

Environmental Finance

www.environmental-finance.com

Environmental Finance, Fulton Publishing,

22-24 Corsham Street, London N1 6DR

Tel 44 (0) 20 7251 9151;

fax 44 (0) 20 7251 9161

info@environmental-finance.com

Property investors urged to back green buildings

London, 14 December: Institutional investors should apply sustainable investment principles to their property portfolios, says the UN Environment Programme Finance Initiative (UNEP FI).

To this end, UNEP FI, a partnership between the UN environmental body and the financial services sector, has set up a working group on responsible property investment, with the aim of spreading the message that sustainable property management can be both environmentally and financially beneficial.

The group is co-chaired by Caisse des Dépôts, Land Securities and Prudential, and includes other property investors such as Hermes Real Estate Investment Management and AXA.

Jean-Pierre Sicard, head of sustainable development at French financial institution Caisse des Dépôts, said: "Investors' responsibility cannot be limited to their assets in large listed companies. The environmental and social stakes in real estate must be a subject of investors' benchmarking to prepare property responsible investment practices."

Natalie Ryan, UNEP FI's working group co-ordinator, said that the first order of business for the group will be to collect and disseminate examples of best practice, such as Morley Fund Management's Igloo Regeneration Fund, a socially responsible investment property fund.

The group will also produce statistics which are expected to show that investing in green buildings and building management has a positive impact on financial returns.

The group's work will begin by focusing on the sustainable refurbishment of existing buildings, but aims to address issues surrounding new build and property management, she said.

Initially, the working group will concentrate on the developed world – which has the biggest stock of old, inefficient buildings – but it plans to have a global reach.

Ryan says that, while there are plenty of good examples of green building practices, "it is difficult to get the information translated into the language of the financial investors".

Paul McNamara, director of Prudential's real estate management business PRUPIM, said: "The property working group aims to influence senior property investment professionals with respect to how they manage existing property assets. By doing so, it will address a most important area where the finance industry can assist in mitigating environmental change."

Updated 14 December 2006