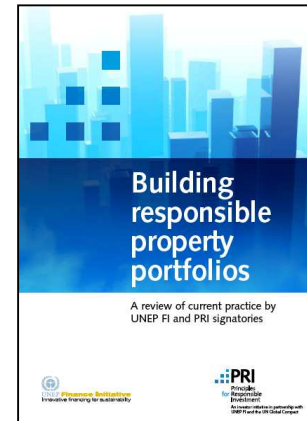


## **Building responsible property portfolios – A review of current practice by UNEP FI and PRI signatories**



### **About the Contributors**

**Caisse des Dépôts (FR)**, a publicly owned company, is a major French investor. Its direct investment in about 100 properties is valued at \$6 billion. Contact: Marie Claude Gleize, Director of Private Equity and Real Estate Investment Group, marie-claude.gleize@caissedesdepots.fr. Website: <http://www.caissedesdepots.fr/spip.php?article108>

**CalPERS (US)** is the largest public pension fund in the USA. Its total real estate fund market value as of April 3, 2008 was \$19.8 billion. Contact: Laurie Weir, Portfolio Manager, Laurie\_weir@calpers.ca.gov. Website: <http://www.calpers.ca.gov/index.jsp?bc=/investments/assets/real-estate/home.xml>

**Drapac (AU)** is a boutique funds manager specializing in unlisted direct property investments via wholesale funds. Drapac currently has assets under management of approximately \$250 million with an end potential value of \$1.2 billion. Contact: Adam Murchie, Funds Manager, amurchie@Drapac.com.au. Website: <http://www.drapac.com.au/movie.htm>

**Environment Agency Active Pension Fund (UK)** is open to employees of the environmental regulator for England and Wales. It is one of the 100 largest pension funds in the UK and had over \$150 million in property investments as of March 31, 2007. Contact: Faith Ward, Investment Manager, faith.ward@environment-agency.gov.uk. Website: <http://www.environment-agency.gov.uk/aboutus/233207/1707397/>

**Eureka Funds Management Ltd. (AU)** is a boutique, independent business formed in January 2004 to manage property investments for a small number of institutional investors, predominantly Australian Superannuation Funds. Contact: Gavin Norris, Fund Manager, gavin.norris@eurekafm.com.au. Website: <http://www.eurekafm.com.au/strategy.htm>

**F&C (UK)** is an asset manager for private and institutional clients. As of December 31, 2007, it had more than \$10 billion of property assets under management. Contact: Andrew Szyman, Sustainability Manager, andrew.szyman@fandc.com. Website: [http://www.fandc.com/new/us\\_institutional/Default.aspx?id=75577](http://www.fandc.com/new/us_institutional/Default.aspx?id=75577)

**Hermes Real Estate (UK)** is one of the largest real estate managers in the UK, with in excess of \$23 billion of gross assets under management (at 31 December 2007). Contact: Keith Bugden, Development Director, k.budgen@hermes.co.uk. Website: [http://www.hermes.co.uk/real\\_estate/real\\_estate\\_rpi\\_challenges.htm](http://www.hermes.co.uk/real_estate/real_estate_rpi_challenges.htm)

**Investa Funds Management Ltd. (AU)** is the funds management division of Investa Property Group. Investa is a world leader in sustainability and up until its delisting, upon being acquired by funds managed by Morgan Stanley Real Estate, was rated number one on the Dow Jones Sustainability World Index (DJSI) in both the real estate sector and the financial services super-sector and was also included in the "Global 100" most sustainable companies in the world. Contact: Craig Roussac, General Manager, Sustainability, Safety & Environment, croussac@investa.com.au. Website: <http://www.investa.com.au/Sustainability/>

**Kennedy Associates Real Estate Counsel, LP (USA)** Kennedy Associates Real Estate Counsel, LP was founded in 1978 and is jointly held and controlled by senior management and Toronto-based Bentall Capital. Kennedy is a full-service registered real estate investment advisor to a select number of separate account clients, closed and commingled funds the largest of which is the Multi-Employer Property Trust ([www.mept.com](http://www.mept.com)), an open-ended direct real estate fund created by Kennedy in 1982. Kennedy Associates is a US leader in Responsible Property Investing, focusing on sustainable development and re-development, energy and water conservation and exclusive use of contractors and development companies that honor fair labor laws and foster positive work environments. In addition to the \$9.6 billion currently under management, as an active investor Kennedy has disposed of more than \$3 billion in real estate for clients over several real estate cycles. Contact Robert Ratliffe, Executive Vice President, Portfolio Management, robertr@kennedyusa.com. Website: <http://www.kennedyusa.com/responsible-property-investing.aspx>

**Land Securities (UK)** is the UK's largest Real Estate Investment Trust with a commercial property portfolio worth over \$27 billion. Contact: Nicola Carpenter, Group Environmental Manager, nicola.carpenter@lstrillium.com. Website: <http://www.landsecurities.com/ls03.asp?PageID=316>

**Lend Lease Investment Management (AU/UK/Asia/US)** manages property funds globally on behalf of institutional clients. Lend Lease also invests direct in retail properties and co-investments. As of June 30, 2007, Lend Lease had over \$8 billion in funds under management. Contact: Phillip Ransom, Business Development Manager: phil.ransom@lendlease.com.au. Website: [http://www.lendlease.com.au/llweb/llc/main.nsf/all/all\\_sust\\_vision](http://www.lendlease.com.au/llweb/llc/main.nsf/all/all_sust_vision)

**Morley (UK)** is one of the largest managers of property assets in the world, managing in excess of \$63 billion of property assets (at end of December 2007). Contact: Hoong Wey Woon, Fund Manager, hoongwey.woon@morleyfm.com. Website: <http://www.morleyfm.co.uk/products/property/sustainability/index.htm>

**Multi-Employer Property Trust (MEPT)** is an open-end commingled real estate equity fund that invests in a diversified portfolio of institutional-quality real estate assets. The portfolio consists of 186 properties in 25 major U.S. metropolitan markets. Founded in

1982, MEPT now has over \$7.2 billion in net assets and has become one of the largest commingled real estate equity funds in the United States and the only fund with a 25-year track record of Responsible Property Investing (RPI). Contact: Preston Sargent, Executive Vice President, Portfolio Management, prestons@kennedyusa.com.

Website: <http://www.mept.com>

**PRUPIM (UK)** is a top 10 global real estate investment manager, managing over \$37 billion of assets in over 1000 properties. Contact: Paul McNamara, Head of Research, Paul.McNamara@prupim.com. Website: <http://www.prupim.com/about/sustainability>

**RREEF (US)** is among the largest real estate investment managers in the United States and the world, managing some \$40 billion of assets in the U.S. and over \$95 billion globally (as of year-end 2007) on behalf of many of the world's leading institutional investors through direct investments, real estate securities, and more specialized investments.

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Website: [https://www.rreef.com/cps/rde/xchg/reef\\_en/hs.xsl/index.html](https://www.rreef.com/cps/rde/xchg/reef_en/hs.xsl/index.html)

**SIRIS (AU)**, the Sustainable Investment Research Institute, is a dedicated, specialist research group, providing sustainability and governance investment research and investment product manufacture. Through its international research partnerships, SIRIS is able to provide seamless global research solutions. Contact: Ben Spruzen, Associate Director, ben.spruzen@siris.com.au. Website: <http://www.siris.com.au/index.html>

**Sumitomo Trust & Banking (JP)** is among the major trust banks in Japan, with 44,680.8 billion yen, which is equivalent to \$400 billion in total employable funds (as of September 30, 2007). Contact: Masato Ito, Senior Manager, Real Estate Consulting Department, itoma@sumitomotrust.co.jp. Website:

[http://www.sumitomotrust.co.jp/IR/company/en/csr\\_html/csr\\_index.html](http://www.sumitomotrust.co.jp/IR/company/en/csr_html/csr_index.html)

**UNEP Finance Initiative Property Working Group (UN)** is the property workstream of the UNEP Finance Initiative. Members include AXA Real Estate Investment Managers France, Caisse des Dépôts, Calvert Group, F&C Property Asset Management plc, Hermes Investment Management Limited, Infrastructure Leasing & Financial Services, Innovest Strategic Value Advisors, Mitsubishi UFJ Trust and Banking Corporation, Morley Fund Management, PRUPIM, The Sumitomo Trust & Banking Co., Ltd. and WestLB AG.

Observers include CalPERS, Cherokee Investment Partners, GPT Group, Land Securities PLC, Lend Lease, and Investa Property Group. Contact: Regina Kessler, property@unepfi.org

Website: [http://www.unepfi.org/work\\_streams/property/index.html](http://www.unepfi.org/work_streams/property/index.html)

## **Further Readings and Resources**

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Pivo, G and McNamara P (2005), Responsible Property Investing. *International Real Estate Review*, v8, 1: 128-143. Available online at [http://business.fullerton.edu/finance/irer/papers/past/vol8\\_pdf/Pivo-Mcnamara\(128-143\).pdf](http://business.fullerton.edu/finance/irer/papers/past/vol8_pdf/Pivo-Mcnamara(128-143).pdf)

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Responsible Property Investing Center. Information available online at [www.responsibleproperty.net](http://www.responsibleproperty.net)

UNEP Finance Initiative Property Working Group, *Responsible Property Investing: What the Leaders Are Doing*. Available online at [http://www.unepfi.org/fileadmin/documents/ceo\\_briefing\\_property\\_01.pdf](http://www.unepfi.org/fileadmin/documents/ceo_briefing_property_01.pdf)

UNEP Finance Initiative Property Working Group. Information available online at [www.unepfi.org/work\\_streams/property/index.html](http://www.unepfi.org/work_streams/property/index.html)

UNEP Sustainable Building and Construction Initiative. Information available online at <http://www.unepsbci.org/>