

Sustainability Drivers

***The tipping point has been reached;
businesses cannot avoid being impacted
by sustainability.***

- Flat Economy
 - Company's DNA
 - Market Demand
 - Green Building Value Proposition
 - Regulatory Requirements
 - Over 50% of U.S. states have legislation in-process
 - New York City: Greener, Greater Buildings Plan – Passed December 9, 2009
 - California: Assembly Bill 1103 – Enacted October, 2007
 - UK Climate Change Act, Carbon Reduction Commitment and Energy Market Reform
 - EU Energy Performance of Buildings Directive
- These sustainability drivers require ***awareness & action*** ...
... and present **opportunity**

Market Demand

- “The Market” is demanding more responsible behavior
 - Triple Bottom Line approaches to investment
 - Market Forces – United Nations Environmental Program (UNEP)
 - Significant increase in groups signing the UNEP’s Principles of Responsible Investment (PRI)
 - Not just economic performance, but also environmental, work force and security issues
 - RREEF, Lend Lease, PruPrim, Kennedy USA, others
- Performance, Transparency, Accountability
 - Best in class
 - Ability to document and track performance
- Owners/Users
- Public image
- Employee benefits
- Generation X, Y and the ‘Millennials’....

**What the Market
Values
=
Market Value**

Green Building Value Proposition

Ability to evaluate owned and leased real estate on the basis of Triple Bottom Line considerations

- Economic and return factors specific to green considerations and strategies
- Environmental impact
- Workforce implications
 - Recognition of market trends and level of adoption in specific markets and how these influence employee attraction and retention

DON'T FORGET ABOUT THE DATA

Capturing and managing data should be a fundamental part of your efforts...

- Immediately begin tracking and analyzing all commodity consumption (e.g. energy, waste, water)
- Establish Baselines
- Understand your Environmental Impacts
- Monetize results when possible
- Translate Data (e.g., carbon reduced = # trees saved)

Green Building Opportunity Index

- First market tool to rank office markets on the basis of real estate fundamentals and green/sustainability considerations
- Based on six main criteria
 - Office Market Conditions
 - Investment Outlook
 - Green Adoption & Implementation
 - Mandates & Incentives
 - State Energy Initiatives
 - Green Culture
- Bridges the gap in understanding how to assess the value of sustainability

BENEFITS

- Ability to assess office markets on the basis of both real estate fundamentals and green factors
- Looks to potential of future opportunities for green adoption and assesses market's abilities to actually implement incorporation of green strategies
- Allows comparison of major office markets on basis of both public and private factors
- Provides valuable, market-based data that can be used in both acquisition and disposition decisions



U.S. Green Practice Policies

- Energy Efficiency*
- Water Efficiency*
- Sustainable Site management*
- Solid Waste Management*
- Sustainable Purchasing
- Green Cleaning
- Integrated Pest Management
- Green Construction
- No-Smoking

* Indicates reporting requirement

Cushman & Wakefield **Green Operations & Maintenance Practices** *Energy Efficiency Policy*

1.0 Intent

Energy consumption in commercial buildings accounts for approximately 17% of U.S. greenhouse gas emissions (U.S. EPA). Further, energy is the largest component of operating expense for most commercial properties, accounting on average for approximately 30% of total operating costs (BOMA). C&W is committed to assist its clients in increasing energy efficiency to both reduce operational costs and reduce greenhouse gas emissions. C&W's goal is to reduce energy consumption and strive for the highest level of efficiency, and benchmark energy use over time. Where properties under management meet EPA criteria for a national energy performance rating, C&W strives to achieve the highest ENERGY STAR rating and to gain market recognition by publicizing case studies of buildings which have received the ENERGY STAR label.

Implementation of the policy requires the following:

1. Review and understand the policy.
2. Determine to what extent the policy can be implemented within your portfolio, building or facility.
3. Discuss pertinent policy issues with the appropriate service suppliers/vendors.
4. Determine if there are any major impacts to the current building operations or additional costs associated with the implementation of the policy.
5. Develop written implementation plans along with the policy and discuss them with your client (i.e. cost impact, changes in operation, notification to occupants).
6. Obtain client approval in writing.
7. Assign a responsible party for the policy.
8. In the event that a property is unable to implement the policy or parts of the policy, supporting documentation outlining the reasons for non-compliance should be maintained on file. This policy will be incorporated into the C&W Quality Assurance Review (QAR) process.

Please note that the approaches described in each of the "green" policies constitute a baseline. Individual facilities/properties are encouraged to further enhance the policies as appropriate with the approval of your respective clients.

The policy will be periodically reviewed and updated as required. Notification will be provided as updates occur.

2.0 Scope

The C&W Energy Efficiency Policy (the Policy) outlines an approach and strategies designed to reduce energy consumption at managed properties including: (1) benchmarking energy consumption, (2) identifying and analyzing energy conservation and efficiency improvements, (3) implementing no and low cost solutions, (4) upgrading to efficient equipment, (5) purchasing renewable energy, (6) educating employees and reaching out to building occupants/tenants, (7) quantifying the financial returns from energy efficiency improvements, and (8) gaining market recognition by publicizing C&W managed properties having earned the ENERGY STAR label. The Policy provides C&W's reporting requirements (see Section 4), and provides additional resources.