A One-Stop Shop to Define, Implement and Finance the Green Transition

GREENING REAL ESTATE INVESTMENT PORTFOLIOS
THE CLIMATE REVOLUTION
An Industry in Transformation

Climate is a core issue in real estate—one that all property owners must assess and manage.

Building industry accounts for ~38% of energy related emissions globally

- More than 70 countries and 700 cities have a set a net-zero target, which is expected to shape the regulatory environment
- More than 74 large institutional investors representing US$ 10.6 trillion in assets have joined the UN-convened net-zero asset owner alliance, with clear commitments to decarbonize their investment portfolios and achieve net-zero emissions by 2050 at the latest.
- 7,000 companies have joined the ‘Race to Zero’ campaign and are demanding more sustainable buildings. (UN net-zero alliance) These macro factors have brought climate change, previously a peripheral concern for real estate developers and owners, to the core of their growth strategies.

The Result
An urgent need for scalable solutions in greening asset portfolios

THE GREEN TRANSITION IN REAL ESTATE

Key industry stakeholders are driving change:

GOVERNMENTS passing laws mandating emissions reductions

INVESTORS making net zero commitments

TENANTS increasingly aligned to climate goals, and willing to pay a premium for sustainable space
DECARBONISATION AND NET-ZERO TRANSITION

The Global Opportunity

POTENTIAL FOR

$24.7 TRILLION
Green building investment opportunities across emerging market cities by 2030.

$230 BILLION
Square meters of new construction expected over the next 40 years (UN Global Status report, 2021).

$25 MILLION
Jobs creation potential through retrofits and refurbishments.

BENEFITS OF A GREEN & RESILIENT PORTFOLIO

REDUCED
utility costs

INCREASED
values

IMPROVED
brand recognition

FUTURE-PROOFED
investment strategies
GRIP is IFC’s Integrated advisory-investment product that helps large real estate owners to define, implement and finance their green transitions. It covers all major kinds of assets:
A TWO-STEP PROCESS

1 STRATEGY

Developing a portfolio decarbonization and investment plan

• Baseline assessment of the entire portfolio
• Green guidelines for new developments and acquisitions
• Define corporate-level climate ambitions
• Develop a comprehensive decarbonization pathway, with clear interim KPIs
• Create a financing plan supporting the green transition

2 IMPLEMENTATION

IFC financing to support the green transition

• IFC provides investment in the form of green/sustainability-linked loans or other products
• The sponsor agrees to report the use of proceeds and progress in achieving agreed interim targets
IFC’S GREEN & RESILIENT BUILDING PROGRAM/TRACK-RECORD

TOOLS TO SPARK GREEN AND RESILIENT INVESTMENTS AT SCALE

GREEN

EDGE is a free design software and an affordable certification system that empowers clients to easily determine the most cost-effective ways to build green. It has certified more than 47 million square feet globally since 2015, the equivalent of $42 billion in real estate.

RESILIENT

Building Resilience Index is a web-based hazard mapping and resilience assessment framework for the building sector that makes it possible to assess, improve, and disclose the resilience of buildings. It helps clients identify, manage, and disclose risks of potential natural disasters. Every $1 invested can save property owners $4.

$7.5 Billion invested in GREEN BUILDINGS since 2015
**GRIP CASE STUDIES**

**Visum REIT**  
*Diversified REIT*  
*Colombia*

Visum is the 5th Largest REIT in Colombia with a diversified commercial real estate portfolio. IFC is supporting the company on its ambition to become the first green REIT in Colombia under the GRIP program, by helping it develop a detailed decarbonization roadmap and provide green financing of ~ $60 million to support Visum's investment plan in green commercial properties.

**Marmara Hospitality**  
*Family owned hotel owner-operators*  
*Turkey*

Marmara is a family-owned hotel owner operator with landmark hotels across Turkey and US. IFC is supporting Marmara to reposition the group as the country’s first green hotel group and appeal to the next generation of tourists, including new investments to acquire and/or develop new projects.

**Iulius Properties**  
*Large mixed-use developer*  
*Romania*

Iulius is a leading mixed-use developer in Romania. GRIP would help Iulius define a portfolio-wide sustainability plan for the group in line with regional and international regulations.
CONTACT US

Shamsah Dhala
Global Sector Manager,
Tourism, Retail and Property
Sdhala@ifc.org

Nikita Petrov
Sector Lead, Commercial
Property and Housing
Npetrov@ifc.org

Linshuo Hao
Investment Officer, GRIP
Lhao@ifc.org

Prashant Kapoor
Chief Industry Specialist,
EDGE
Pkapoon@ifc.org

Oumie Njie
Operations Analyst, GRIP
Onjie@ifc.org

Ommid Saberi
Senior Industry Specialist,
EDGE
Osaberi@ifc.org

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