

Redevco commences second phase of BREEAM In-Use portfolio pilot in partnership with Savills, Longevity Partners, BRE Global and National Scheme Operators

London, November 27, 2018: Redevco embarked on its second year of the BREEAM In-Use portfolio maintenance pilot as it continues to work with BRE Global to identify an efficient approach to maintaining BREEAM certification across its assets.

Since 2009, Redevco has been working to certify all assets under management using the BREEAM In-Use scheme, a recognised and independent environmental quality assessment methodology for existing operational buildings. Currently, 88% of its portfolio has achieved certification.

Maintaining certification on such a scale has not been without challenges, and in late 2016 Redevco engaged with BRE Global (administrator of the BREEAM schemes), National Scheme Operators (NSOs) and assessor organisations Savills and Longevity Partners to develop a new approach of the application of the scheme to large portfolios. Under the agreed Portfolio Maintenance Pilot established in 2017, assets which hold BREEAM In-Use certification no longer require revisiting by an assessor (recertification) every three years for certificates to remain valid. Instead, each year a random sample of the portfolio is selected for audit. The findings from this process are taken to be representative of the wider portfolio and all certificates can therefore be renewed on this basis.

While the cycle for recertification is more frequent than before (now annual as opposed to every three years), the actual number of assets requiring review by a licenced BREEAM assessor each year has been reduced significantly. BRE have ensured that a number of checks and balances have been put in place to maintain the robustness of the BREEAM In-Use Scheme. This includes requirements in relation to the audit sample composition, as well as controls to ensure that any planned improvement to a BREEAM rating is subject to assessor review. All assets must update to the current scheme version every fourth year to ensure that they remain relevant, regardless as to whether they have been visited or not.

In 2017, under the normal process some 81 assets across five countries would have required audit due to certificate expiry. Using the pilot approach, the number of assets audited was reduced to 44. The program led by Savills and Longevity Partners has delivered significant cost and time savings to Redevco, freeing up resource to focus on making environmental improvements to assets to deliver real long term value.

Having achieved great success in 2017, Redevco, BRE, NSOs and assessor organisations Savills and Longevity Partners have embarked on the second round of sample based audits for assets certified in 2018. A number of learnings from the

previous year have been incorporated, and it is hoped that continued proof of the pilots value will enable other organisations to yield the value of the certification of their with BREEAM In-Use.

Clemens Brenninkmeijer, Head of Sustainable Business Operations at Redevco, said: “A future-proof portfolio is the core of our investment strategy. This means we need to select the right places to invest and continuously improve the environmental performance of our assets. Within this process, BREEAM certification is not the goal in itself: it establishes a baseline against which we can set targets and track improvements. By applying the portfolio methodology to our assets under management, we have consistent reporting to track our progress over the years. The adoption of this methodology marks an important step towards using BREEAM In-Use as a portfolio management tool, helping us to maintain our holistic approach to sustainability and guide us in making environmental improvements to our assets, without jeopardising the financial and commercial objectives at asset level.”

James Fisher, Existing Buildings Products Lead at BRE Global said: “We are very pleased to be working so closely with Redevco on this major shift in certification practice for large real asset portfolios and can only commend them as market-leaders for their focus on continuous improvement. So many existing buildings need our help, so having schemes that can operate at volume is key for BRE as we seek to support the large numbers needing to make vital improvements to support our collective climate obligations. Redevco’s leadership is paramount in signalling to other large portfolio owners that the time for change is now and we welcome it wholeheartedly. The time is now.”

Etienne Cadestin, Managing Director of Longevity, “We’re delighted Redevco is embarking on a three year journey with the Savills-Longevity Partners alliance to deliver their Pan-European certification programme. BREEAM In-Use is a hugely valuable tool that provides a very detailed understanding of the real environmental performance of property assets, reducing climate risk and unlocking long-term value, at scale. The project teams at Redevco, Savills and Longevity Partners put in a tremendous effort to certify the portfolio last year and we look forward to fine tuning our certification processes this year.”

Lizzie Jones, sustainability director at Savills added: “Redevco is a champion of the BREEAM In-Use scheme and has truly sought to extract as much value from each assessment as possible, ensuring that assets under management achieve improvements in environmental performance over time. The pilot continues to deliver a great opportunity for client, assessor and BRE to all work together to improve the efficiency and value of the scheme as a long term sustainable portfolio management tool. We look forward to building on what we learned from the first phase, and ensuring that the methodology works in practice so that it can be made available to all participants in the BREEAM In-Use International scheme.”