

Envos Sustainability Property Assessment

Does carbon counting affect the value of your property?

In these economically tough times, owners of properties and businesses are focused more than ever on value. And now a professional appreciation of sustainability will help commercial property owners and investors in their decision making on acquisition and portfolio management.

RICS Red Book Changes

Over the last year the UK Government has produced a wealth of information, advice and statutory dictate on the subjects of energy and carbon. The Royal Institution of Chartered Surveyors (RICS) has produced a range of its own Guidance Notes and Information Papers - including Carbon Management of Real Estate in April 2008, Renewable Energy in April 2009 and Lifetime Costing in July 2009.

But the real impact will come from the RICS' publication on September 15 2009 of "Valuation Information Paper 13" which makes sustainability a core part of the valuation process and embeds sustainability in the new Red Book from April 2010.



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Expert Guidance

In order to make difficult investment decisions, a working knowledge of sustainability will be required to understand its impact on value. Assessment of the value of green credentials, including building services, energy efficiency and regulation will need to be reflected in valuations - are prospects improving or depreciating?

Even experienced valuers and agents will need expert guidance - it's a very technical area requiring training, accuracy, certification, knowledge of legislation and relevant cost / benefit advice.



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Envos can help

- As one of the leading providers of environmental auditing and consulting services to the commercial property industry. Envos has the necessary expertise and experience to advise you and your clients.
- We have developed a wide range of complimentary services and products to suit all your energy and carbon needs, all brought together in our own "Green Book".
- We can provide advice on technical issues that will future proof your property including a Sustainability Property Assessment called ENVOS SPA™ to help you and your clients make difficult investment decisions.

ENVOS SPA™ - Sustainable Property Assessment

At the moment valuers can approach things in a variety of different ways, with a caveat to say they've considered sustainability. Others may take a different line. Methodology will be driven by clients beginning to ask them questions about sustainability, particularly if they have invested in new kit /materials.

The Envos Sustainable Property Assessment the ENVOS SPA™ provides an analysis of where a property sits within current and predicted sustainability legislation and can be used to help negotiate acquisitions or assess existing portfolios.

Who We Are

Envos is one of the leading independent providers of energy and environmental auditing and consulting services. We operate throughout the UK and offer specialist environmental services, energy assessments and certification, including ENVOS SPA™ Sustainability Audits, Carbon2020™ Audits, Energy Performance Certificates (EPCs) and Display Energy Certificates (DECs).

Envos operates a compliant, no fuss, web-based system with dedicated support, easy pricing and an audited route into valuable savings and increased value.

For further information please contact us on 0845 094 9240 or info@envos.co.uk

Please visit our website at www.envos.co.uk

Example questions in considering the impact of sustainability issues:

- To what extent do the building's sustainability features compare with a building being used as comparable evidence?
- To what extent do the sustainability factors of the building impact upon current occupational demand?
- Are any claimed sustainable characteristics such as green certification awards, or meeting greenhouse gas reduction targets, recognised and valued by tenants in the immediate market? Do they add realisable value and is this a temporary or longer-term benefit?
- When assessed for sustainability, does the building display features that will be likely to impact upon investor demand, both now and in the foreseeable future?
- What impact will the building's sustainability criteria have upon rental growth and rent obtainable at current levels of value?
- Is the building likely to attract a tenant prepared to sign up to either a longer lease or one that places sustainability responsibilities on either or both the landlord and the tenant and will tenants be more likely to be retained at the end of the initial period?
- Are the building's sustainability characteristics such that it is likely to suffer more or less voids and delays on lettings than comparables?
- Will the building be economic to run in terms of outgoings both from an occupier perspective and, in the case of multi-let buildings, in terms of service charges?
- Is the building made more or less susceptible to depreciation and obsolescence by reason of its sustainability characteristics, or will it require greater allowance for refurbishment costs within the projected cash flows?
- Do sustainable attributes and internal flexibility and adaptability reduce tenant changes and costs?
- Are there any proposals for regulation or legislative changes that could impact on rental or investor demand?
- Does the building represent increased or decreased overall risks to the investor, other than those set out above, due to its sustainability features? If so, should the risk premium in the discount rate be adjusted?
- What impact will the building's sustainability criteria be likely to have upon the period of time taken to achieve a sale?

Sustainability now really does matter. Envos works in partnership to measure sustainability's impact on the value, acquisition and management of commercial property.