



Press release

NOVETHIC - ADEME STUDY

Sustainable building: experiences to be generalized through the integration of sustainable development criteria by financiers

22nd May 2007 - Novethic and ADEME published today the study “Sustainable building: an issue on energy and funding” which shows that the major players in the sector are still inadequately taking into account the environmental impacts of their activity. The economics of real estate will have to change so that the different players, at their own level, construct and run their buildings in keeping with the principles of sustainable development. Taking into account such criteria by the financial sector could be the key to the spreading of sustainable real estate. The Novethic/ADEME study lists, in a pedagogical manner, the challenges of sustainable building, details the results of its survey in terms of appraisal of the stakes but also as to achievements made, and lastly, draws the emerging broad lines of “socially responsible real estate investment”.

A building sector still not enough “sustainable”

The real estate sector (construction, use, dismantlement) generates major impacts on the environment. In France, the building industry is responsible for 21% of CO₂ emissions, 43% of energy consumption and over 5% of waste. Despite the existence of efficient building techniques that could permit to reach three times the Kyoto Protocol objectives through mere action on the building sector, sustainable building does not develop at an industrial scale.

A responsibility shared between all the players of the real estate sector

To understand why, Novethic and ADEME have conducted an exclusive investigation of a panel of companies listed on the SBF 120, classified into four categories: investors, property developers, builders and real estate managers. According to this study, these players of the real estate chain consider, on the whole, that sustainable housing is a collective responsibility issue for all, but while each party seems to accept its share of responsibility, they do not necessarily know how to integrate it into their strategies. Investors and developers are designated as the main driving forces of the extension of sustainable buildings, while emphasis is often solely put on building techniques.

The key role of investors for French takeoff

France, long lagging behind on sustainable real estate, seems to start taking off in a field where American experiences of “green building” are already numerous and relayed by assessment studies of environmental impacts and financial valuation. This aspect is the key to the integration of environmental and social criteria by the managers of real estate portfolios. Yet, behind conventional tools, directly pertaining to the regulatory field, **the energy performance of buildings** appears as a crucial indicator. It has a financial impact since it tends to reduce the energy bill and allows to anticipate on regulations concerning the cut down on greenhouse gases. It is through playing on this parameter that France can hope to achieve factor 4, that is dividing by 4 greenhouse gases emissions by 2050.

The first annual barometer of information on the ecological performance of buildings

Novethic and ADEME offer the first “information barometer on the ecological performance of buildings”. This barometer, currently being tested, enables to assess the quality of information provided to stakeholders by the companies of the SBF 120 involved in real estate. It implies information linked to the energy performance of buildings as available from the main reporting documents of the companies on the panel at the end of 2006, emphasizing the indicators, the best practices and the level of information produced. **No company reaches the best level** of the scale so established which includes 4 levels and **over half offer inadequate information**. The most accomplished reporting documents come from the real estate managers Carrefour and Accor and from a builder, Saint-Gobain. The performances of investors and developers are way down, since none of them reaches level 3. The improvement of their reporting is an indicator to monitor to what extent the financial sphere contributes to the emerging of sustainable real estate.

About ADEME: The Agence de l'Environnement et de la Maîtrise de l'Énergie (ADEME) is a public institution under the joint supervision of the ministries of Ecology, and of Industry and Research. It takes part in the implementation of government policies in the field of environment and energy. The Agency offers its expertise and counselling resources to companies, local and government authorities and the general public and helps them fund projects in five sectors (waste management, soil conservation, energy efficiency and renewable energies, air quality and noise control) and progress in their sustainable development approaches.

About Novethic :

A subsidiary of the Caisse des dépôts, Novethic is a research, information and expertise centre on socially responsible investment and corporate social and environmental responsibility. Its website www.novethic.fr is a source of reference information for the players of responsible economy.

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