Agenda

- What do practitioners (usually) mean by sustainability?
- Why are practitioners interested in this all of a sudden?
- What don’t we know well enough that we would like to know better?
  - Investors
  - Occupiers
  - Buildings
  - ‘Equity’
What do practitioners (usually) mean by sustainability?

- “Sustainable development” and “sustainability” are considered to be slippery terms
- Environmental issues tend to be equated with sustainability
- Not surprising, given that it is:
  - What the media focus on
  - The ‘easiest’ bit to understand
  - Tangible, not ‘slippery’
  - Arguably the most urgent in terms of required response
Why are practitioners interested in this all of a sudden?

... it’s a rapidly changing world...

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Changing marketplace

- Regulations are moving swiftly
  - EU & UK (& elsewhere)

- Businesses are engaging with sustainability
  - Impetus is increasing quickly
  - Varies with sectors
  - These are our clients
Some drivers for clients

- **ASSET VALUE**: Some investors are leaders in ‘future-proofing’ buildings now against adverse investment impact once environmental performance is a valuation factor.

- **BRAND**: Retail clients now find their brand performance is linked to the environmental performance of their property assets eg Marks & Spencer.

- **ASSET MARKETABILITY**: Tenants with CSR policies will increasingly have regard to environmental performance when choosing a building.

- **LEGISLATION**: As currently proposed, an energy performance certificate will soon be needed to sell or let commercial property.
What don’t we know well enough that we would like to know better?

**Investment**

- What are ‘sustainable’ investments, developments, buildings…?
  - Which criteria do we use?
  - What is non-environmental sustainability?

- Cultural acceptance: where in Europe/elsewhere (if anywhere) do commercial property investors & developers really engage with sustainability?
  - Are there cultural reasons for this?

- What is the extent of the fiduciary duty of fund managers?

- Is there any valuation evidence of sustainability in investments?
What don’t we know well enough that we would like to know better?

**Occupiers**

- What is real occupier (& investor) demand for sustainable product?
  - Where, when, what, why, how much (space & £)...?
- Do property owners and occupiers need to acknowledge acceptable trade-offs if sustainability is to be achieved?
  - What are they?
- How do landlords & tenants engage effectively?
  - What makes for an effective ‘green’ lease?
What don’t we know well enough that we would like to know better?

Building

n What are the robustly verifiable impacts of BREEAM (etc) on costs & values?

n What do planners agree makes for a sustainable property development?

n Why are we so focused on buildings’ fabric & not their use?
What don’t we know well enough that we should know better?

**Equity**

- How do resources become appropriately distributed?
  - What is ‘equity’?
Fiddling while the planet burns: A practitioner’s perspective

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ERES 29 June 2007