

Eco-efficiency performance in the property sector is gaining in importance for developers, property companies and property asset managers

Paris, 5 July 2011 - Today Novethic, with the support of the French Environment and Energy Management Agency, ADEME, is releasing the results of its unprecedented survey of the leading property fund managers on their practices regarding energy issues. Novethic is also releasing the results of its fifth Barometer of the reporting of developers and property companies on eco-efficiency performance. All three categories of property professionals show the same trends. A few companies stand out, focusing their strategy on the eco-efficiency performance of their buildings. Others are preparing for more stringent environmental regulations, while others still have yet to embrace the issue.

Unprecedented survey: "What practices are property funds implementing to tackle energy issues?"

For the first time, 22 property investment managers, representing 80.3% of the regulated property fund market, answered an exclusive survey conducted in partnership with ASPIM (French Association of Property Investment Funds) on their integration of energy performance issues. Aware of the importance of these issues, they struggle to assess the actual performance of their property portfolio and delay the integration of eco-efficiency performance criteria into their investment practices.

Energy performance: the great unknown

Sixty-eight percent of the investment managers surveyed do not yet know the actual energy performance of their property assets under management. Measuring performance basically involves carrying out the now required Energy Performance Assessment (EPA), which is still debated among professionals. These companies lack efficient performance measurement tools as they do not have direct access to the actual energy use of buildings.

Main obstacles: no green premium and ambiguous regulations

According to 77% of respondents, the main obstacle to integrating eco-efficiency performance criteria into their property investment strategy is that no financial value from the energy performance of buildings is incorporated into rent or property appraisals. Furthermore, property professionals are awaiting specific regulations on the reference year and scope to roll out the measures necessary to meet the target set by the Grenelle Environmental Forum to reduce the energy consumption of existing property assets by 38% between now and 2020.

Better integration of eco-efficiency performance praised by investors

Virtually the entire sample states that risk prevention is the main motivation for taking energy performance into account. Risks include non-compliance with thermal regulation or the devaluation of assets that have become obsolete.

Interestingly, 67% of the companies surveyed have noted some demand from institutional investors for the integration of eco-efficiency performance criteria into their property investment policy. This demand has not yet created a corresponding offer of responsible property investment funds. There are only four on the market, out of a total of more than 200 funds.

[View the survey](#)

2011 Barometer: reporting on the eco-efficiency performance in the property sector

Comparing the reporting of eight developers and fifteen property companies listed on the stock market, this year's Barometer covers the energy and CO₂ performance of the property assets produced or owned based on a new, more developed methodology. Reporting practices have improved, but the average ratings of developers and property companies are under 50%. The most advanced practices of a few forerunners do not offset the poor ratings of companies that continue to produce incomplete reporting.

More stringent methodology for developing companies

Based on the analysis of public reporting (annual and sustainable development reports, websites), the 2011 Barometer methodology meets even higher standards. As carbon and energy issues have gradually been taken into account, differences should be noted between companies that set specific targets assessed using relevant indicators across a broad, well-defined scope that cover all factors (construction, transport, etc.) and companies whose reporting does not measure progress.

More transparent reporting, but stark differences remain

32 points separate the leading developer from the last in the sample, while the gap for property companies is as high as 65 points.

Nearly the entire sample of developers has made a commitment to obtain the BBC-Effinergie label for their programmes, a sign of their drive to build more energy-efficient buildings. This should lead to greater transparency and details on their commitments, but none of the developers provides an average energy performance (in kWh/m²/year), while more than half of the property companies systematically specify this performance and indicate the scope measured.

Grey energy and urban planning: mentioned but not assessed

The average ratings of developers and property companies in these areas, assessed for the first time, show that progress is needed. The energy consumption and CO₂ emissions generated during the construction and demolition phases or by user travel are not yet covered in the reporting of developers and property companies, despite representing a significant portion of the Bilan Carbone® carbon footprint assessment of buildings. The best practices of developers for grey energy involve creating tools to measure the emissions linked to production. Top-rated property companies specify public transport service to their buildings.

[View the Barometer](#)



Novethic, part of Caisse des Dépôts, is the leading research centre in France focusing on Corporate Social Responsibility (CSR) and Socially Responsible Investment (SRI), with specific expertise developed on sustainability in the property sector. www.novethic.com

ADEME IN BRIEF

The French Environment and Energy Management Agency (ADEME) is a public agency under the joint authority of the Ministry of Ecology, Energy, Sustainable Development, Transport and Housing, the Ministry of Higher Education and Research and the Ministry of the Economy, Finance and Industry. The agency is active in implementing government policy on the environment, energy and sustainable development.

ADEME also provides businesses, local governments, public authorities and the general public with its expertise and advisory services to assist them with their environmental programme. The agency finances a variety of projects, from research to implementation, in the areas of waste management, soil conservation, energy efficiency and renewable energy, air quality and noise pollution. www.ademe.fr.

Press contact: Célia Juère – celia.juere@novethic.fr - +33 (0)1 58 50 98 23