

Property investor credit worries diminish – Union

German, French and British real estate investors are less worried about credit financing than half a year ago, though investment sentiment is subdued by reduced expectations for economic growth, says Hamburg-based fund manager Union Investment.

While investors remain concerned about a new credit crunch the situation eased somewhat in sec-

ond quarter, said Olaf Janssen, head of property research in a new investment climate index. In France, overall investment sentiment fell in 2Q12 to an all-time low, and the downtrend in Germany, started in 2Q11, continued. Only the UK saw slight improvements, following a significant drop in 1Q12. Some 62% of European real estate investors see a new credit crunch on the horizon, down by 10pts on December, 90% expect financing banks to impose tougher capital requirements, and 80% anticipate a greater concentration of investment activity in stable



GUEST COLUMN

The Blue Revolution: Tackling sustainability in the existing built environment

by Philipp Kaufmann, Founding Chairman, Austrian Society for Sustainable RE Management (ÖGNI)

Sustainable buildings are far more than just energy-optimised. They are people-optimised. And they are more than just green: they are blue. Of course, optimising the use of energy is a vital issue for the buildings of the future, and we couldn't do without it. However, the focus of attention must be on Man, the user of the buildings. He has to feel well in the buildings; he has to be productive and stay healthy in them. Buildings which fulfil these and other sustainability criteria are Blue Buildings. They stand for genuinely sustainable real estate – in the ecological, economic and social sense of the word. Therefore, the Austrian Society for Sustainable Real Estate Management (ÖGNI) has been searching for new paths towards the great goal, Sustainability. Aware that building certifications alone are not enough, the society is groups more than 280 renowned companies, institutions and experts from construction and real estate, and has developed the so-called 3P approach, making it its central motto. The three P's stand for:

- Products (Green / Blue Buildings and sustainable building materials);
- Processes (new project handling models, Corporate Governance, CSR and Compliance as well as risk management); plus
- Persons equipped with the necessary knowledge.

ÖGNI aims are transparency, professionalisation and the creation of an international network. We

honour lighthouse projects of sustainable construction, and award certifications to building contractors and real estate developers for ethical action. Austria was also the first country, in 2009, to sign a cooperation agreement with DGNB, its sister organisation in Germany. Since then, Austria has been the star pupil as concerns the number of auditors (over 120) and lighthouse projects that have already received certification (almost 50). The buildings are mostly located in Austria but some are in Bucharest and Moscow. The 3-P approach has allowed ÖGNI to lead the way in the paradigm shift toward sustainability. Blue Buildings exist in various countries and for various forms of utilisation - from supermarket or DIY store to residential buildings, hotels and office. But lately the main emphasis has been on existing structures for it is a fact that the cost for both high-quality and sustainable new buildings is relatively moderate, if appropriate intelligent approaches are used. On the other hand, a number of examples show that older buildings too can be raised to the highest standards, thus regaining their value for the tenants, or attracting new ones.

If we are to fulfil climate targets as well as offer people attractive workplaces, it is the old buildings that pose the really big challenge for society. There are three solutions: leaving a structure empty - and eventually demolishing it; bad use - with massive deterioration; and refurbishment. Now, although

the latter is much more expensive than new-build, improved older buildings have the bonus of a solid infrastructure and, very often, a special ambiance. Therefore I will venture this thesis: old is better than new! Yet how can we realistically improve the sheer mass of the building stock? Is this just a dream? My answer is, no, not at all: only those visions not put into practice will remain idle dreams. For ÖGNI, this isn't good enough, and that is why we have come up with another instrument apart from certification of existing buildings - the BlueCARD. This tool allows a quick check as a basis for tackling the huge task ahead. Being a performance-oriented, clear, cost-effective and coherent rating system, the BlueCARD covers all relevant fields of sustainable management and allows a classification of building stock by saying: "Yes, this building does in fact fulfil the basic requirements of sustainability" - or "No, this building is not sustainable". It can be applied to residential units and to industrial plants or facilities, and in Austria is gaining a lot of traction in the community. Well-known institutional investors are showing their serious intention to support sustainable building, and by doing so, they are proving that we can make decisive changes happen. This is a great encouragement to continue our efforts! ■ **pk**

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