advisory.



The launch of the international research platform Sustainable Investment in Real Estate s-i-r-e on November 12, 2010 at RICS headquarters in London. Delegates from the left to the right: Juerg Bernet (EURO Institute of Real Estate Management, CH / Danube University Krems, AT), Alan Meakin (The Crown Estate, GB), Sarah Sayce (Kingston University London, GB), Céline Scemama (Caisse des Dépôts, FR), Peter Hummel (Deutsche Bank Group RREEF Investment, DE), Roger Baumann (Credit Suisse, CH), Jessica Toale (DTZ, GB), Jean-François Le Téo (AXA Real Estate, FR), Frank

Hovorka (Caisse des Dépôts, FR), Liem Nguyen (Bureau Veritas, Green Rating Alliance, FR), Ursula Hartenberger (Royal Institution of Chartered Surveyors, BE), Wolfgang Kubatzki (Feri Euro Rating Services, DE), Wolfgang Behrendt (Deka Immobilien Investment, DE), Lara Muller (Corio, NL), Tim Mockett (Climate Change Capital, GB), Gerald Allison (DTZ, GB), Fiona Quinn (Kingston University London, GB), Martin Tonwensend (Building Research Establishment, GB), Andy Schofield (Henderson Global Investors, GB), Jean-Eric Fournier (Foncière des Régions, FR). Photographer: Beat Habermacher.

## The s-i-r-e investment management partners

*April 2011*

Aberdeen Asset Management, *London (GB)*  
AEW Europe, *Paris (FR)\**  
Allianz Real Estate, *Munich (DE)*  
Alstria Office REIT, *Hamburg (DE)*  
Avadis Investment Trust, *Baden (CH)*  
AXA Real Estate, *Paris (FR)\**  
Bank Sarasin, *Basel (CH)*  
British Land, *London (GB)*  
Caisse des Dépôts, *Paris (FR)*  
Climate Change Capital, *London (GB)*  
Corio, *Utrecht (NL)*  
Credit Suisse, *Zurich (CH)*  
Deka Immobilien Investment, *Frankfurt (DE)*  
Deutsche Bank Group, RREEF Investment, *Eschborn (DE)*  
Erste Group Immorent, *Vienna (AT)*  
Feri Euro Rating Service, *Bad Homburg (DE)*  
Foncière des Régions, *Paris (FR)*  
F&C REIT Asset Management, *London (GB)*  
Hammerson, *London (GB)*  
HCI Capital, *Hamburg (DE)*  
Henderson Global Investors, *London (GB)*  
Hermes Real Estate, *London (GB)*  
Hesse Newman Capital, *Hamburg (DE)*  
ING Real Estate Investment Management, *Prague (CZ)\**  
IVG Immobilien, *Bonn (DE)*  
Kallco Real Estate Development, *Vienna (AT)*  
KanAm Grund, *Frankfurt (DE)\**  
LaSalle Investment Management, *Paris (FR)\**  
PRUPIM, *London (GB)*  
PSP Swiss Property, *Zug (CH)*  
Schroder Property Investment Management, *London (GB)*  
Scottish Widows Investment Partnership, *Edinburgh (GB)*  
SEB Asset Management, *Frankfurt (DE)*  
Sonae Sierra, *Lisbon (PT)*  
SPF Beheer, *Utrecht (NL)*  
The Crown Estate, *London (GB)*  
UBS Global Real Estate  
Unibail-Rodamco, *Amsterdam (NL)*  
Union Investment Real Estate, *Hamburg (DE)*  
Züblin Immobilien Holding, *Zurich (CH)*  
and others

\* as part of the Green Rating Alliance



In a lively debate at the s-i-r-e kick-off meeting in London the research team, partners and advisors have discussed the type of data to be collected and analysed in the project 'Winning in the Long Run?' (photographer: Beat Habermacher).

## Why investment managers join s-i-r-e ?



*Paul EDWARDS,  
Head of Sustainability, Hammerson, London  
(Great Britain)*

„The link between sustainability and value is the key to driving change in the property industry. In order to establish this link you need quality research, using a large data base of properties and a sound methodology. s-i-r-e offers all of these attributes. During our discussions, investors have identified the link between sustainability and value as their number one priority. We cannot however master it alone as we do not have the benchmarking size required, which is why this independent research is so important. If a positive link can be established between sustainability and value, this will unlock new investment opportunities and improve justification for sustainable property investment.“



*Andrew SZYMAN,  
Head of Sustainability, F&C REIT Asset  
Management, London (Great Britain)*

„F&C REIT is delighted to support s-i-r-e. We are keen to contribute to this key research and we identify with its efforts to understand the complex variables and the extent to which sustainability characteristics of property assets can impact on investment performance.“



*Andrew SMITH,  
Global Head of the Property Division, Aberdeen  
Asset Management Group, London (Great  
Britain)*

„Joining s-i-r-e demonstrates Aberdeen’s commitment towards working with investors and understanding market demands to identify and manage both the direct and indirect impacts of buildings on the environment. The key challenge lies in delivering both sustainable properties and investment returns.“



*Barбора NOSKOVA, Business Manager and  
Dr. Martin SABELKO, CEO,  
ING Real Estate Investment Management CEE,  
Prague (Czech Republic)*

„The topic of sustainability is of increasing importance for our funds. ING REIM CEE has decided to participate in s-i-r-e and other pilot

projects because sustainability is key to our investors. There is a growing demand for sustainable investment in green retail and office space.”



*Dr. Bernd SCHADE,  
Head of Real Estate Project Management, Union  
Investment Real Estate, Hamburg (Germany)*

„European investors are willing to allocate an increasing share of their capital in sustainable real estate. But only a few have actually implemented an integrated greening strategy for their existing portfolios. By providing real data on the financial performance of sustainable properties, s-i-r-e can help to increase the awareness for the investor’s benefits of going green. We are proud to be a partner of this important initiative, which aims to prove the business case for sustainable real estate investments in Europe.”



*Dr. Winfried KALLINGER,  
Managing Partner, Kallco Real Estate  
Development, Vienna (Austria)*

„Kallco’s business philosophy thrives for ‘Efficiency-Quality-Culture’. The intentions of s-i-r-e are perfectly in line with our mission and may open interesting opportunities for the sustainable real estate business.”



*Lara MULLER,  
Head of CSR, Corio, Utrecht (The Netherlands)*

„As a developer, owner and operator of retail property we have the ambition to create economic value in a responsible way. Our company mission is creating favourite meeting places. Corporate social responsibility is therefore a central part of how we do business. This specifically includes creating value for the society by addressing its needs and challenges. That’s why it is key to know how economic value is driven by social and environmental performance. We are delighted to contribute to s-i-r-e, a ground breaking, empirical research program, catalysing sustainability within the real estate sector.”



*Jean-Eric FOURNIER,  
Head of Sustainable Development, Foncière des  
Régions, Paris (France). photo: Photothèque  
FDR, photographer: Olivier Ouadah*

„s-i-r-e is following a sound pragmatic approach to value, using sophisticated scientific expertise. Foncière des Régions is willing to contribute to this research because it is conducted on a pan-European scale and the project ‘Winning in the Long Run?’ is supported by the global association of the leading property professionals, the Royal Institution of Chartered Surveyors RICS.”



*Elsa MONTEIRO,  
Head of Sustainability, Sonea Sierra, Lisbon  
(Portugal)*

„Sonae Sierra recognizes eco-efficiency as a key management tool for the company’s competitive edge. We are committed to continually improve the environmental performance of our business activities. In this context we consider s-i-r-e to be the king of research that the property industry needs. If it can demonstrate that a specific profile of economic, environmental and social characteristics drive sustainable financial outperformance, it will help the market to adequately value the buildings that are truly eco-efficient and sustainable.”



*Justin SNOXALL,  
Head of Business Group, British Land, London  
(Great Britain)*

„British Land has joined s-i-r-e as we are interested in further debate on any linkage between sustainable property and investment value. We are interested to be engaged in the debate as it develops.”



*Drs. Bauke ROBIJN,  
Senior Asset Manager Real Estate Investments,  
Dutch Railway Pension Fund / SPF Beheer,  
Utrecht (The Netherlands)*

„We participate in s-i-r-e because we strongly believe that substantial sustainability investments in real estate can only be achieved when risk-adjusted returns of sustainable real estate are superior to those of standard real estate. Participating in s-i-r-e is one way in which we try to meet this target.”



*Dr. Edward TREVILLION,  
Head of Real Estate Research, Scottish Widows  
Investment Partnership, Edinburgh (Scotland)*

„SWIP aims to consistently generate superior investment returns for its clients and investors and believes this goal to be entirely compatible with managing real estate in a sustainable, environmentally and socially responsible manner. SWIP is committed to ensuring that sustainability principles should be a fundamental part of all its activities, encompassing the acquisition, development and management of its property portfolio. Evidence from studies to date has been ambiguous and we hope that s-i-r-e will provide the robust data needed to bring some clarity to the debate.”



*Christian WILDGRUBER,  
Head of Sustainability, Allianz Real Estate,  
Munich (Germany)*

„Our sustainability program includes both our existing portfolio and our substantial growth plan. In our partnership with s-i-r-e we

benefit from the exchange with other market players facing the same challenges. Together we are aiming for a better understanding of sustainability issues in the real estate industry. We believe that sustainability will significantly impact on future asset values. For us, s-i-r-e is the right platform to identify and to tackle this impact."



*Tim MOCKETT,  
Managing Director, Climate Change Property Fund, London (Great Britain)*

„The Climate Change Property Fund was the first fund to be set up in the United Kingdom which recognizes the link between reduced energy costs and enhanced property values. We are delighted to be a partner of s-i-r-e, because we believe that the more research done into sustainable property the better it will be for all – investors, developers, tenants and the planet. Reducing our carbon footprint can create wealth worth having.“



*Daniel THUM,  
Head of Real Estate Asset Management, Erste Group Immorent, Vienna (Austria)*

„It's part of the Erste Group Bank strategy to act sustainably and socially responsible to upcoming generations. We aim to increase future income and values and simultaneously minimize the carbon footprint of our properties. The Erste Group Bank is participating in s-i-r-e because we are highly interested in verifying

our standing investments and our managed portfolios regarding the financial relevance of its sustainability characteristics.“



*Bruno SCHEFER,  
CEO, Züblin Immobilien Holding, Zurich (Switzerland)*

„In partnership with our tenants we reduce the environmental impact of energy, water, carbon emissions and waste. We support s-i-r-e because we are convinced that the environmental performance of buildings is of ever-growing importance.“

## The s-i-r-e advisory board members

*April 2011*

- Gerald ALLISON, DTZ*
- Gerald BLUNDELL, strategy advisor*
- Peter DE HAAS, Cornerstone Real Estate Advisors*
- Prof. Dr. Thomas LUETZKENDORF, Karlsruhe Institute of Technology*
- Liem NGUYEN, Bureau Veritas, Green Rating Alliance*
- Suzanne ROBERTS, Capita Symonds*
- Martin TOWNSEND, Building Research Establishment*
- Ad VAN DRIEL, Grontmij*
- Sander-Paul VAN TONGEREN, APG*



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