

# Sustainability – an investor's perspective

## Deka – German property investment funds

The investment bank of the Sparkassen Finance Group  which has:

- 590 municipal savings banks and other finance companies
- 20,200 branches
- 349,500 employees
- 50,000,000 customers
- € 2,880,000,000,000 (€ 2.9 trillion) assets
- Founded 1801 to fight poverty

# Sustainability – an investor's perspective

## Deka – Property Investments

- 455 commercial properties
- 35% Germany / 65% International (by value)
- In 25 countries, large portfolios in Germany, France, UK, Holland, Poland

# Sustainability – an investor’s perspective

## Deka: Policy and Motivation

- Deka policy – to be one of Europe’s leading sustainable investment fund providers
- Our investors want sustainability
- Our tenants want sustainability and „flourishing“ workplaces
- More than 50% of our buildings are certified (BREEAM / LEED etc.)
- Global Fund 70% certified
- The future for buildings is zero CO<sub>2</sub>

# Sustainability – an investor’s perspective

## Deka: Policy and Motivation

Rating: sustainability counts for 10% of the rating score



Global Large Portfolios

Deka Immobilien Investment

Sustainable Portfolios

WestInvest

# Sustainability – an investor’s perspective

## Flagship Investments – Best Practice Buildings

„The Edge“, Amsterdam.

BREEAM Outstanding.

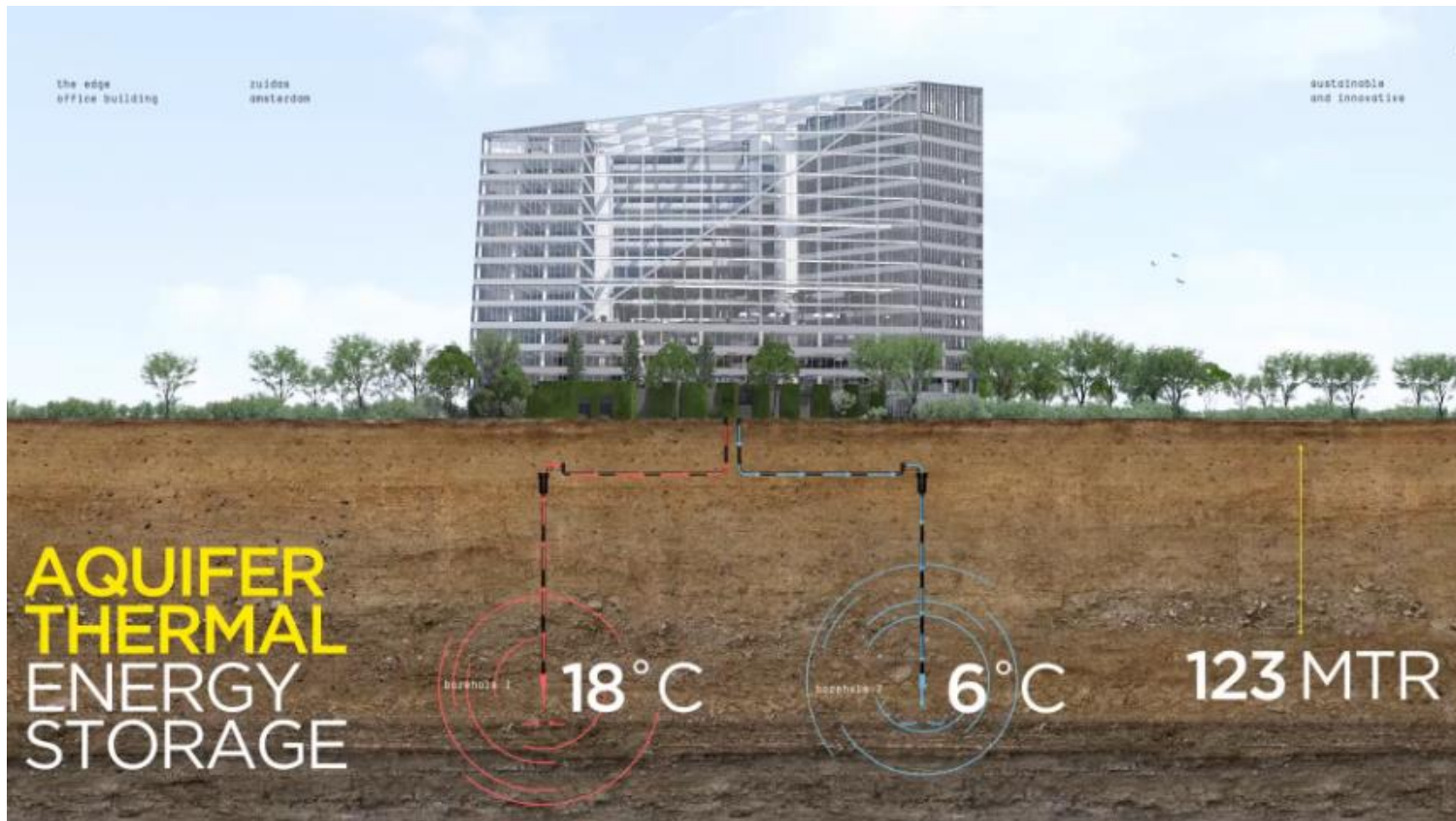
Highest scoring building worldwide (98%)

Concept can be replicated



# Sustainability – an investor’s perspective

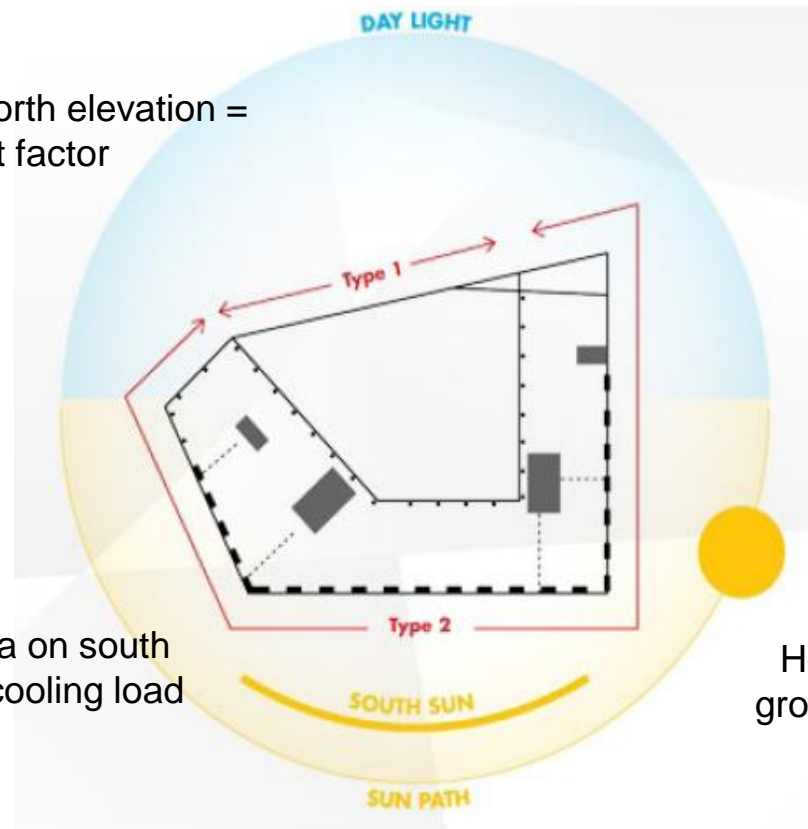
## The Edge - NZEB



# Sustainability – an investor's perspective

## The Edge NZEB – solar orientation

~ 100% glazing to North elevation = high daylight factor



Reduced glazed area on south elevation = reduced cooling load

Heating & cooling using ground source heat pumps

Facade integrated + roof photovoltaic 156 kW

# Sustainability – an investor’s perspective

## The Edge NZEB – commercial sense

- Building developed by OVG, Deloitte as main tenant involved from project conception
- Early involvement of the tenant breaks the log-jam of speculative development – more ambitious goals possible.
- BREEAM label important to tenant
- Good business for investor because long-term property value secured.

Good architecture

Good working environment

Energy efficiency



Good investments & sustainable buildings



# Sustainability – an investor’s perspective

## Which Label?

### Certification Systems used by Deka

	number	%
BREEAM	98	65
LEED	25	16
DGNB	11	7
HQE	5	3
Other	<u>13</u>	<u>9</u>
	152	100

Principle: use the locally established label. For Europe, we think this is generally BREEAM, but other labels used depending on tenant requirements or other factors.

# Sustainability – an investor’s perspective

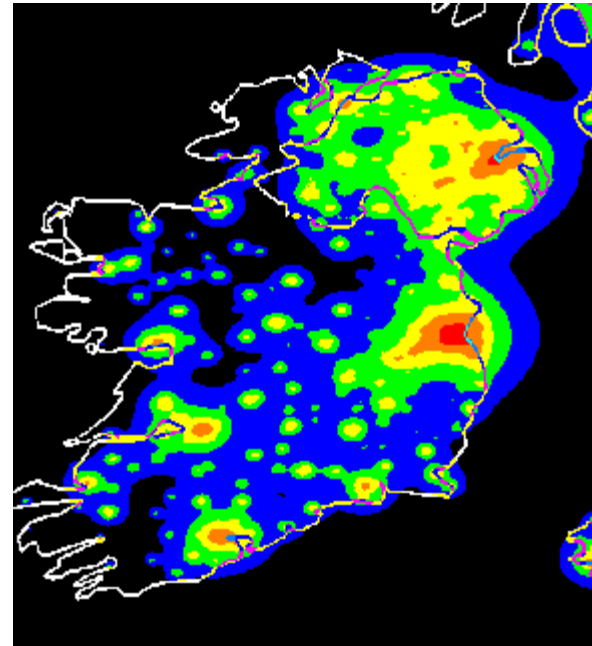
## Energy Use in Ireland – late start, rapid development



Rural electrification 1958

„The Quiet Revolution“

(laying the sea cable to Valencia Island)



Excessive energy use 2008

# Sustainability – an investor's perspective

Time for a second „quiet revolution“ in the way we use energy.

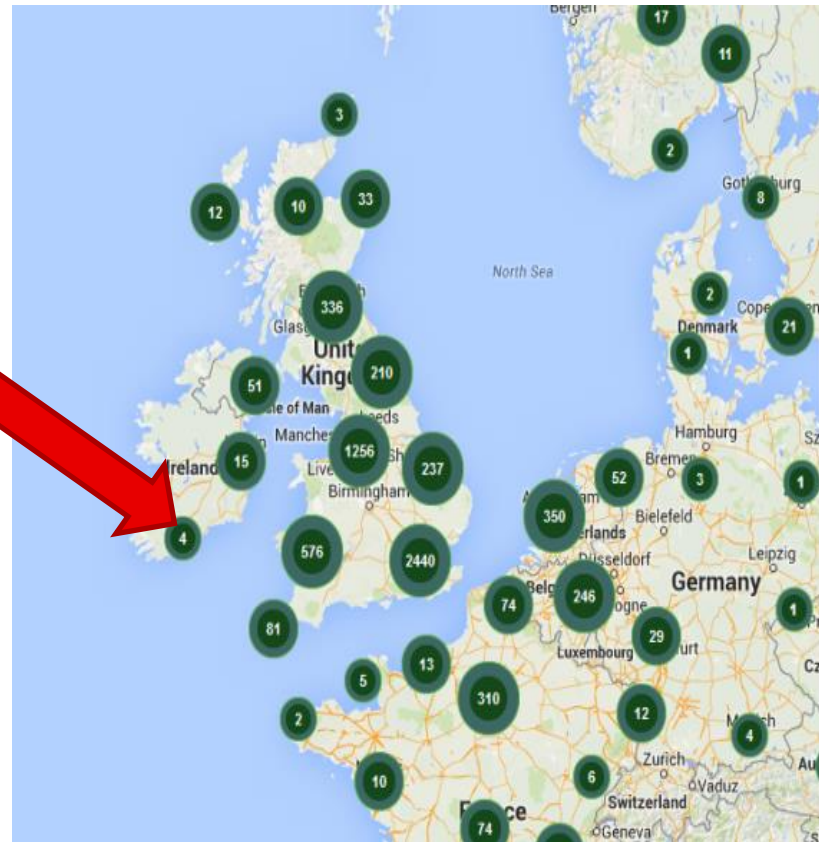
Thank you

# Mahon Point Shopping Centre, Cork - First BREEAM In Use Certified Project in Ireland



# BREEAM Projects in Europe

- Mahon Point Shopping Centre, Cork
- BREEAM in Use Very Good Rating

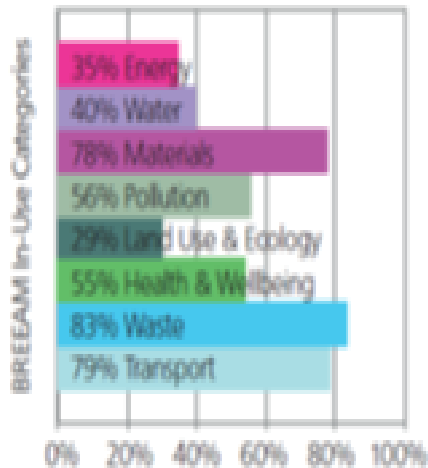


# Mahon Point BREEAM Certificate

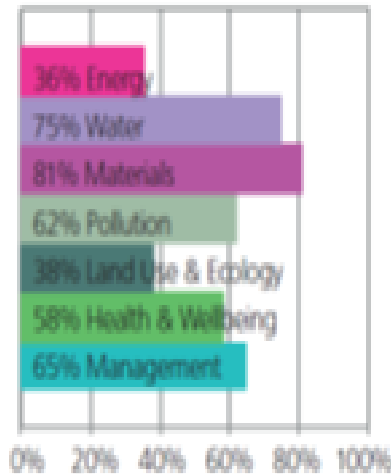
## Statistics

Average BREEAM In-Use Environmental Category Scores for Retail

Part 1



Part 2



Occupier Management:  
Not Assessed

Assessor Name: Easlar  
 Licensed Assessor Company  
 Date of Issue: 06 March 2015  
 Valid Until: 06 March 2016

Director BREEAM, BRE Global Ltd

*[Signature]*  
 Signed on behalf of BRE Global Ltd

06 March 2015  
 Date of Issue

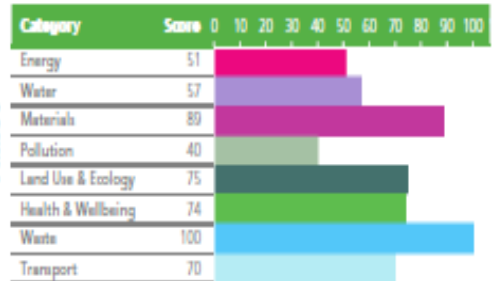
06 March 2016  
 Valid Until



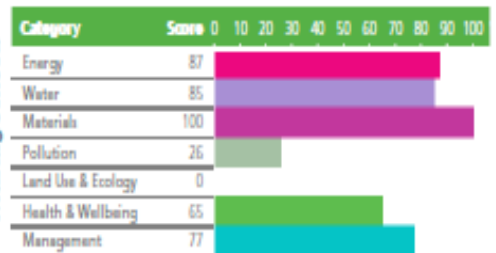
This certificate is issued by BRE Global Ltd to the Licensed Assessor named above based on their assessment of data provided by the Client and verified at the time of Assessment.  
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Very Good 64% ★★★★★☆☆



Very Good 64% ★★★★★☆☆



Occupier Management

Not Assessed

# Mahon Point BREEAM Summary

- 35,000m<sup>2</sup> of retail space opened in 2005 anchored by Debenhams and Tesco. Other tenants include Next, Zara, River Island and Monsoon, range of restaurants, cafés, leisure facilities including a 13 screen Omniplex cinema.
- The BIU Asset scored highest in categories including Waste (100%), Materials (89%), Land Use & Ecology (75%), Health & Wellbeing (74%) and Transport (70%).
- The Building Management section scored highest in categories including Materials (100%), Energy (86%), Water (84%) and Management (76%).
- Energy - This high score has been achieved by a passive cooling and ventilation strategy, high efficiency lighting with presence detection controls and careful management of out of hours energy consumption.
- Water - 25% of the building's water is supplied from a borehole well on site. This water supplies the toilets in the communal areas of the shopping centre which is one of the largest water users in the building. The installation of low flow fittings on taps, WCs and urinals has enabled the centre to reduce water demand.

# BREEAM In Use - Benefits and Challenges

## Benefits

- Provides a consistent assessment methodology
- Can signpost the way to making improvements in sustainability
- Use of online system and dynamic scoring platform offering instantaneous results
- Overview of asset/portfolio performance
- Benchmarking opportunities
- Strong marketing brand
- Increased potential to attract/retain tenants and increase portfolio value

## Challenges

- Benchmarking data is reliant on quantity and quality - still early days in take up of scheme
- Scheme not as developed as other BREEAM standards but improving over time
- Not as much guidance for assessors and auditors as on other projects
- Evidence gathering can be time consuming for client and FM staff
- Opportunities for improving the Asset rating can be dependent on retrofit budgets, buildings with sustainable features already built in score better.



# Mahon Point Shopping Centre BREEAM In Use

Justin Young, Centre Manager and Dermot Bolger, Operations Manager, say:

*“BREEAM provided Mahon Point with the framework to evaluate the true sustainable credentials of the shopping centre. It also enabled us to benchmark against our retail industry peers using the most widely-used environmental assessment method. It also provides us with a list of recommendations where performance can be improved in future”.*

**BIU Case Study:** - [www.breeam.org/page.jsp?id=696](http://www.breeam.org/page.jsp?id=696)

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