

Q2 Global Property Sustainability Survey

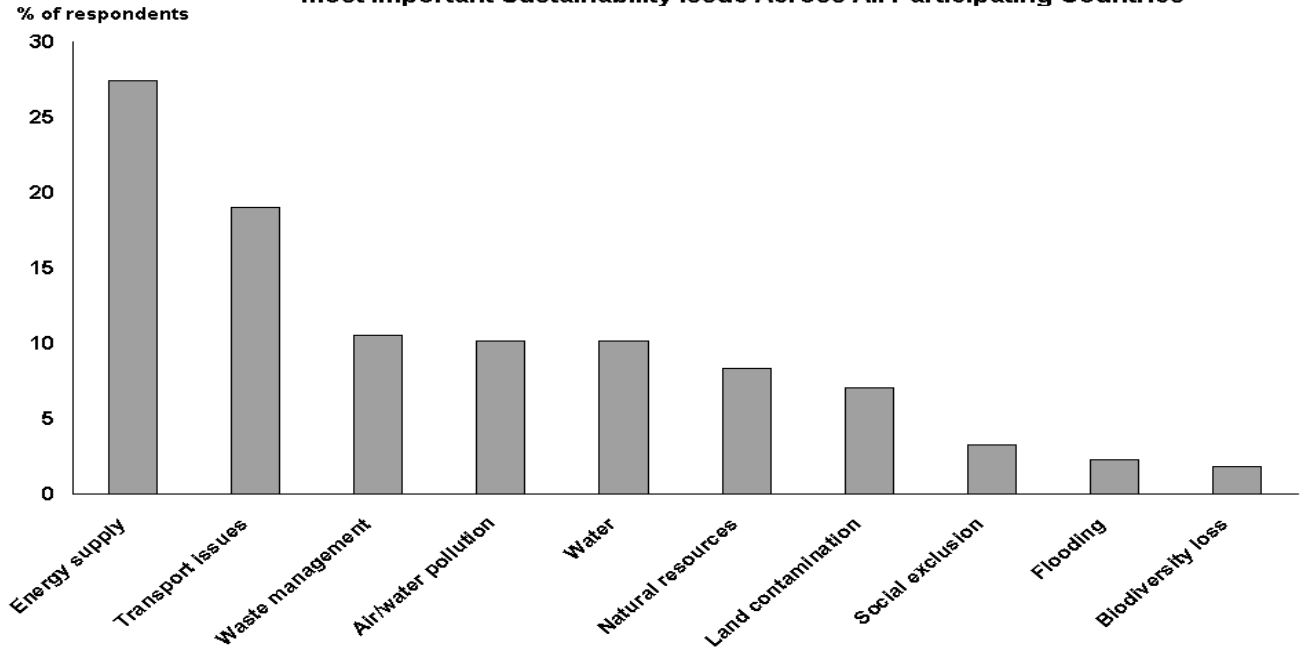
- The second quarter RICS/CPE Global Commercial Property Sustainability Survey shows more respondents believe sustainability issues to be either important or very important for their clients than unimportant. Significantly, while roughly half of those participating in the survey felt that the relevance of sustainability had not changed over the past twelve months despite the deteriorating economic climate, more than 40% felt that it had become a bigger issue. Less than 10% of respondents indicated that sustainability has become a less important issue for clients.
- The results at an individual country level show interesting variations. In most cases, clients view sustainability as an important issue although the net balance does not bear this out in the UAE, Spain and Japan. Germany comes out with the most positive responses followed, interestingly by India and Brazil. Both the UK and the US come somewhere in the middle of the table.
- Even in the case of those countries where the net balance is negative, an increasing number of respondents suggested that sustainability had become more important over the past year. Indeed, in the cases of Spain and Japan not a single response indicated that sustainability had become a less relevant issue.

	How important would you consider sustainability to be for your clients, % of respondents				
	Not Important	2	3	4 Very Important	
Global	6	21	33	24	16
*Selected Countries:					
Australia	0	18	41	29	12
Canada	0	26	32	21	21
Germany	0	0	25	38	38
India	0	10	30	25	35
Japan	11	44	33	11	0
SA	0	8	39	23	31
Spain	8	25	50	8	8
UAE	13	27	27	20	13
US	3	30	24	22	22
UK	0	17	50	33	0
China	9	18	27	27	18
Brazil	0	11	33	22	33
Russia	25	25	0	25	25

*only countries with more than 5 responses have been listed individually

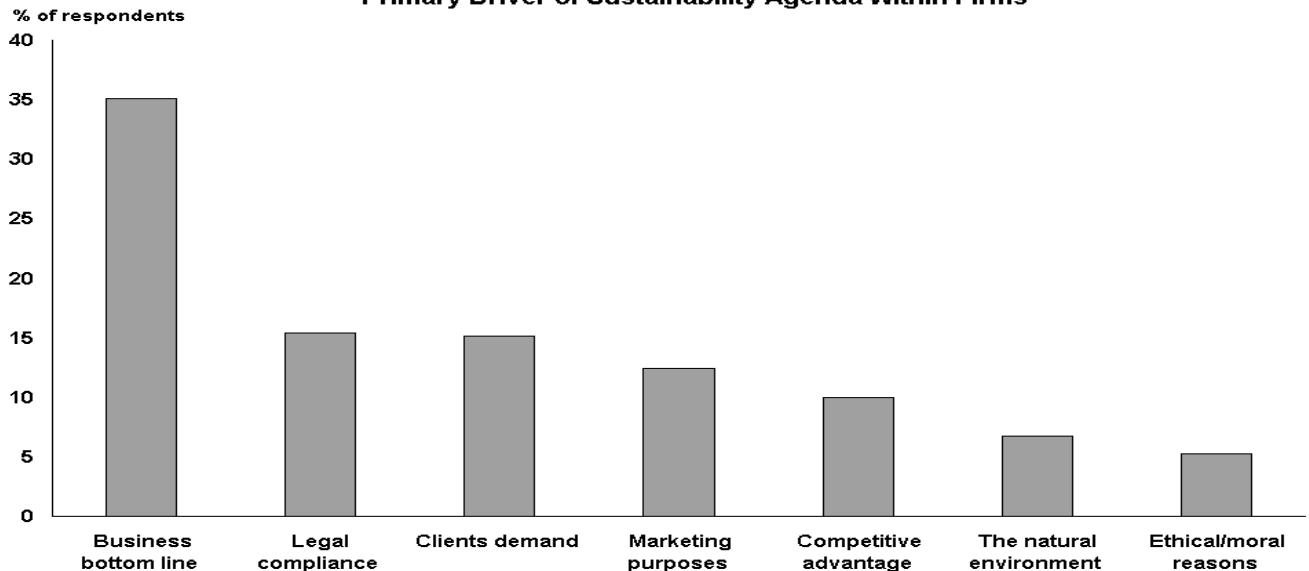
*RICS equate 'sustainability' with the goal of balancing economic, environmental and social objectives at global, national and local levels in order to meet the needs of today without compromising the ability of future generations to meet their needs.

Most Important Sustainability Issue Across All Participating Countries



- In terms of the big issues, energy supply comes out as the most important one for sustainability amongst the clients of real estate professionals. This is followed by transport and waste management. Bottom of the pile are the issues of flooding and biodiversity. These positions in the league table remain unchanged from the results of the survey in the first quarter.
- Meanwhile the responses to the question on the primary driver of the sustainability agenda tell a broadly similar story to that highlighted in the previous survey. Business bottom line remains some-way ahead as the main reason for promoting the theme followed by legal compliance and client demand. Protecting the natural environment and ethical/moral reasons were the least important drivers.

Primary Driver of Sustainability Agenda Within Firms



	Most important sustainability issue for clients, % of respondents									
	Energy supply	Transport issues	Waste management	Natural			Land contamination	Social exclusion	Flooding	Habitat/biodiversity loss
				Air/water pollution	resource consumption					
Global	27	19	11	10	10	8	7	3	2	2
Selected Countries:										
Australia	33	13	11	20	9	4	9	0	0	2
Canada	30	17	17	6	11	11	9	0	0	0
Germany	25	11	11	7	7	21	7	7	0	4
India	27	22	8	13	10	5	3	3	8	0
Japan	29	10	10	0	5	19	19	10	0	0
SA	30	20	15	5	8	10	0	5	0	8
Spain	35	15	12	8	12	8	8	0	4	0
UAE	24	20	13	22	4	2	7	2	0	4
US	25	22	3	19	7	15	4	1	3	1
UK	28	22	13	0	9	19	3	3	3	0
China	22	26	4	4	22	7	4	11	0	0
Brazil	26	15	4	4	15	15	15	4	0	4
Russia	33	33	0	4	0	4	17	8	0	0

*only countries with more than 5 responses have been listed individually

- Looking at the results at an individual country level, energy supply was the top response in most countries although China was a notable exception with transport issues coming out ahead. Water was predictably a big issue in terms of sustainability in the UAE and Australia with concern over natural resource consumption polling highly in Germany, Japan and the UK.
- In terms of the prime reason driving clients sustainability agenda, business bottom line was the most highlighted response in most cases, however, a few countries produced different outcomes. In Brazil, for example, client demand and protecting the natural environment came out top. In China and Germany, client demand was the most favoured response while in Japan it was the desire to gain a competitive advantage. The countries where business bottom line scored highest were Russia and Canada followed by South Africa and the US.

	Prime reason driving clients sustainability agenda, % of respondents						
	Business bottom line	Legal compliance	Clients demand	Marketing purposes	Competitive advantage	The natural environment	Ethical/moral reasons
Global	35	15	15	12	10	7	5
Selected Countries:							
Australia	29	29	7	14	0	14	7
Canada	50	21	14	14	0	0	0
Germany	0	0	50	25	25	0	0
India	33	18	24	9	6	3	6
Japan	18	9	9	18	27	9	9
SA	47	12	12	12	6	6	6
Spain	40	0	20	20	0	0	20
UAE	36	18	23	9	5	5	5
US	46	13	8	13	13	5	3
UK	33	17	17	17	17	0	0
China	19	19	29	10	0	10	14
Brazil	14	7	21	7	14	21	14
Russia	50	33	0	0	17	0	0

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Maximum premium willing to pay for a sustainable building (%) - average*				
	Occupier	Investor	Government	An Oil Company
Global	7.2	6.7	9.6	9.2
Australia	6	4	12	9
Canada	8	5	14	8
Germany	8	4	9	7
India	7	6	5	8
Japan	6	7	9	16
SA	8	4	11	8
Spain	7	7	9	11
UAE	7	6	10	11
US	6	6	12	12
UK	6	6	12	10
China	5	5	9	6
Brazil	9	6	7	8
Russia	4	3	1	6

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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 according to the responses to the survey. The premiums were generally on the low side in the case of Russia with government departments barely willing to pay anything over and above the market value for a sustainable building.
- Canada topped the list in terms of the average maximum premium governments are willing to pay with the US ranking second in terms of both government and oil companies. In the case of the latter, this was behind Japan. Occupier premiums were highest in Brazil.