

**Mobilising
the real estate
industry to
decarbonise.**

CChange

The Preserve Tool Workshop

Integrating transition risks into real estate investment models

Aleksandra Smith-Kozłowska, Director, Research ULI Europe

Derek Wilson, CEO, Synergetic B.V.

What is C Change

Mobilising the industry to speed up and scale up decarbonisation in Europe

Partners:

ARUP

Hines

IPUT
REAL ESTATE
DUBLIN

PIMCO

REDEVCO

Supporters:



Real Estate, since 1974

J.P.Morgan

OXFORD

PATRIZIA



Urban
Partners

Solution-focused

Collaborative

Based on systems interventions

The intervention points

Identified areas for action

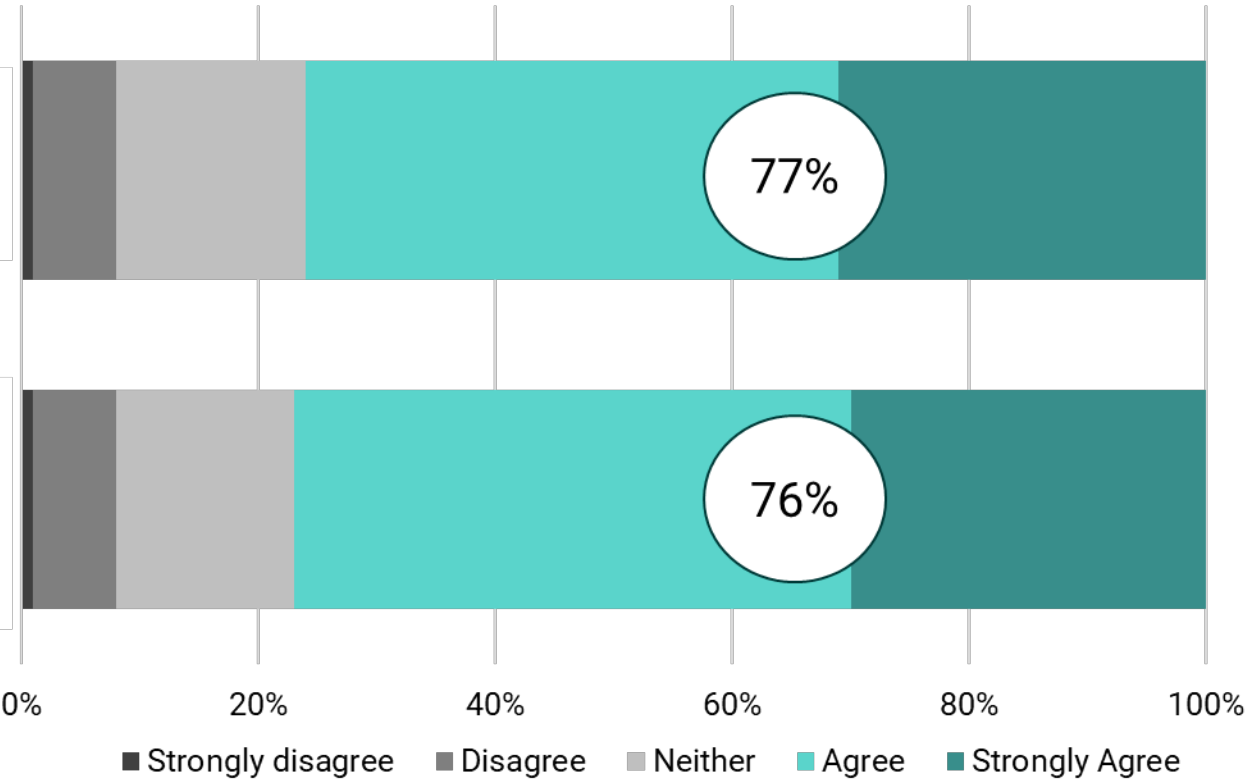
| | | | | | |
|---|--|-------------------------------------|-----------------------------------|----------------------------------|-------------------------------------|
| In progress – C Change | Assessing transition risk in valuations | Carbon pricing | Owner/ occupier alignment | City scale solutions | Co-ordinated investment voice |
| Needs industry action | Skills gap | Building renovation passports | Technology and first movers | Real estate industry voice | Roadmap: targets and actions |
| In progress – wider industry | Net zero building standards | Energy efficiency database | Whole life carbon | | |

The valuation challenge

Data from Emerging Trends in Real Estate 2025

ESG credentials will have a material effect on asset valuations in the next 12-18 months

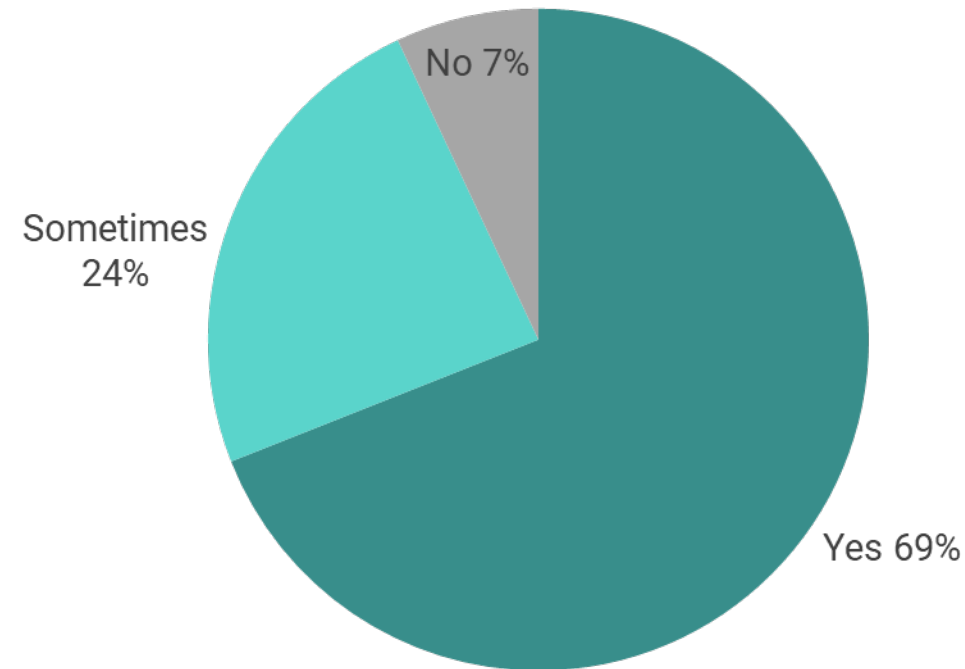
Current valuations do not accurately reflect current challenges and opportunities impacting real estate such as climate change, social impact and occupier demand fundamentals



The current situation

Transition risk assessment forms a part of investment process

Organisations factoring transition risk into investment making decisions



94%

of respondents said that transition risks had affected their portfolio strategy in the past 12 months

51%

of respondents allocated capital to assets with greater transition risks

30%

of respondents divest from assets with greater transition risks

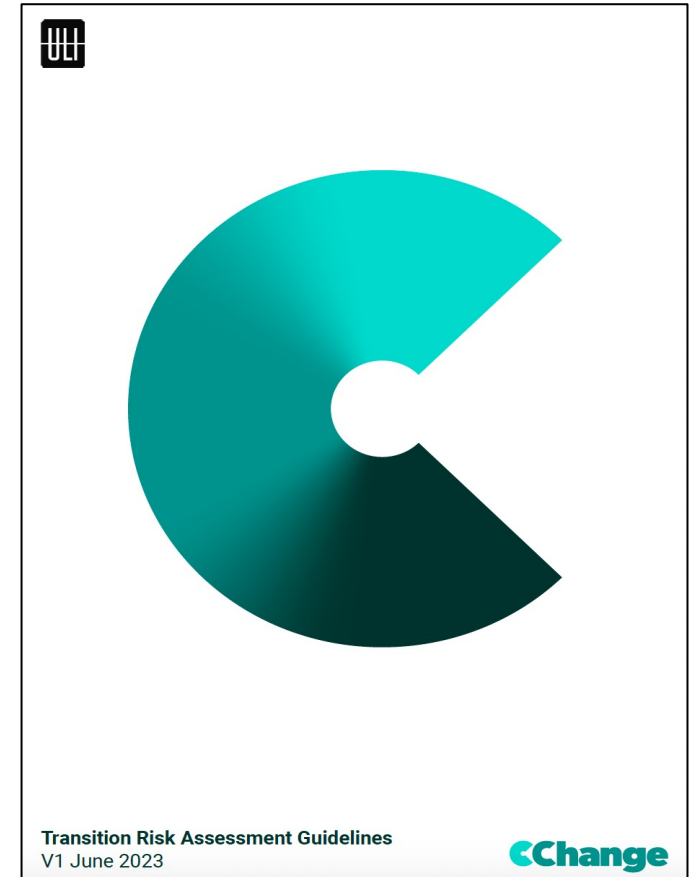
Unlocking the valuation issue was critical

Removing a major barrier to a fast and effective transition

Include the cost of doing nothing in investment models to support the business case for decarbonisation

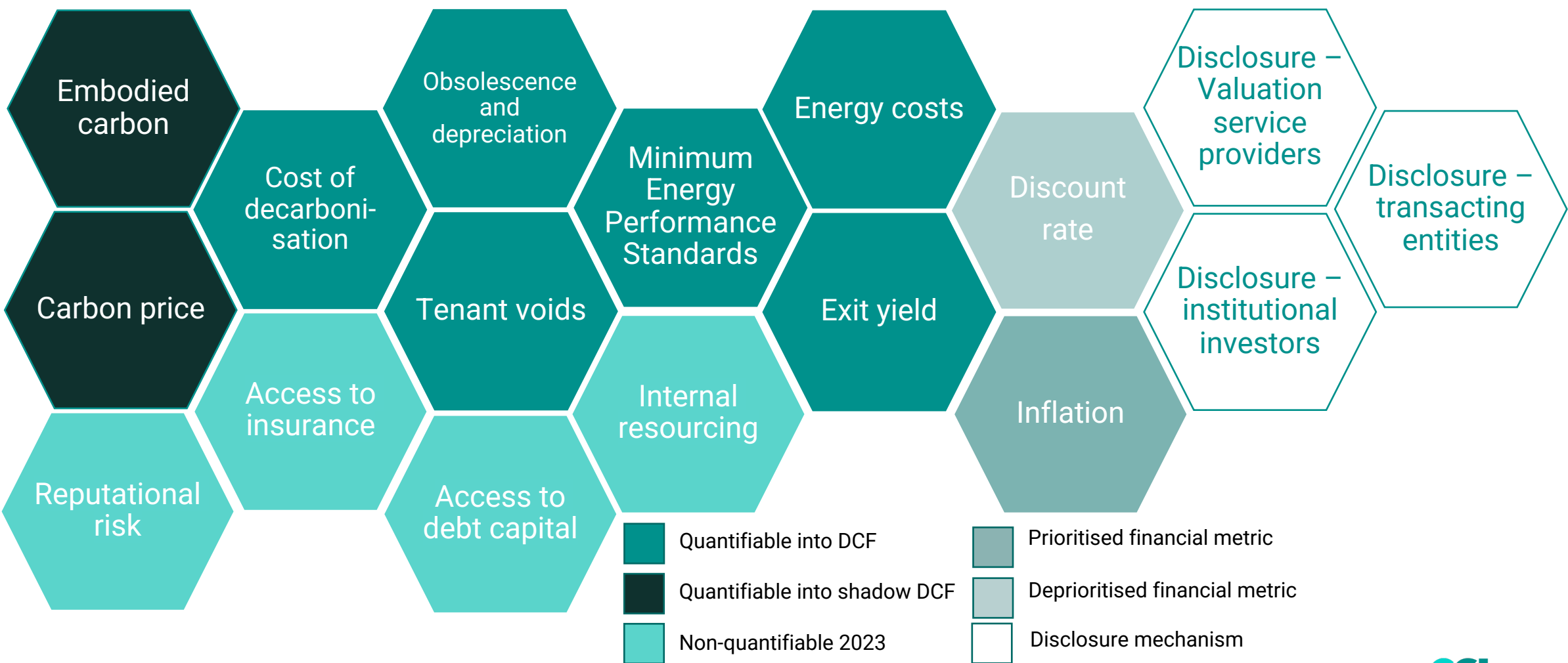
Consistently factor in transition risks into investment models to ensure comparability

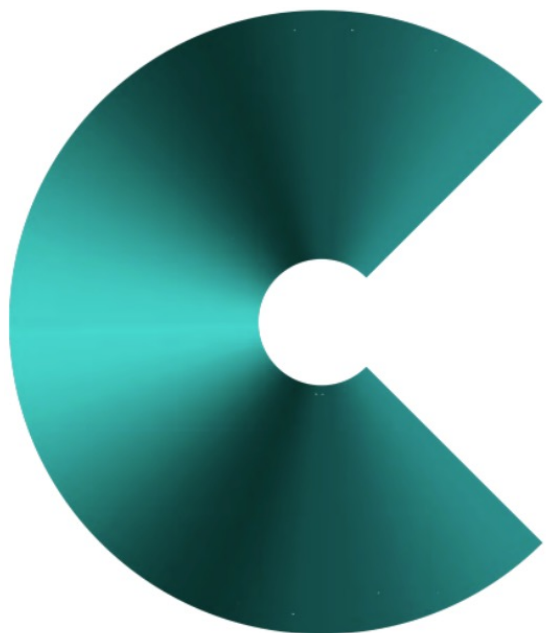
Level the playing field between investors to unlock investment in sector-wide decarbonisation



Eight risks can be quantified and assessed

A standardised method for assessing and integrating transition risks in a DCF





 **eChange**

PRESERVE TOOL PROTOTYPE WORKSHOP



SYNERGETIC

MOTT
MACDONALD

M

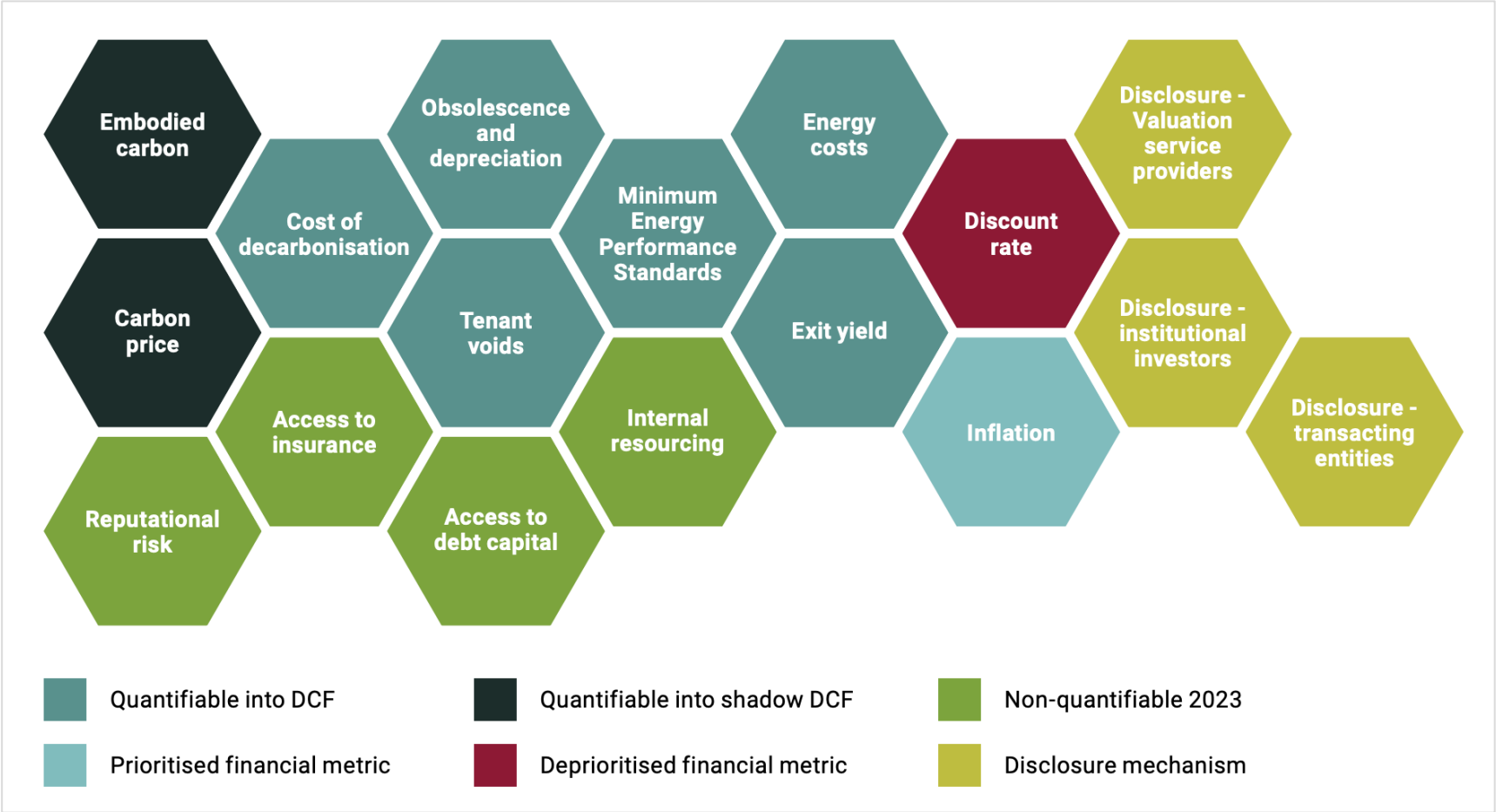
M

CBRE

AGENDA

- | | |
|--------------------------------------|-------|
| 1. About Preserve | 5min |
| 2. Demo: The Prototype | 15min |
| 3. Interactive Workshop + Discussion | 30min |
| 4. Moving Forward | 5min |
| 5. Q+A | 10min |
| 6. Close | 5min |

QUANTIFYING RISKS



THE PROBLEM

1

Understanding: Property investment professionals aren't (usually) decarb experts and lack understanding of what net zero means for investment models.

2

Consistency: Reflecting the climate transition in financial models is wildly inconsistent, and makes evaluating investment opportunities difficult.

3

Complexity: There are so many tools, policies, and systems involved in the transition that the learning curve is steep with low 'return-on-effort'.

4

Transparency: The lack of standardised risk and opportunity assessment limits benchmarking and comparability between models.

THE SOLUTION

Preserve seeks to create a 'level playing field' on which net zero becomes a **deliverable commercial opportunity.**

OUR APPROACH: CORE PRINCIPLES

1

Frame net zero as a commercial opportunity to **drive both climate action and value creation.**

2

Make factoring transition risk into financial models and analyses **easy and consistent.**

3

Ensure **scalability and facilitate widespread uptake** across the industry.

THE SOLUTION

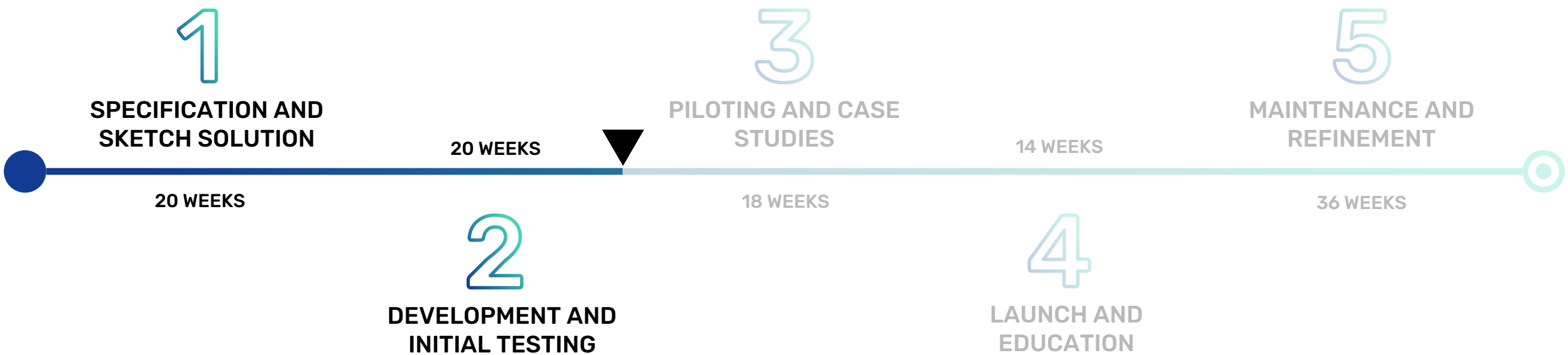


Preserve:

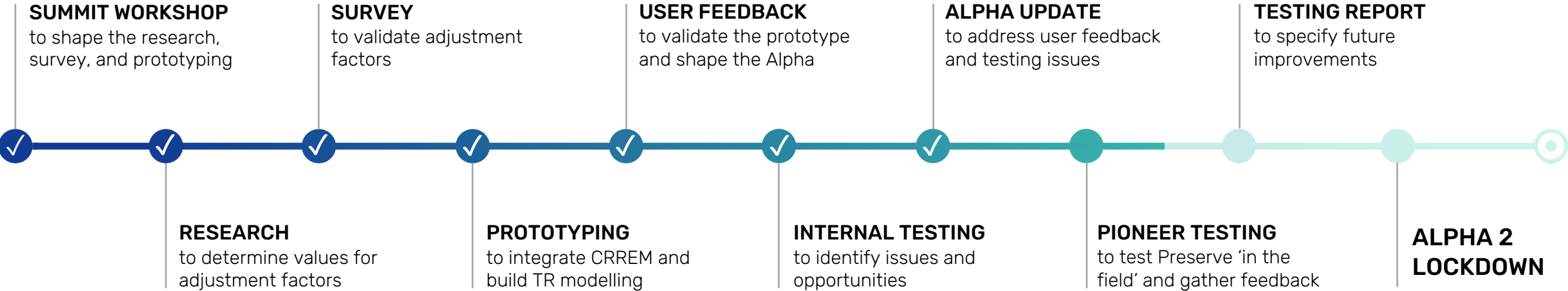
An accessible, consistent, and easy-to-use tool for property investment professionals that helps to **strengthen the risk/return profile of property assets by managing the upside opportunities and downside risks of the climate transition.**

PROGRAMME OVERVIEW

FIVE PHASES TO DRIVE IMPACT

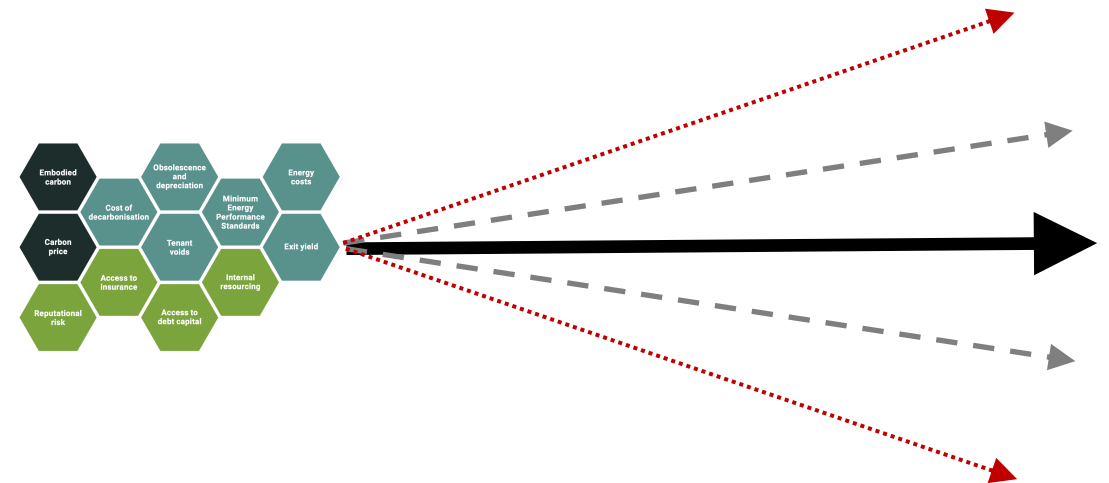


PHASE 2: DEVELOPMENT AND EARLY TESTING



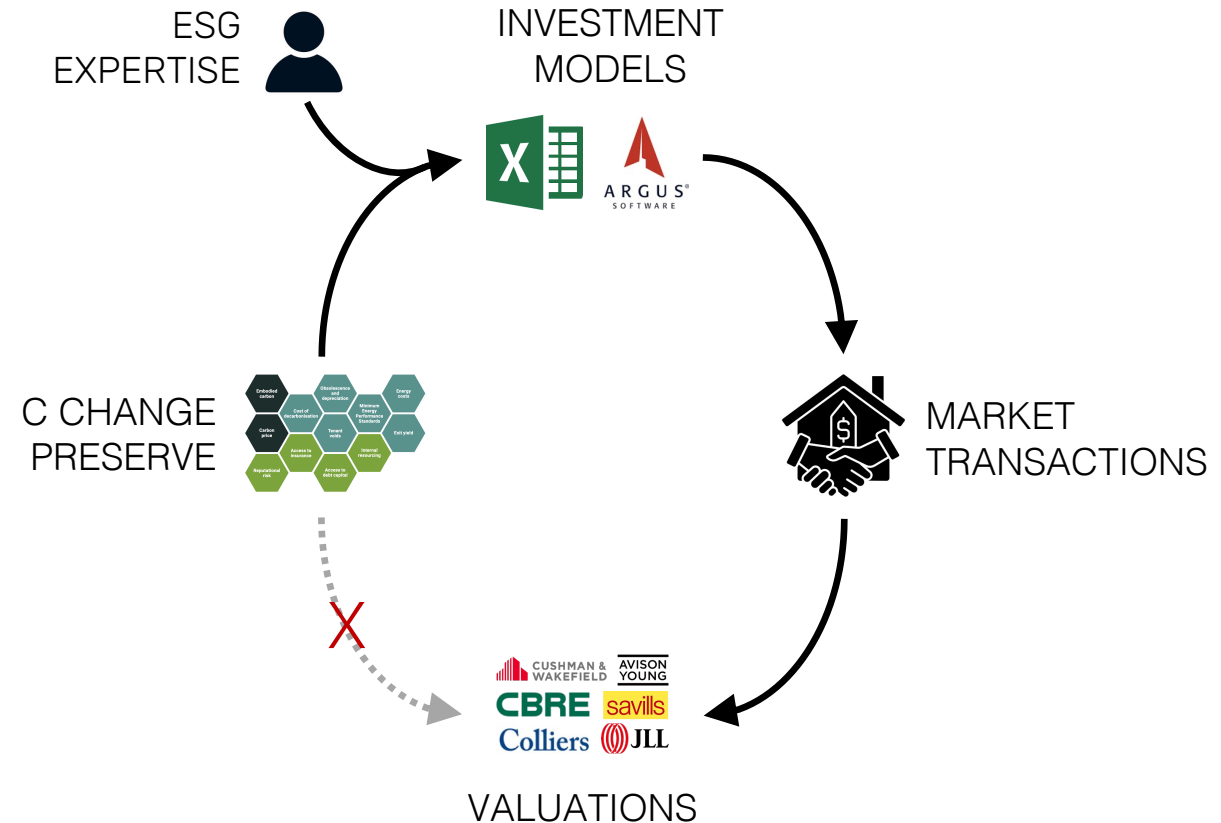
BALANCING CONSISTENCY WITH FLEXIBILITY

Preserve quantifies transition risk in a consistent way, but also allow for optional scenario testing and financial sensitivity analysis.



SHIFTING INVESTMENT MODELS, NOT VALUATION METHODS

Preserve is primarily designed for investment and asset managers, with sustainability professionals and valuers being secondary stakeholders.



SHAPING ASSUMPTIONS

>180

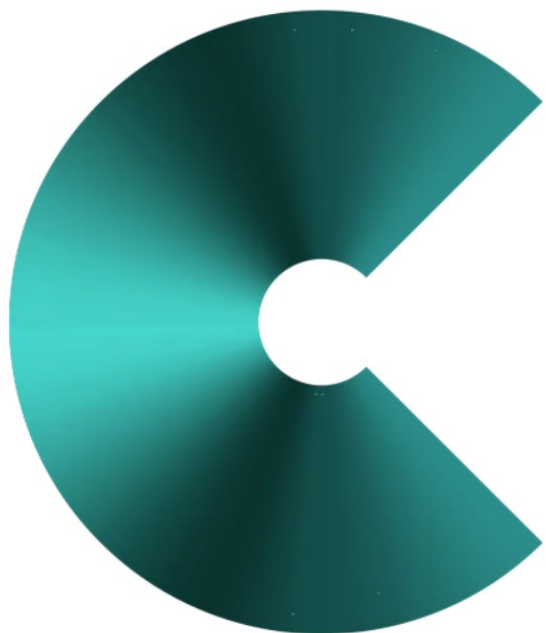
**industry research
reports and academic
papers reviewed**

>2,500

**workshop/survey data
points from investment
professionals analysed**

INTRODUCING...

The Preserve Prototype



WORKSHOP

Please go to menti.com

eChange



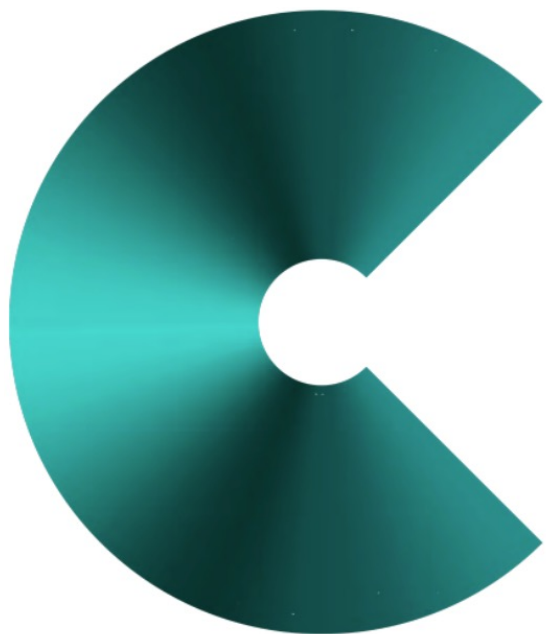
SYNERGETIC

MOTT
MACDONALD

M
M

CBRE

eChange



MOVING FORWARD

 **eChange**



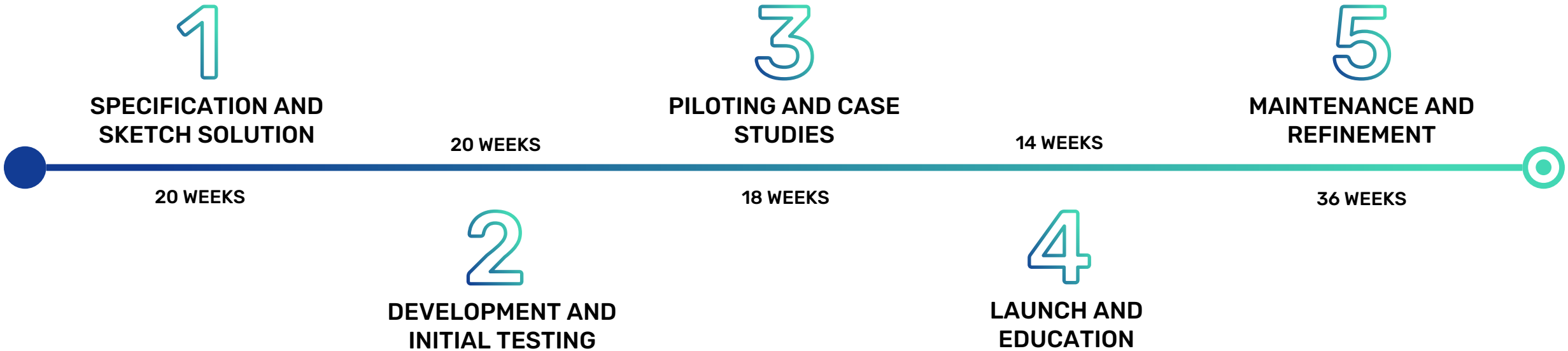
SYNERGETIC

MOTT
MACDONALD ^M _M

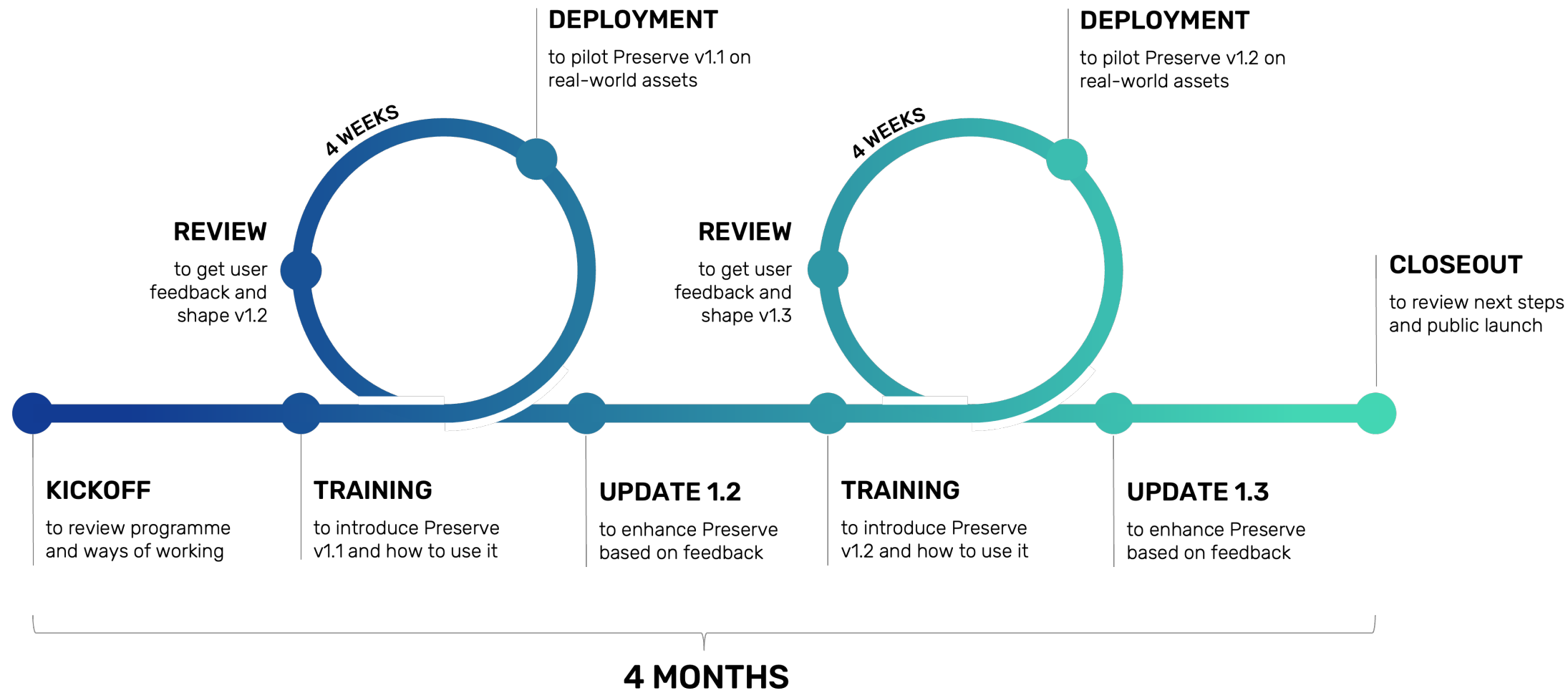
CBRE

 **eChange**

THE FORWARD PLAN



PILOT PROGRAMME: STEPS



GET INVOLVED

Preserve is a collaborative project driven in partnership with industry.

Get involved by:

- 1. Participating in future workshops**
- 2. Joining the Phase 3 pilot programme (Sep-Dec 2025)**
- 3. Joining as a C Change partner or supporter**

Partners:

ARUP

Hines

IPUT
REAL ESTATE
DUBLIN

PIMCO

REDEVCO

Supporters:



Real Estate, since 1974

J.P.Morgan

OXFORD

PATRIZIA



Urban
Partners

GET IN TOUCH

For further info on Preserve and transition risk modelling, please reach out to:



DEREK WILSON

CEO

Synergetic

derek.wilson@synergetic.group

For further info on C Change, sponsorship opportunities, and the pilot programme, contact:

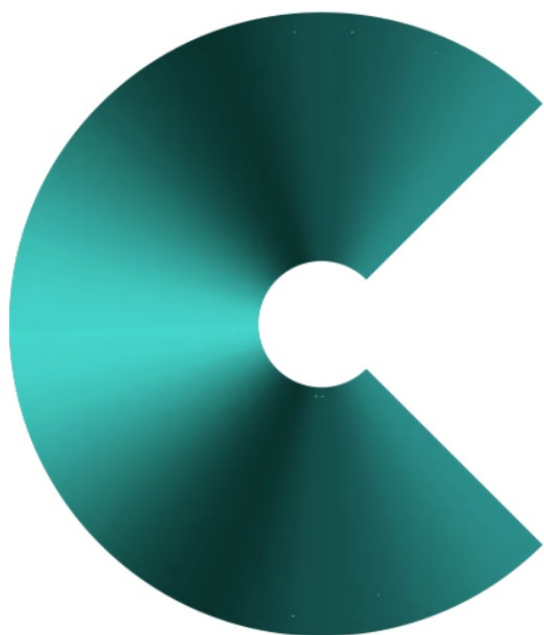


ALEKSANDRA SMITH-KOZŁOWSKA

Director of Research

ULI Europe

aleksandra.smith-kozłowska@uli.org



Q+A

 **Change**