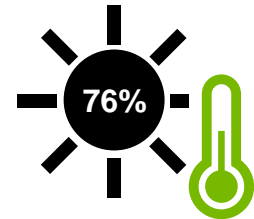


**1 Climate protection pays off, because the tenant is willing to pay for it**  
 See climate change as an opportunity! What may sound sarcastic can be proven with facts. Flat tenants are willing to pay a surcharge for climate-neutral living. A rent increase of around 5.2% is accepted. Even more: the younger the tenants, the higher the willingness to pay. Therefore, there is a clear opportunity and a great motivation for the real estate industry to offer climate-neutral housing.

**2 Heat changes office environments and forms of living**

Heat reduces performance in the office. Employers need to provide cooling accordingly. Workers' most urgent concern is to have tolerable room temperatures (76%). The global rise in temperature also has an impact on the living environment. In the future, flats without balconies will no longer be considered. Flats in city centres lose their attractiveness, because the inner-city heat islands reduce the quality of stay.

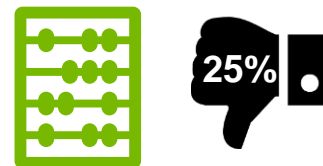


**4 Commercial tenants with high expectations: digital, flexible and climate-friendly**

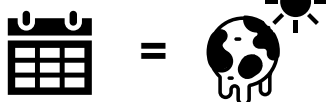
The pandemic is leaving its mark: tenants are investing in virtual office worlds (79%), the internet connectivity of their locations (80%) and in home office solutions for their employees (75%). A fibre-optic connection is thus decisive for competition: for real estate and for cities as business locations. Tenants also hope that digitalisation will give them more room to manoeuvre in their rental contracts. Sharing platforms for rental space are necessary in order to flexibly design their own space requirements (60%). This sends a clear message to owners, who must also be flexible in other areas: Tenants expect property owners to provide solutions for climate-neutral building operation (70%) as well as specific investments in climate protection (66%).

**3 Cities in transition: climate requires new location classes and valuation models**

The formula is simple: less space = less CO<sub>2</sub> emissions. Areas are being densified, space efficiency is increasing (59%). The cityscape is also changing: windbreaks or water areas provide cooling (58%), city centres are becoming "greener". Offices with access to outdoor areas such as green roofs are particularly popular (69%). This urban transformation also requires the adaptation of location classes (62%). But the climate-related realignment of valuation models has been seriously neglected so far (25%).

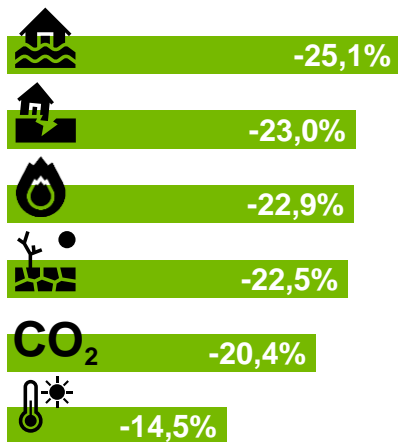


2064



**5 Climate neutrality with delay**

The building stock will change massively. The upcoming climate-oriented measures in the existing building stock pose twice as great a challenge as in new construction. Therefore, the participants expect climate neutrality of the real estate stock in 2064 at the earliest - 14 years later than called for in the federal government's climate protection plan.

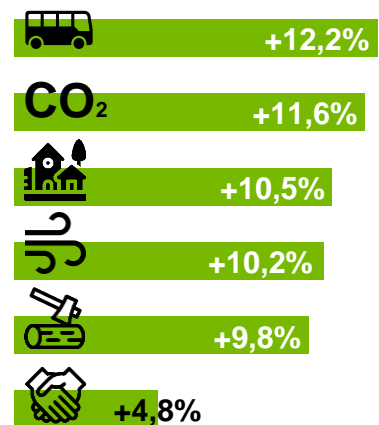


## 6 Stranded assets: Value losses of around 20.5%

Climate risks lead to stranded assets and thus automatically to a loss in value. The main causes are floods (-25.1%), landslides (-23.0%), forest fires (-22.9%), droughts (-22.5%) or an insufficient CO<sub>2</sub>-balance (-20.4%). Although cities like Vienna, Zurich or Berlin are already suffering from the urban heat island effect, the expected loss in value due to inner-city heat islands is relatively low (-14.5%). Is a danger for the real estate industry being underestimated here?

## 7 Climate protection scores: 8.6% increase in value

Investors are increasingly looking for sustainable investments. High demand is driving up the price and thus the value of real estate. On average, value increases of 8.6% can be achieved for properties with climate protection aspects. Properties with direct public transport connections (+12.2%), CO<sub>2</sub>-neutral building operation (+11.6%), Urban Village locations (+10.5%), special indoor air quality (10.2%) or CO<sub>2</sub>-neutral building materials (+9.8%) score particularly well. The increase in value for properties with social impact, i.e. buildings that achieve a measurable positive effect for society, is still comparatively low (+4.8%). Yet!



## 8 Revenues are rising. But so do costs!

Climate change opens up opportunities for new real estate products and services. The expected increase in revenues for fund products, sustainable real estate or additional services ranges between 7.0 and 8.9%. However, costs will also rise: Especially construction and maintenance costs by 11.3 and 12.7%.

## 9 Transformation into a climate expert and industry leader

The change process in the industry is still in its early stages. There is a lack of analyses, strategic goals and concrete implementation. The effort is not only worthwhile because of the revenue forecasts. Climate protection will be a key differentiating feature in competition (70%).



## 10 Sustainability, processes, staff acquisition: target achievement insufficient

The real estate industry shines in financial results, but struggles in sustainability, process efficiency or staff acquisition. Sustainability comes in last place with a target achievement of 53%! Motivation enough to take action. However, there are more good reasons. Climate protection is a selection criterion for employers in Generation Z and thus a decisive factor in the war for talent. In addition, new sustainability standards are a great opportunity to increase process efficiency.