

## Q3 Global Property Sustainability Survey

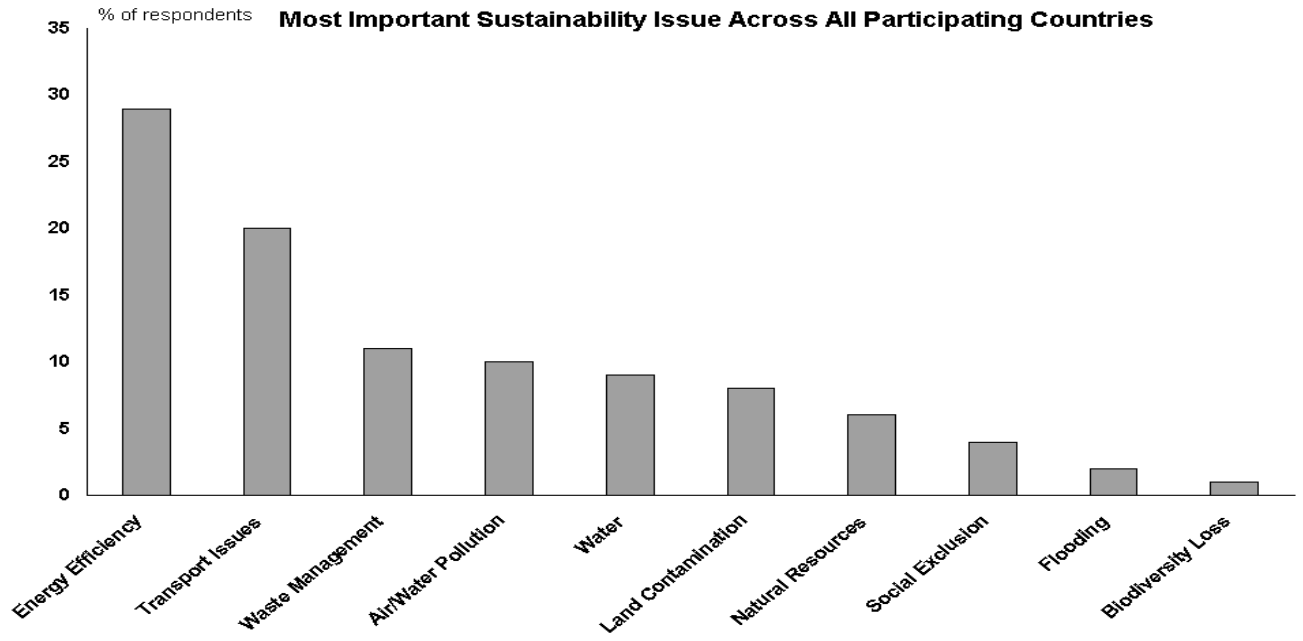
- The third quarter RICS Global Commercial Property Sustainability Survey shows the vast majority of surveyors believe their clients place some to considerable importance on sustainability issues (see table below).
- Energy efficiency continues to be the most important sustainability issue according to the survey.
- Business bottom line continues to be overwhelmingly the primary driver of clients' sustainability agenda.
- On average, government departments and oil companies are willing to pay larger premiums to inhabit sustainable buildings.

	How important would you consider sustainability to be for your clients, % of respondents*				
	Not important	2	3	4	Very important
<b>Global</b>	7	23	34	23	14
<b>Australia</b>	0	23	46	31	0
<b>Brazil</b>	0	0	63	25	13
<b>Canada</b>	0	31	50	13	6
<b>China</b>	0	20	50	10	20
<b>Hong Kong</b>	0	40	40	20	0
<b>Ireland</b>	0	44	33	22	0
<b>India</b>	8	8	23	31	31
<b>Japan</b>	0	20	20	20	40
<b>Russia</b>	22	33	22	0	22
<b>South Africa</b>	0	20	10	50	20
<b>US</b>	13	38	22	19	9
<b>UAE</b>	21	5	21	26	26
<b>France</b>	0	0	75	25	0
<b>Germany</b>	0	7	27	33	33
<b>Spain</b>	9	9	55	27	0
<b>UK</b>	0	13	75	13	0

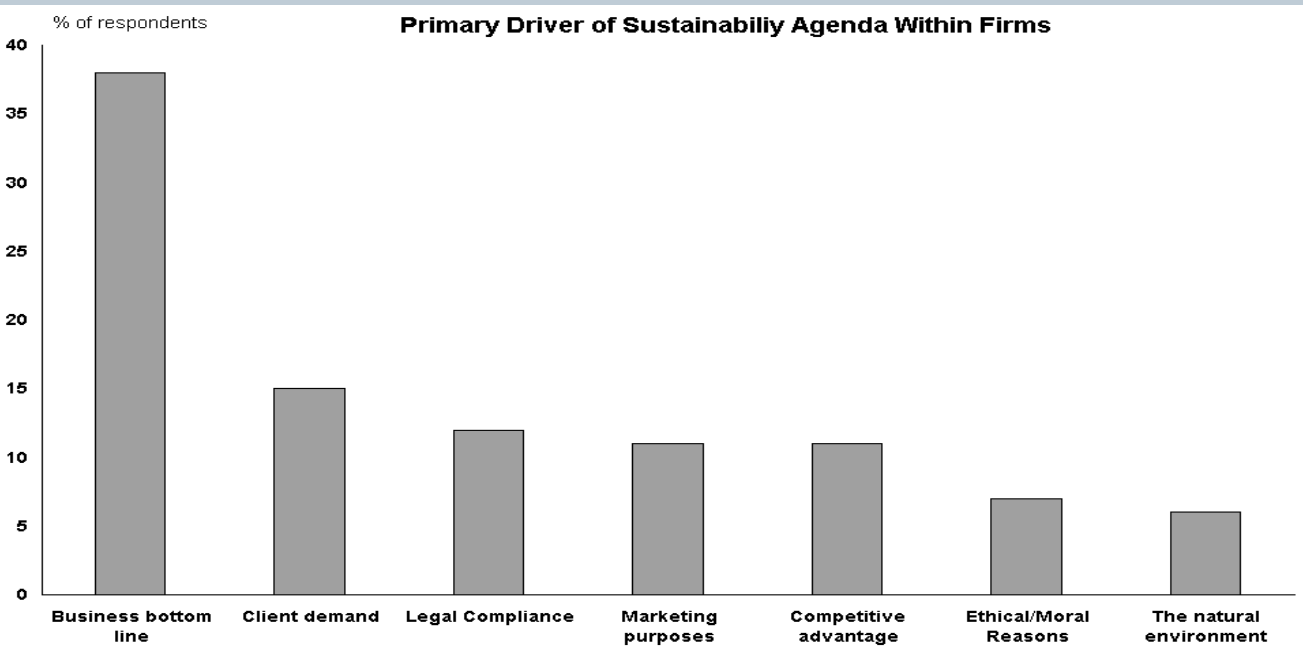
\*Figures may not sum to 100 due to rounding

\*Only countries with more than 7 responses have been listed individually

\*RICS equate 'sustainability' with the goal of balancing economic, environmental and social objectives at global, national and local levels in order to meet the needs of today without compromising the ability of future generations to meet their needs.



- In terms of the big issues, energy efficiency continues to be the most important one for sustainability amongst the clients of real estate professionals. This is followed by transport and waste management. As in the previous quarters results, flooding and biodiversity remain the least important issue. The positions in the league table remain largely unchanged from the results of the Q2 and Q1 surveys; natural resources were viewed as slightly more important than land contamination in the previous quarter.
- The responses to the question on the primary driver of the sustainability agenda also tell a broadly similar story to the previous survey. Business bottom line was overwhelmingly the most important issue, followed client demand (last quarter legal compliance was the second most important issue). Ethical/moral reasons and the natural environment were the least important drivers, although their position in league table have been reversed since the last survey.



	Most important sustainability issue for clients, % of responses									
	Energy	Transport	Waste	Air/Water	Natural	Land	Social	Biodiversity		
	Efficiency	Issues	Management	Pollution	Water Resources	Contamination	Exclusion	Flooding	Loss	
<b>Global</b>	<b>29</b>	<b>20</b>	<b>11</b>	<b>10</b>	<b>9</b>	<b>6</b>	<b>8</b>	<b>4</b>	<b>2</b>	<b>1</b>
<b>Selected countries</b>										
Australia	29	12	10	10	22	2	10	5	0	0
Brazil	29	25	8	8	8	0	17	0	4	0
Canada	31	12	15	10	8	8	15	0	0	0
China	30	15	15	26	4	0	4	7	0	0
Hong Kong	33	30	10	13	7	0	0	7	0	0
Ireland	33	27	24	3	6	0	6	0	0	0
India	24	22	12	17	17	2	2	0	2	0
Russia	30	26	7	15	4	4	11	4	0	0
South Africa	29	16	13	6	10	6	6	10	0	3
US	33	19	6	2	17	13	5	0	3	2
UAE	26	12	14	9	21	5	5	7	0	0
France	33	19	5	10	10	14	5	5	0	0
Germany	33	16	9	7	2	9	11	13	0	0
Spain	33	17	13	7	10	3	13	0	0	3
UK	30	26	13	4	4	9	4	0	9	0

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- Looking at the results at an individual country level, energy efficiency was the most important issue for clients of surveying firms in all cases. However, there were some important country differences, with for example, China holding air/water pollution as the second most important issue, while water was the second most important issue in the UAE and Australia.
- In terms of the prime reason driving clients sustainability agenda, business bottom line was the most important highlighted response in all countries apart from Germany, Russia and India, while in France and China, this issue was held jointly most significant. In those countries where business bottom line was not the most important issue, client demand was the key issue in most cases. The natural environment was only held to be important by clients in Australia, Canada, China, India and the UAE.

	Prime reason driving clients sustainability agenda, % of respondents						
	Business bottom line	Client demand	Marketing purposes	Competitive advantage	Ethical/Moral Reasons	Legal Compliance	The natural environment
<b>Global</b>	<b>38</b>	<b>15</b>	<b>11</b>	<b>11</b>	<b>7</b>	<b>12</b>	<b>6</b>
<b>Selected countries</b>							
Australia	36	0	9	18	9	9	18
Brazil	44	11	22	22	0	0	0
Canada	53	13	13	0	0	13	7
China	22	22	22	11	0	11	11
Hong Kong	71	0	14	0	0	14	0
Ireland	91	9	0	0	0	0	0
India	20	15	12	6	18	24	6
Russia	33	44	11	11	0	0	0
South Africa	63	0	12	0	12	12	0
US	53	13	10	13	0	10	0
UAE	47	8	4	8	16	4	12
France	40	20	0	0	0	40	0
Germany	9	45	18	18	0	9	0
Spain	56	22	11	0	0	11	0
UK	57	0	29	14	0	0	0

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<b>Maximum premium willing to pay for a sustainable building (%) - average*</b>				
	<b>Occupier</b>	<b>Investor</b>	<b>Gov Dept</b>	<b>Oil Company</b>
<b>Global</b>	<b>7</b>	<b>7</b>	<b>10</b>	<b>9</b>
<b>Selected countries</b>				
<b>Australia</b>	5	5	13	10
<b>Brazil</b>	10	10	0	13
<b>Canada</b>	5	5	15	10
<b>China</b>	10	10	10	10
<b>Hong Kong</b>	8	8	13	8
<b>Ireland</b>	5	5	5	5
<b>India</b>	10	10	12	12
<b>Russia</b>	10	10	3	5
<b>South Africa</b>	5	5	10	10
<b>US</b>	7	5	10	10
<b>UAE</b>	10	8	10	10
<b>France</b>	5	5	10	10
<b>Germany</b>	5	8	15	11
<b>Spain</b>	5	5	9	8
<b>UK</b>	5	5	10	5

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- On average, government departments and oil companies are willing to pay larger premiums to inhabit sustainable buildings than the typical occupier and investor as was the case in the previous survey.
- In Russia, government departments and oil companies were willing to pay relatively little over the market rate, whereas China was the only country where the different types of tenant were all willing to pay the same, relatively sizable premium.
- Again Canada topped the list in terms of the average maximum premium governments are willing to pay. Irish tenants were on average prepared to pay the least for sustainable property.