This report, ‘Sustainability Metrics: Translation and Impact on Property Investment and Management’, provides a framework for a corporate real estate sustainability management (CRESM) system. The framework can be used by property investment and management organisations as a means (1) to meet their environmental, social and governance responsibilities whilst addressing the financial/risk implications of sustainability and (2) as an overall quality assurance tool and mechanism.

The objective of this report is to improve the industry’s abilities and sophistication in creating the necessary linkages and feedback loops within the property market. This enables the exploitation of the added value of information.

The report’s primary audience is commercial property investment and management firms. However, the report is also useful for decision-makers in related sectors such as banking and insurance.

The ‘Sustainability Metrics: Translation and Impact on Property Investment and Management’ report represents a joint venture between leading stakeholders in the field of property investment, advice and management.

A complex web of interconnected information flows and requirements result from the interactions between property market players and the functions within investment and management organisations. Systematic management and use of this data is needed within standard business processes as a basis for informed decision-making.

Drawing on the findings of a sector survey, the report highlights that the property investment community has already developed a relatively sound understanding of what sustainability means in relation to single buildings and investment vehicles. However, the data and information crucial for sustainability performance assessment and management are not yet systematically captured and processed, even though it may already be available “somewhere” within an organisation.

From a boardroom perspective, it is critical to harness the relationships between sustainability issues, related metrics and property investment / asset management operations. An individual asset’s sustainability performance can impact on portfolio value, corporate reputation and corporate success in many ways. The adoption of Corporate Real Estate Sustainability Management (CRESM) is a vital element of a responsible corporate policy.

This report adds to the body of knowledge and tools that will enable the wider uptake of sustainability risk management across the industry. It helps investors both protect the value of real estate funds and comply with their fiduciary duties. Finally, the report offers an opportunity for policy makers to better understand the complexity of sustainability management in the real estate sector. This should help them develop sustainability-related policies which maximise environmental and social benefits AND provide appropriate incentives and signals to investors.
Key challenges for property investment and management firms are to:

- organise information flows more efficiently
- ensure data accessibility and comparability across different corporate departments and between business partners and service providers
- develop and implement appropriate decision-support instruments.

A list of pragmatic sustainability metrics provides the basis for explaining:

- how sustainability considerations can actually be embedded within business routines and decision-making processes at different corporate levels
- how existing tools and methods (i.e. investment and portfolio analyses) can be fine-tuned accordingly
- how buildings’ sustainability performance can impact on asset and portfolio value, corporate reputation and financial success.

The implementation of CRESM requires a holistic approach across the whole organisation. The successful management and integration of sustainability risks and opportunities into business routines and decision-making processes depends upon an approach to information / data at all corporate levels:

Extended decision-making basis at all corporate levels

“This is an insightful report that should be of interest to any organisation, irrespective of their stage of maturity in managing sustainability metrics. [...] This is an excellent example of where academia meets commerce.”

The full report is available at [www.unepfi.org/work_streams/property](http://www.unepfi.org/work_streams/property)

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