



RESPONSIBLE PROPERTY
MANAGEMENT PROCEDURES
FOR REAL ESTATE
ASSET MANAGEMENT

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RESPONSIBLE PROPERTY MANAGEMENT STRATEGY

In the course of its business of advising on and managing real estate investments in Europe, Europa Capital LLP & Europa Capital Partners LLP (together, “Europa”) has established a Responsible Property Management (RPM) strategy that seeks to manage the environmental and social impacts, risks and opportunities throughout the property cycle of acquisition, management and development.

Those responsible for delivery of the asset management programme, both Europa executives and third-party service providers, are required to follow and take part in the RPM strategy – improving energy, water, waste and responsible management practices across our portfolio. Managing agents are required regularly to monitor and provide updates on performance to enable benchmarking and report progress against targets and objectives.

Managing agents’ co-operation and collaboration is essential for the fulfilment of Europa’s commitments as a responsible property investor. RPM is integral to Europa’s real estate investment approach and all asset and property managers are expected to meet the requirements set out in this document. The requirements will be reviewed and updated annually (or more frequently, where necessary).

RESPONSIBLE PROPERTY MANAGEMENT PROCEDURES

1. Prior to acquisition of each real estate investment, the acquisition team shall as part of the due diligence, ascertain:
 - a. that an up-to-date energy performance certificate(s) relevant to the jurisdiction and in accordance with the legal requirements thereof, including date of issue and rating, exists for the real estate;
 - b. whether the real estate is or is not already certified under an accredited certification scheme e.g. LEED, BREEAM, DGNB, HQE or equivalent, and if so, to what level. Where such certification is already in place, an audit should be undertaken to ensure that correct procedures are in place to maintain that rating, to identify if there are realistic initiatives by which the rating could be improved and if so, at what cost/resource impact. Where certification is not in place, the audit should identify what level of rating, if any, could be achieved and, if so, at what cost/resource impact;
 - c. what level of utility data collection is already taking place and over what period it has been collected to date.

In relation to built assets, a Building Sustainability Assessment Toolkit (‘BSAT’) Phase 1 Pre-Acquisition Report must be completed, with the assistance of external consultants where necessary. A summary of the findings and recommendations arising therefrom should be incorporated into the Final

Investment Report or other investment recommendation. The template for the BSAT report is provided as an Appendix. Where external consultants have been engaged to provide environmental reports, it is recommended that the scope of their engagement should enable the consultants to state, prior to acquisition, that, in their view, the land/building(s) and those works/refurbishments set out in the business plan, meet current occupier and investor requirements from an environmental and sustainability perspective and that there is no legislation anticipated that would materially impact those occupiers' or investors' perception of the real estate taking into account those works/refurbishments set out in the business plan.

2. Within the management team for each asset, an individual shall be nominated to be responsible for coordinating the delivery of the RPM strategy and ensuring compliance with the requirements set out in this document. Where this is a third-party service provider, this responsibility should be incorporated into the service provider's contractual arrangements.
3. Such individual shall ensure that all relevant staff working on the asset, including on-site and off-site property managers, are fully briefed on the policy, requirements and where set, targets.
4. Such individual should a) implement strategies and procedures to fulfil requirements of the RPM, b) strive to achieve continuous improvements in environmental and social performance, and c) adhere to policy and aim to achieve objectives by including sustainability measures in asset business plans and strategies. Please note that, where appropriate, the RPM programme can go beyond energy, water and waste to encompass transport, community engagement, occupier engagement, biodiversity, supply chain and procurement.

ENERGY AND WATER MANAGEMENT PROCEDURES

1. Take and record accurate meter readings on a regular basis for all landlord utility supplies at all properties where landlord supplies are in place. These should be monthly/quarterly or where there is no on-site management presence, half-yearly. Where actual readings cannot be obtained, estimations should be submitted. Data monitoring should cover the following:
 - a. Electricity (in KWh)
 - b. Gas (in KWh)
 - c. Oil (in KWh)
 - d. District Heating (in KWh)
 - e. Water (m3)
 - f. Waste (tonnes)
 - g. Any other energy sources including renewable energy sources.

Utility consumption data shall, unless already provided directly to Europa, be recorded in the minutes of the monthly asset management meeting the first or second month after each quarter end.

2. Where energy supplies are non-half hourly and are not yet equipped with Automatic Meter Reading (AMR) technology, undertake a tender exercise for AMR installation and provided the cost is not disproportionate, arrange for installation as soon as possible.
3. Ensure in respect of all properties where the landlord procures utilities on behalf of the tenants and recovers the cost, that the tenants' consumption is sub-metered. Where such tenant consumption is currently not accurately measurable, meters should be installed as soon as is reasonably practical.
4. Ensure all new or amended contracts with energy supply/management companies and/or their consultants specify the requirement for supplying regular metered consumption records in kilowatt hours.
5. In addition to pursuing energy efficiently and on-site renewable opportunities at all properties, maximise the proportion of energy classified as 'Climate Change Levy Exempt' in all new and amended energy procurement contracts as far as possible.
6. Where compliance under UK CRC Energy Efficiency Scheme is required, all requisite information, including meter numbers, shall be collected and provided to Europa, and, where appointed, its sustainability consultants, in order that appropriate 'evidence packs' can be maintained in compliance with legislation.
7. It is recognised that measurement of water consumption can present more challenges than energy data collection. Managers should strive to improve the quality and robustness of performance monitoring in this area reducing the number of estimated readings and requesting that water companies install new meters at high-consuming assets.

FURTHER INFORMATION

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ABOUT EUROPA

Founded in 1995, Europa is one of the pioneers of pan-European real estate investment. With a trusted heritage of delivering, Europa is a specialist in the areas of core and non-core fund investing, as well as an experienced partner in co-investments, joint ventures and separate accounts.

The benefit of experience through different real estate cycles across Europe generates the confidence to navigate both challenging and favourable markets. Europa's investment approach was borne from this experience. Seeking mispriced risk in real estate helps generate reliable returns whilst protecting and growing clients' capital on behalf of their beneficiaries.

Europa is majority owned by Mitsubishi Estate Co. Ltd, one of the world's largest real estate groups, which is a strategic investor alongside the firm's management.

Europa Capital Partners LLP and Europa Capital LLP are authorised and regulated by the Financial Conduct Authority.

More information can be found at europacapital.com