



Chris Brown

UNEP FI Property
Working Group



Igloo Regeneration

- **Igloo**
- **Returns**
- **Socially Responsible Investment**

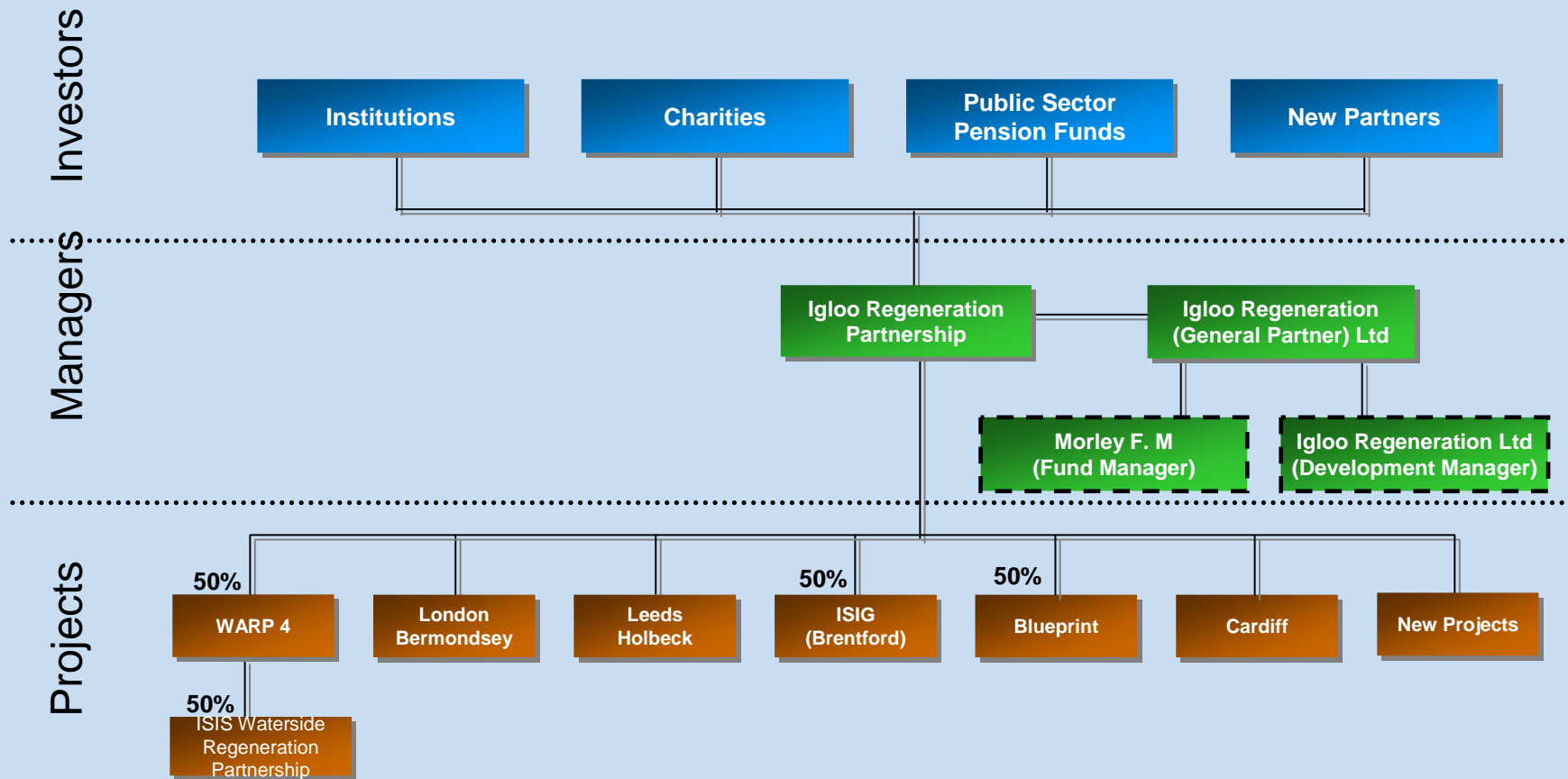


Socially Responsible Investment



Socially Responsible Investment

Partnership Structure



- April 2002
- €150m equity
- 11 investors
- Fund Managers, Pension Funds, Ethical Investors
- 50% gearing
- €4.5 Billion end value portfolio
- 20%+ out performance against IPD target
- 16% equity ten year IRR forecast



- **Mixed Use**
- **Well Designed**
- **Environmentally Sustainable**
- **Property Developments**
- **Edge of UK top 20 City Centres**
- **For Creative Industries**
- **Regeneration Areas**
- **In Partnership with Public Sector**

Operations

- We fund developers, particularly small developers with little capital
- We invest in partnerships with the public regeneration agencies
- We directly develop and hold the resultant investments
- We buy completed investments



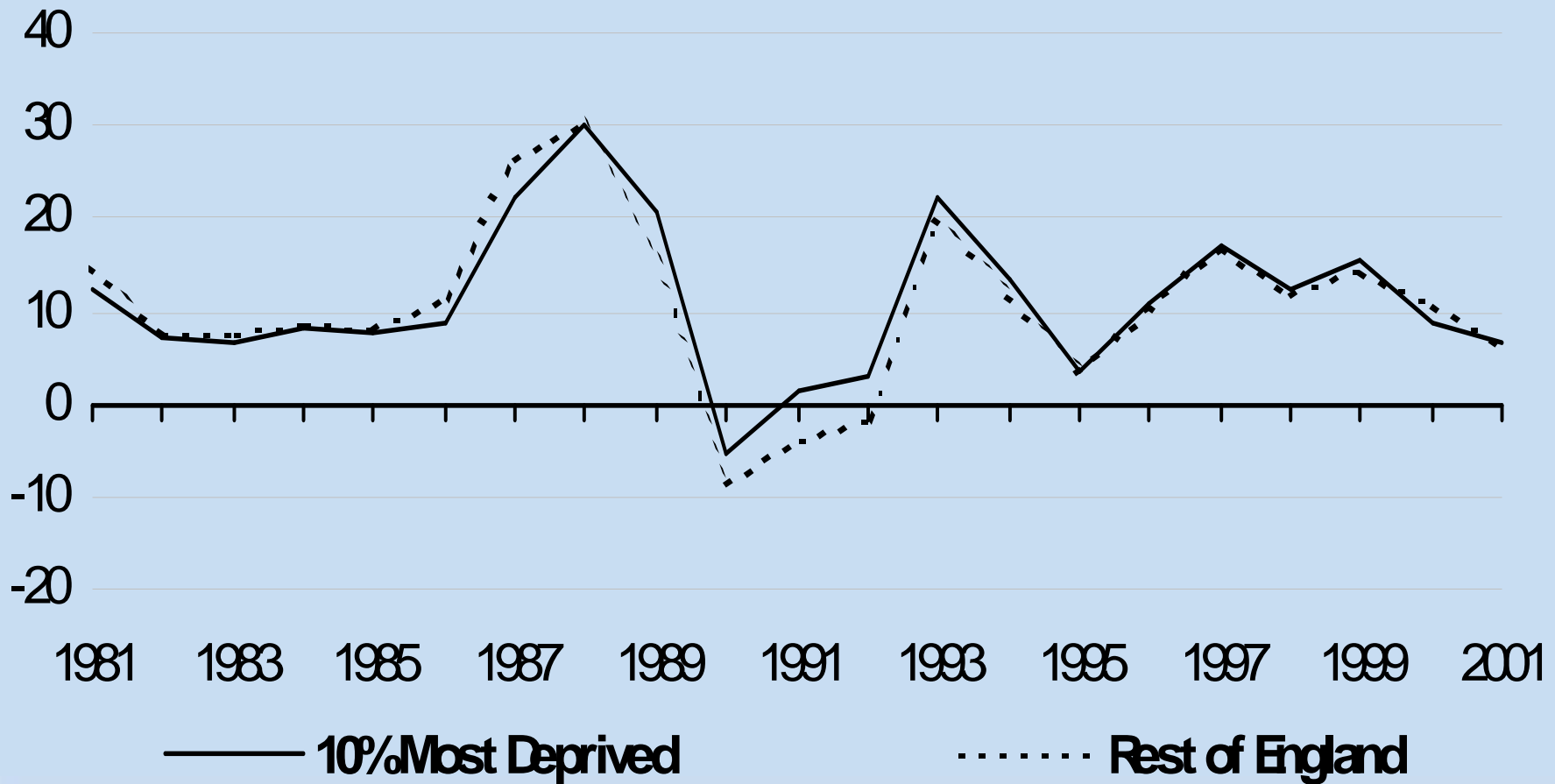


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Deprived Areas UK 1980 - 2001



Regeneration Areas UK 1980 - 2001

Sector	IPD	IPD City	Regeneration
Retail	11.1%	11.4%	15.5%
Office	9.4%	9.9%	10.0%
Industrial	11.9%	12.1%	12.3%
All property	10.3%	10.8%	12.8%



Socially Responsible Investment

SRI Rationale

- **The right way to do urban regeneration**
- **Reflects policies of the EU, UK and therefore helps secure investment opportunities from public sector.**
- **Reflects wishes of consumers and occupiers of property and therefore created value in the properties.**



SRI Process

- **Design, Environment, Social**
- **Flexible Business Process**
- **Four Assessment Stages**
- **High Profile Audit Process**



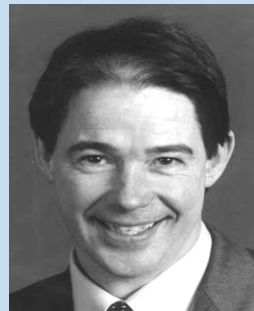
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SRI Scoring

Theme Score Sample: Regeneration

1.1 Location and Connectivity			0		
1.2 Engagement and Social Capital				+1	
1.3 Economic Diversity and Competitiveness				+1	
1.4 Local Economic Impact				+1	
1.5 Balanced Communities				+1	
1.6 Neighbourhood Integration				+1	
1.7 Amenities and Services				+1	
Good Practice				+7	

Igloo SRI Committee



Dr. Jonathon Porritt CBE
Founder Director Forum for the Future
Chair Sustainable Development Commission

George Ferguson
Immediate Past President
RIBA

Anne Power
Prof Social Policy
LSE

Paul King
WWF

- **Limited Ethical Real Estate Investment Opportunities**
- **Increasing retail and institutional interest**
- **Positive Investment Trends**
- **Delivering on SRI is Challenging**







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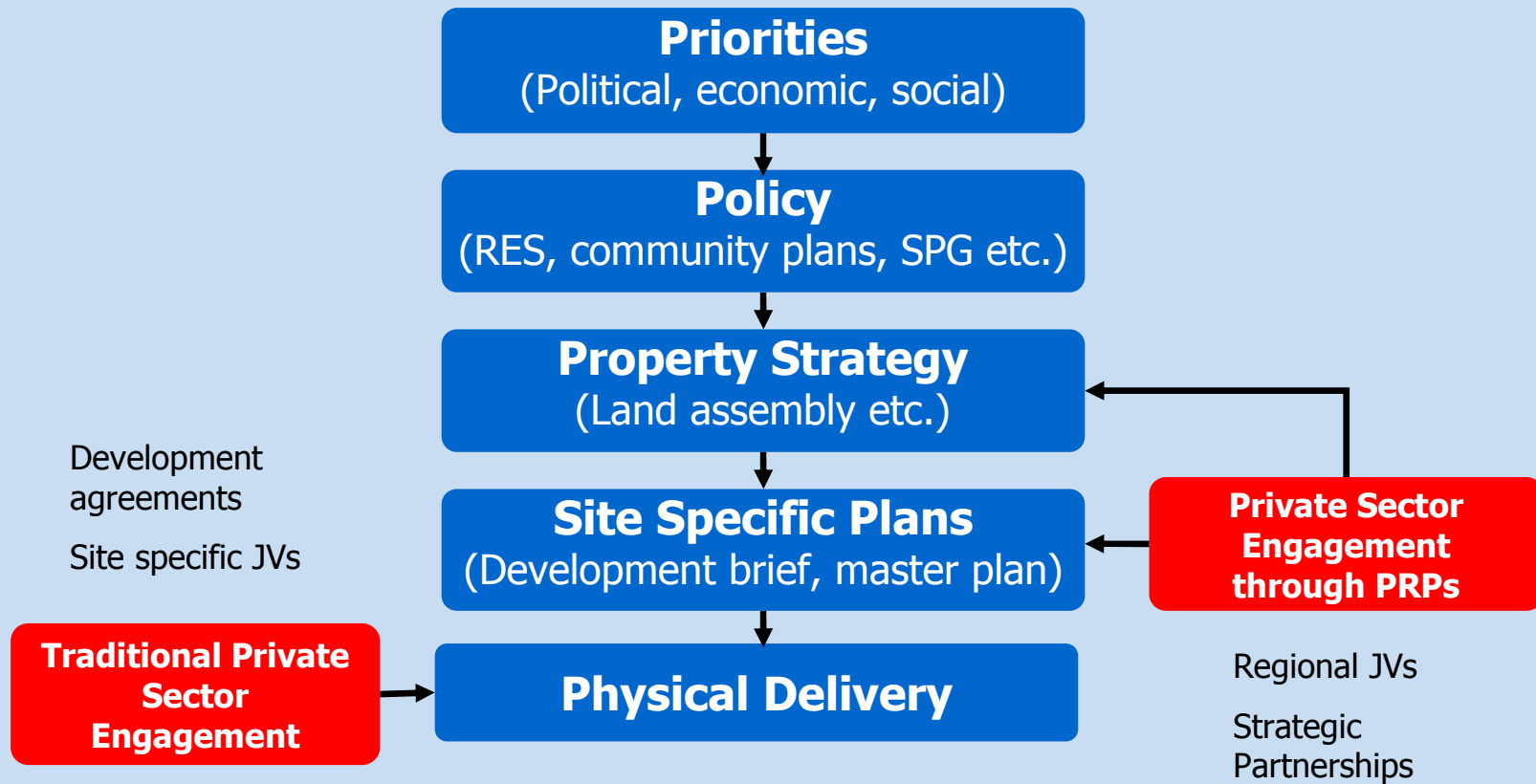
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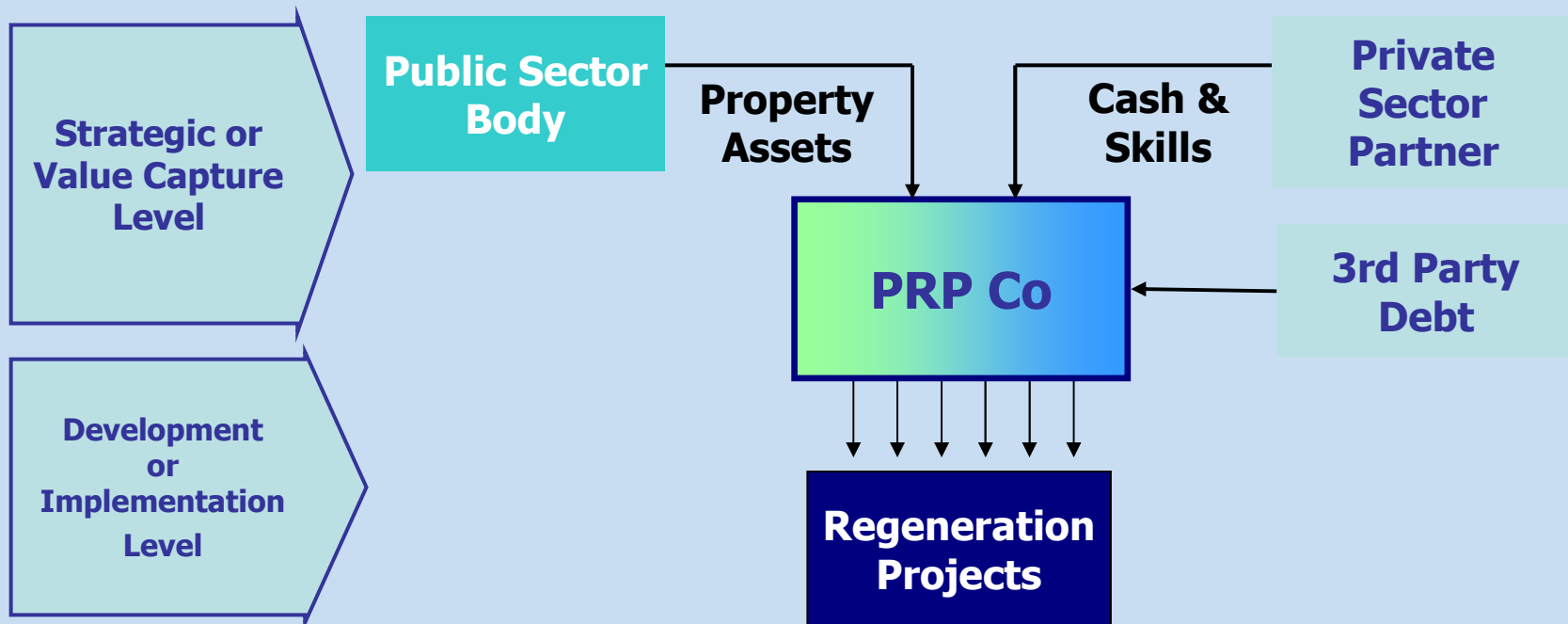
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Private Investment in Regeneration **The blueprint model**



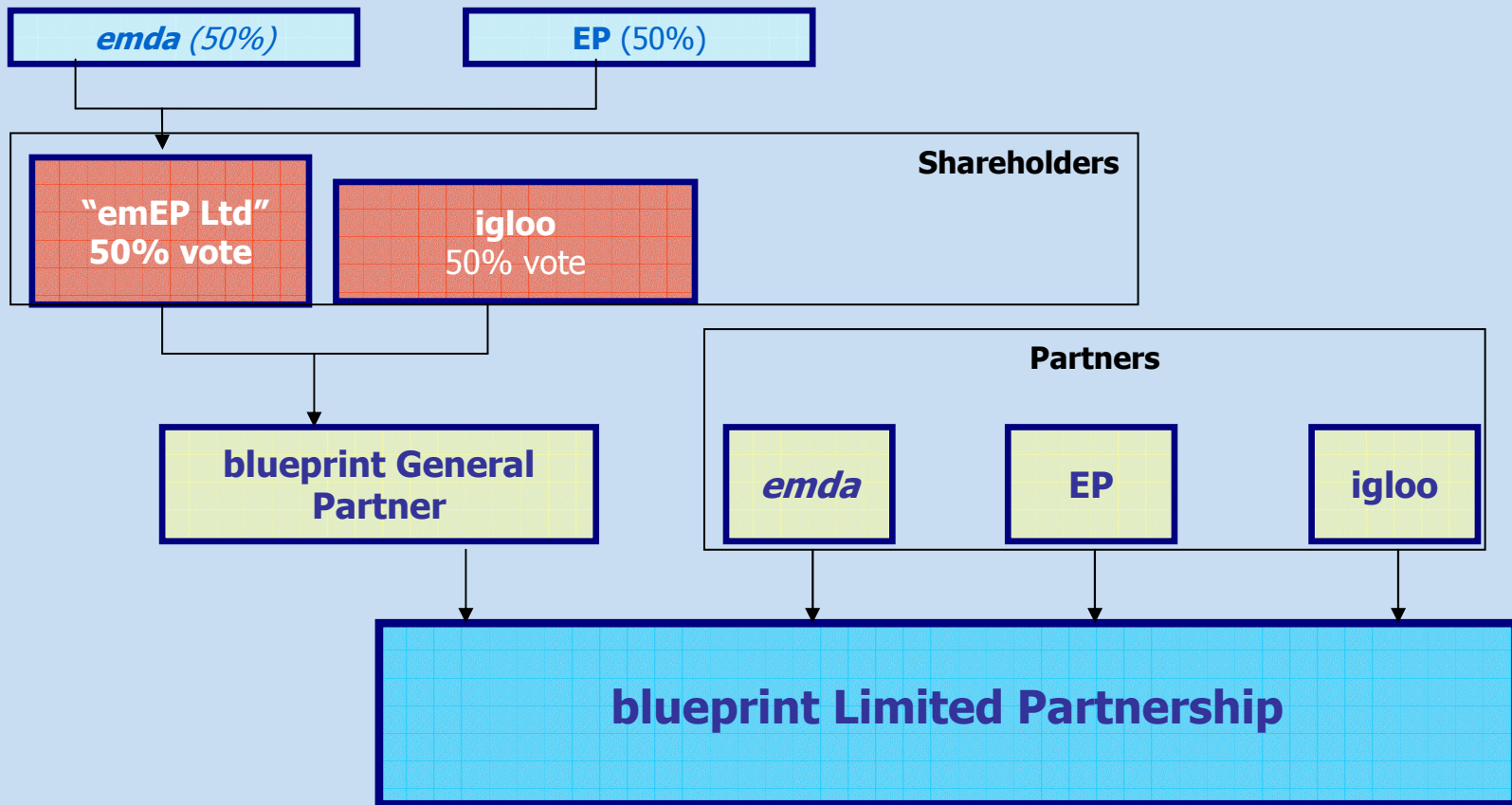


What is a PRP?



What is blueprint?

- A 50:50 Limited Partnership
- A vehicle to deliver £500M of regeneration in the East Midlands
- Funded by a rental portfolio, equity and debt
- 6 initial schemes under development
 - Derby (Bold Lane)
 - Leicester (Waterside, Wolsey Island, Morledge St)
 - Nottingham (Science Park, Albany Works)
- Investing in new priority projects



- A conduit through which partners, URC's and other public sector bodies can deliver their regeneration plans
- Commits where the private sector cannot or should not
- Focus is on areas of decline on the edge of the East Midlands principal urban centres



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- **Management is the Scarce Resource**
- **Ethical Investment Interest is Growing**
- **SRI is Critical but Challenging**



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