



ESG in Valuation

Case study in France

Congresso Asaval Lisbon

10 November 2023

Congresso ASAVAL
10 November 2023



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Congresso ASAVAL
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IFEI

The French Institute of Valuation
Institut Français de l'Expertise Immobilière

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- Purpose: Promotion and development of valuation
- Creation: 1979
- Around 400 members all over France
 - 85% Valuers and 15% other Real Estate branches
- Member of Tegova with 130 members
- Training each month for the members and an annual conference

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AFREXIM ASSOCIATION

The French Association of Property Valuation Firms




Association Française des sociétés d'Expertise Immobilière

Founded in 1995, the French Association of Property Valuation Firms (AFREXIM) is a professional body bringing together the ten leading French companies specialising in property valuation.

 AIMS	 MISSION	 REFLECTIONS & RECOMMENDATIONS
<p>Aims of the Association</p> <ul style="list-style-type: none"> ❖ <i>The defence of the ethical and professional interests of its members.</i> ❖ <i>Their representation to the public authorities and the main professional bodies (AMF, ACP, ASPIM, AFG, FFSA, FSIF, etc.).</i> 	<p>Main objectives</p> <ul style="list-style-type: none"> ❖ <i>Ensuring the respect of ethical and professional values.</i> ❖ <i>Guaranteeing the independence of the valuation firms who are members of the Association.</i> ❖ <i>Structuring the profession by helping with the harmonisation, adaptation and development of methods.</i> 	<p>The AFREXIM takes part in the expansion of the property valuation profession by approaching different sets of problems. Internal working groups are created to handle all areas of concern and present their observations to the relevant authorities for the development of professional standards.</p>

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MEMBERS



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LE COMITE D'APPLICATION DE LA CHARTE DE L'EXPERTISE EN EVALUATION IMMOBILIERE (CACEEI)

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The members of the CACEEI



AFREXIM

Association française des sociétés d'expertise immobilière
afrexim.fr



CEF

Confédération des experts fonciers
experts-fonciers.com



CEIF FNAIM

Chambre des experts immobiliers de France FNAIM
experts-fnaim.org



CNEI

Compagnie nationale des experts immobiliers
expert-cnei.com



CSN

Conseil supérieur du notariat
csn.notaires.fr



EFF

Experts forestiers de France
expertsforestiersdefrance.com



OGE

Ordre des géomètres-experts
geometre-expert.fr



SNPI

Collège des experts immobiliers du Syndicat national des professionnels immobiliers
snpi.fr



UNIS

Syndicat des professionnels de l'immobilier
www.unis-immo.fr



CEEICAP

Compagnie des experts en estimations immobilières notariales et copropriétés près la cour d'appel de Paris
expertimmobilierdejustice.org



CEICE

Compagnie des experts en immobilier commercial et d'entreprise près la cour d'appel de Paris
compagnie-experts-immobiliers.fr



CNEFAF

Conseil national de l'expertise foncière, agricole et forestière
cnefaf.fr



CNEJI

Compagnie nationale des experts de justice immobiliers
cneji.fr



EEFIC

Fédération nationale des experts et experts de justice évaluateurs fonciers immobiliers et commerciaux
eefic.eu



IFEI

Institut français de l'expertise immobilière
ifei.org



RICS International

Royal institution of chartered surveyors
rics.org/fr/



TEGOVA France

The European Group of Valuers Associations
www.tegovalfrance.com



“Le Comité d’application de la Charte” - (CACEEI)

“Le Comité d’application de la Charte” is responsible for regularly updating the provisions of this Charter and ensure the self-regulation of the profession through their associations, organisms or orders regarding the good use and application of the recommendations of the Charter by its members.

The collective drafting and distribution of the Charter are entrusted to the care of the Committee (CACEEI) which brings together the 17 associations representing the profession of Valuers.

Endowed by a legal personality since 2015, the committee constitutes an independent interlocutor for the customers, the public authorities, the control bodies, and more generally anyone concerned with real estate valuation subjects.

Each signatory organisation is responsible for enforcing the Charter by its members.

Presentation

①	19 criteria	
	10 Environmental criteria	78,3 % of final score
	6 Social criteria	14,2 %
	3 Governance criteria	7,5 %

② A score between A and F

③ A reliability index

Maximum points by question

KPI	Performance	Max	%
Primary Energy *	Primary energy KwhEP/m ² /year TOP 15% : < 246	12	11.3%
Energy audit available (< 5 y)	Existence 1- Yes and required actions completed	4	3.8%
Final Energy *	Compliance with Tertiary Decree (France) 2- Yes, and ratio in line with the +10%/-10% path	12	11.3%
GHG emissions	KgCO ₂ eq/m ² /year 2 - 6 à 15	12	11.3%
CRREM carbon path	Alignment with the CRREM carbon path 2 - Performance aligned with the +2° path	12	11.3%
BMS decree	Compliance with the BMS decree 1 - Compliant with the decree	2	1.9%
Labels/Certifications	In use HQE/BREEAM/LEED 3 - Yes, with a low level	8	7.5%
	<i>Construction HQE/BREEAM/LEED</i> 2 - yes, with an average level	3	2.8%
	<i>Low energy label ou low carbon label</i> 2 - yes, with an average level	3	2.8%
Climate risk	Existence of a significant risk before 2050? 1 - Significant risk treated or no risk	6	5.7%
Biodiversity	<i>Label</i> 2 - No	1	0.9%
	Existing action plan 2 - Yes and actions being implemented	2	1.9%
Waste management	Property adapted to waste selective sorting 3 - No or < 3 waste flows managed	3	2.8%
Water management	Property equipped with water saving systems 2 - No	3	2.8%

E
78.3%

S	Access by public transport	Distance to public transport	1 - <= 250 m	4	3.8%
		Frequency	2 - 5 à 15 mn		
S	Soft and electrical mobility	Existence of a bike parking and electric car charging points	2 - Bike parking or electric car charging points	4	3.8%
		Access for handicapped persons	Compliance and labels		
	Wellness label	WELL, Osmoz etc, valid at date	2 - No	2	1.9%
G	Services to occupiers	Rest area or gym or shared /lounge/restaurant or kid garden	1- 3 services	3	2.8%
	Landlord tenant relation	Green leases and regular meetings	1 - Green leases in place and regular meetings (6 month)	3	2.8%
	ESG rules to select property suppliers		1 - All suppliers selected through ESG criterias	3	2.8%
	Tenant's activity	ESG compatible or not	1 - Yes	2	1.9%

* real consumptions/emissions year n-1
In blue: bonus questions

KPI	Max Points	Cumulative Points	Cumulative Points
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KPI	Max Points	Cumulative Points	Cumulative Points
Primary Energy *	Primary energy KwhEP/m ² /year	12	12%
Final Energy *	Compliance with Tertiary Decree (France)	12	24%
GHG emissions	KgCO ₂ eq/m ² /year	12	36%
CRREM carbon path	Alignment with the CRREM carbon path	12	48%
Labels/Certifications	In use HQE/BREEAM/LEED	8	57%
Climate risk	Existence of a significant risk before 2050?	6	63%
Energy audit available (< 5 y)	Existence	4	67%
Access by public transport	Distance to public transport	4	71%
Access by public transport	Frequency		
Soft and electrical mobility	Existence of a bike parking and electric car charging points	4	75%
Waste management	Property adapted to waste selective sorting	3	78%
Water management	Property equipped with water saving systems	3	81%
Services to occupiers	Rest area or gym or shared /lounge/restaurant or kid garden	3	84%
Landlord tenant relation	Green leases and regular meetings	3	87%
ESG rules to select property suppliers		3	90%
BMS decree	Compliance with the BMS decree	2	92%
Biodiversity	Existing action plan	2	94%
Access for handicapped persons	Compliance and labels	2	96%
Wellness label	WELL, Osmoz etc., valid at date	2	98%
Tenant's activity	ESG compatible or not	2	100%
Labels/Certifications	<i>Construction HQE/BREEAM/LEED</i>	3	103%
Labels/Certifications	<i>Low energy label ou low carbon label</i>	3	106%
Biodiversity	<i>Label</i>	1	107%

48.5% on energy performance and GHG emissions

80% of the core on 11 questions, covering the main ESG criteria:
Energy, GHG emissions, climate risk, labels, access, water and waste management

3 bonus questions

* real consumptions/emissions year n-1

In blue: bonus questions

Points: examples

Primary Energy	Points	GHG emissions	Points	Energy audit	Points	Final energy	Points
TOP 15% : < 246	12	1 - 0 à 5	12	1 - Yes and required actions completed	4	1 - Yes, and ratio outperforming the +10%/-10% path	12
TOP 30% : 246 à 296		2 - 6 à 15		2 - Yes and required actions being		2 - Yes, and ratio in line with the +10%/-10% path	
TOP 50% : 296 à 357		3 - 16 à 30		3 - No		3 - Yes, and ratio underperforming the +10%/-10% path, but below Cref	
>TOP 50% : > 357		4 - > 30		4 - Unknown		4 - Yes, and ratio > Cref	
Unknown		5 - Unknown				5 - Unknown	
						6 - Sans objet car année 2022	

Depending on the type of office building (OID benchmark)

Focus Energy GHG

	KPI	Performance	Max	%
● Primary Energy *	Primary energy KwhEP/m ² /year	TOP 15% : < 246	12	11,3%
Energy audit available (< 5 y)	Existence	1 - Yes and required actions completed	4	3,8%
Final Energy *	<input type="radio"/> Compliance with Tertiary Decree (France)	2 - Yes, and ratio in line with the +10%/-10% path	12	11,3%
● GHG emissions	KgCO2eq/m ² /year	2 - 6 à 15	12	11,3%
CRREM carbon path	<input type="radio"/> Alignment with the CRREM carbon path	2 - Performance aligned with the +2° path	12	11,3%

2 indicators based on the current performance of the property = favorable to new/recent assets

2 indicators based on the current trajectory, to score the performance of existing stock progressing to better performances

Focus Environment

Labels/Certifications	In use HQE/BREEAM/LEED	3 - Yes, with a low level	8	7.5%
	<i>Construction HQE/BREEAM/LEED</i>	● 2 - yes, with an average level	3	2.8%
	<i>Low energy label ou low carbon label</i>	● 2 - yes, with an average level	3	2.8%
Climate risk	Existence of a significant risk before 2050?	1 - Significant risk treated or no risk	6	5.7%
Biodiversity	<i>Label</i>	● 2 - No	1	0.9%
	Existing action plan	2 - Yes and actions being implemented	2	1.9%
Waste management	Property adapted to waste selective sorting	3 - No or < 3 waste flows managed	3	2.8%
Water management	Property equiped with water saving systems	2 - No	3	2.8%



Biodiversity = 2,8%, not much points, but difficulty to find measurable KPIs



Bonus points

Objective: be favorable to high quality new stock, but not punitive with existing stock

Focus Environment

	KPI	Performance	Max	%
Labels/Certifications	In use HQE/BREEAM/LEED	3 - Yes, with a low level	8	7,5%
	<i>Construction HQE/BREEAM/LEED</i>	<i>2 - yes, with an average level</i>	3	2,8%
	<i>Low energy label ou low carbon label</i>	<i>2 - yes, with an average level</i>	3	2,8%

Construction labels/certifications

Low	BREEAM Pass / HQE Batiment durable / LEED certifié
Average	BREEAM Good ou Very Good / HQE Bon et Très bon / LEED argent
strong	BREEAM Outstanding et Excellent / HQE Exceptionnel et Excellent / LEED platine

Low carbon, low energy consumption labels

Low	BBC-Effinergie 2017 / BBCA Standard
Average	E+C- avec un niveau <E3C2 / Bepos Effinergie 2017 / BBCA Performance
strong	E3C2 / BEPOS+ Effinergie 2017 / BBCA excellence

In-use labels/certifications

Low	BREEAM In-USE Part 1 Pass ou Good / HQE Exploitation Pass / LEED Opération & maintenance
Average	BREEAM In-USE Part 1 Very Good / HQE Exploitation Bon ou Très bon / LEED Opération & maintenance Silver ou gold
strong	BREEAM In-Use Part 1 Excellent ou Outstanding / HQE Exploitation Excellent ou Exceptionnel / LEED Opération & maintenance Platinum

BREEAM: based on part 1, version 5

Focus Social

Well being, health and security

	KPI	Performance	Max	%
Access by public transport	Distance to public transport	1 - <= 250 m	4	3.8%
	Frequency	2 - 5 à 15 mn		
Soft and electrical mobility	Existence of a bike parking and electric car charging points	2 - Bike parking or electric car charging points	4	3.8%
Access for handicaped persons	Compliance and labels	1 - Meets local regulation and existence of a label	2	1.9%
Wellness label	WELL, Osmoz etc, valid at date	2 - No	2	1.9%
Services to occupiers	Rest area or gym or shared /lounge/restaurant or kid garden	1- 3 services	3	2.8%

Could be E because impacting **Carbon/GHG emissions** (scope 3)

Evolutionary

Focus Gouvernance

	KPI	Performance	Max	%
Landlord tenant relation	Green leases and regular meetings	1 - Green leases in place and regular meetings (6 month)	3	2,8%
ESG rules to select property suppliers		1 - All suppliers selected through ESG criterias	3	2,8%
Tenant's activity	ESG compatible or not	1 - Yes	2	1,9%

To be adapted in time

EU taxonomy

Thank you for your attention
Questions and answers