

2015 GRESB Report Dutch Snapshot



Introduction

The Dutch commercial real estate industry is increasingly showing commitment to achieve efficiency and reach reduction targets – the 2015 GRESB data shows that property companies and fund managers have a rigorous approach towards sustainability by displaying transparency, implementing ESG policies, taking efficiency measures and engaging with their tenants.

Even though this development may be attributable to a positive business case for buildings that are more sustainable and energy efficient, it is also driven by legislation. European regulation with regard to energy efficiency in the built environment has been interpreted and implemented into national and municipal regulation in the Netherlands. The internationally accepted ‘Energieakkoord’ from September 2013 includes the ambition that by 2030, on average buildings should have an energy certificate A-level. It also includes the European Union requirement to ensure that from 2019 onwards, new buildings occupied and owned by public authorities are nearly zero-energy buildings, and that from 2021, all new buildings are nearly-zero energy buildings. The Dutch government has further regulated the market by requiring that since January 2015, every building that is sold or let must have an energy performance certificate, with optional sanctions in case this requirement is not being met. Earlier this year the government proposed a law that enables the landlord to work with the tenant to improve energy efficiency of residential properties. In case guaranteed efficiency agreements are made, the landlord is enabled to charge for an ‘energy performance fee.’

Response Rate

Dutch participation in the 2015 GRESB assessment increased by 5% to a total of 41 entities. The aggregate value of Dutch property companies and funds reporting to GRESB is USD 31.3 billion, a 20% decrease from USD 39 billion in 2014. The Netherlands has the second largest European participation after the United Kingdom (139) and followed by France (30), measured by the number of participating portfolios. In Europe, 74 portfolios are diversified, of which 49% has a part of their portfolio allocated to the Netherlands.

The 2015 assessment included 40 private entities, an increase of 8% compared to 2014. These entities include JV’s and separate accounts, as well private funds, non-listed companies, and developers, with 88% classifying themselves as Core, 5% Value Added, and 8% Opportunistic.

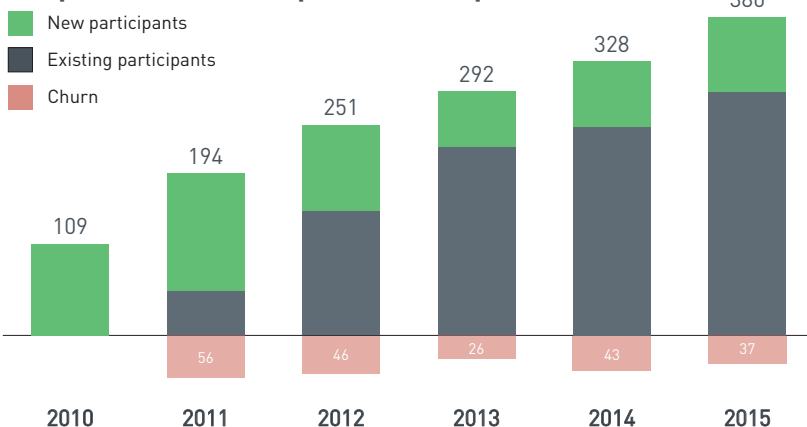
Most Dutch companies and funds reporting to GRESB have standing investments only and do not have new construction or major renovation projects in their portfolio:

- Standing investments only: 36 entities
- Standing investments and development: 5 entities

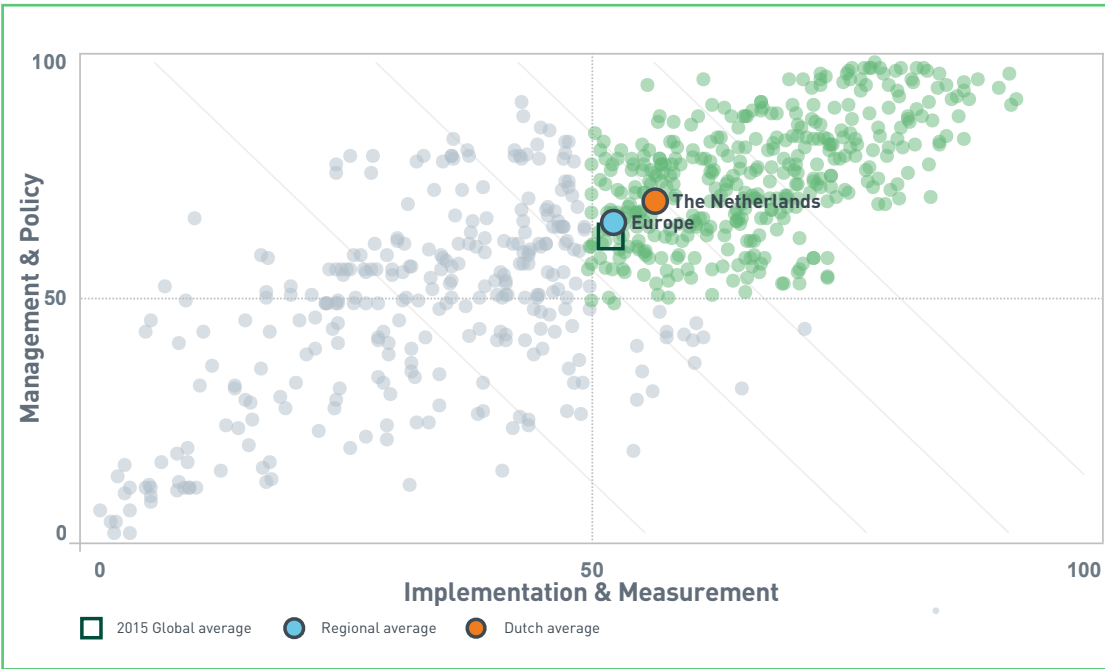
“Initiatives like GRESB help us to improve the sustainability of our real estate so it remains attractive for the long term, for investors and users.”

Henk Jagersma, Chairman, IVBN

Response rate development - Europe



Regional Results



GRESB Scores

In 2015, the average GRESB score for Dutch entities improved by 16% to 59, which is 3 points above the European average. Dutch entities improved significantly in both GRESB dimensions – Management & Policy and Implementation & Measurement. The Implementation & Measurement Score improved by 17%, while the Management & Policy Score increased by 13%, resulting in Scores of 54 and 69 respectively for all Dutch entities.

Aspects Scores

The GRESB Survey is structured into seven unique sustainable Aspects, plus a separate Aspect for New Construction & Major Renovations. The maximum score for each Aspect is the sum of scores for each question in that particular Aspect. Dutch entities perform well on the Aspects Management and Policy & Disclosure. However, there are clear opportunities for improvement on Monitoring & EMS and Performance Indicators.

Quadrant Model

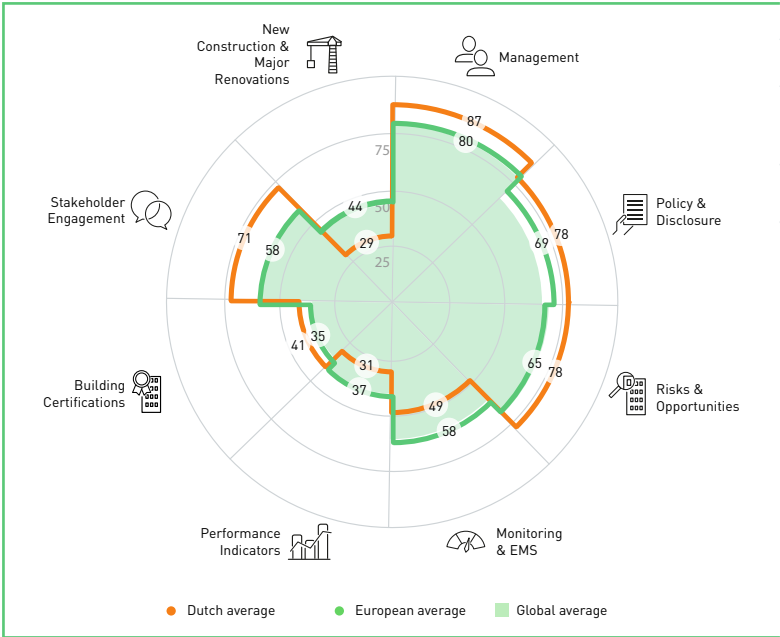
The GRESB Quadrant Model clearly shows the increased performance of Dutch participants:

- 66% Green Stars (2014: 38%)
- 0% Green Walk (2014: 0%)
- 27% Green Talk (2014: 39%)
- 7% Green Starter (2014: 23%)



ESG Scores

The GRESB Score is broken down into separate scores for Environmental, Social and Governance (ESG). These scores are calculated based on the allocation of individual questions to E, S, or G. The results show that Dutch GRESB participants score at or above the European average on each dimension.



Sustainability Trends

Disclosure

Transparency is gaining importance in the Dutch market, required both by regulators as well as the capital market. As part of disclosure, articulation of clear, actionable sustainability objectives is the foundation for any organization seeking to manage its ESG performance. 2015 GRESB results show that Dutch property companies and funds have formulated clear ambitions:

- Publicly available sustainability objectives: 78% (2014: 46%)
- Disclose sustainability performance on corporate website: 85% (2014: 74%)

Compared to the European average, different types of reporting are used to disclose sustainability performance:

- Annual report: 78% (Europe: 64%)
- Stand-alone sustainability report: 15% (Europe: 56%)
- Integrated report: 39% (Europe: 7%)

Asset level building certificates contribute to transparency and accountability to inform both investors and occupiers. In 2015, Dutch GRESB participants report are mainly using one the following green building certificates: BREEAM, BREEAM In Use and GPR Gebouw.

- Building Certifications – design/construction: used by 34% of participants (Europe: 61%)
- Building Certifications – operational: used by 32% of participants (Europe: 26%)
- Energy Performance Certificates: used by 88% of participants (Europe: 83%)

78%
of Dutch participants have publicly available sustainability objectives

Energy efficiency

-9% LFL
change in energy consumption

The Dutch government targets 14% renewable energy in 2020 and 100% renewable energy in 2050. In order to improve energy efficiency, a structured approach towards sustainability and monitoring of actual consumption data is required. The 2015 GRESB results show that Dutch participants have:

- EMS in place: 29% (Europe: 62%)
- Data management system in place: 93% (Europe: 79%)

The 2015 GRESB results show a significant and positive contribution from Dutch participants to reducing the energy and carbon footprint of the commercial real estate sector:

- LFL change in GHG emissions: -9.8% (Europe: -6.4%)
- LFL change in energy consumption: -9.0% (Europe: -6.1%)
- On-site renewable energy generation: 32GWh, an increase from 16GWh in 2014

The Dutch GRESB results show that the majority (80%) of participants design their development projects to generate energy from on-site renewable resources (Europe: 39%). 20% Of Dutch participants design their new buildings to meet (future) net-zero energy codes and standards (Europe: 8%).

- Development projects generating on-site renewable energy: 60% (Europe: 62%)
- Development projects designed to meet net-zero energy standards: 5% (Europe: 39%)

Tenant engagement

The relationship between landlords and tenants largely determines the success of sustainability strategies, as performance outcomes strongly depend on the behaviour of the people that occupy and use buildings. Engagement is also important for gathering baseline information on performance indicator data. The 2015 GRESB results show that the Dutch participants are actively engaging with their tenants, specifically focusing on sustainability:

- Tenant engagement program in place: 90% (Europe: 79%)
- Tenant satisfaction survey: 73% (Europe: 55%)
- Program to improve tenant satisfaction: 98% (Europe: 81%)
- Prescribe minimum fit-out standards: 51% (Europe: 30%)

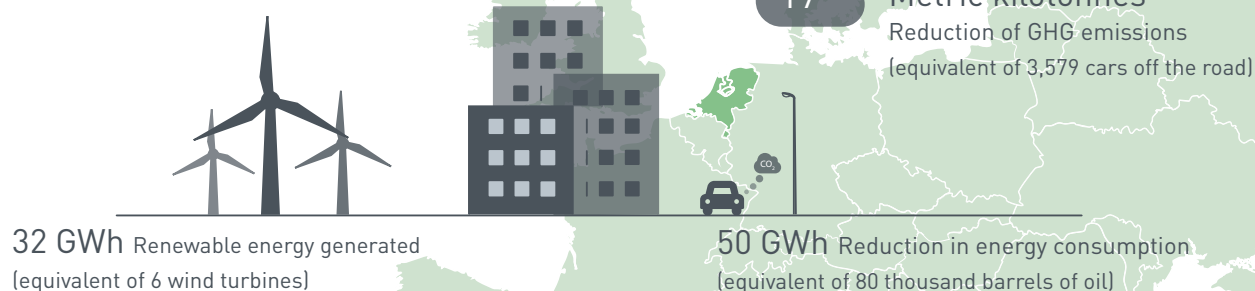
98% of Dutch participants have a program to improve tenant satisfaction

Best practice leases, which include sustainability-specific requirements in standard lease contracts, create an incentive for both landlord and tenant to operate and use a building in a sustainable way. Amongst Dutch participants, best practice leases are gradually becoming more common: 68% of participants have sustainability-specific requirements in their standard lease contracts. Clauses included are:

- Sharing of utility data: 61% (Europe: 47%)
- Specifications for tenant works: 56% (Europe: 34%)
- Cost-recovery clause for energy-efficiency-related capital improvements: 37% (Europe: 15%)



2013-2014 Consumption Change



Sector Leaders Europe

Property type	Listed	Listed/Private combined	Private
Diversified	UII/DEFO-Immobilienfonds1 - Union Investment Institutional Property GmbH		Linked Life Fund - Legal and General Property
Retail	Unibail-Rodamco*		Steen & Strom AS
Office	Fabegre		CBRE Dutch Office Fund - CBRE Global Investors
Industrial	Industrial Property Investment Fund - Legal and General Property (Private)*		
Residential	Alterra Vastgoed NV - Woningen - Alterra Vastgoed NV (Private)		
Other	Leisure Fund Property Partnership - Legal and General Property (Private)*		
Diversified - Retail/ Office	British Land Company Plc		Managed Fund - Legal and General Property*
Diversified - Industrial/ Office	UK Property Income Fund - Legal and General Property (Private)		
Diversified - Residen- tial/Office	AXA Switzerland - AXA Investment Management (Private)		

* Global Sector Leader

Contact

GRESB B.V.

Sarphatistraat 370
1018 GW Amsterdam
The Netherlands
Tel. +31 (0)207740220

info@gresb.com
www.gresb.com



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