Unlocking the True Value of Real Estate

Why
Managing real estate portfolios is no longer a spreadsheet exercise: quality of the asset and resulting value created for asset owners, financers and tenants has become key. The quality of buildings is not limited anymore to traditional value drivers (e.g. rents, maintenance, service costs): buildings also contain and contribute an economic, social and environmental value. More and more this true value of real estate becomes more relevant to safeguard financial returns, to obtain effective financing, as risk reduction method and for regulators and supervisors.

There is growing evidence that tenants/users increasingly demand high quality buildings. Both economic, social, and environmental factors could have a positive impact on the quality and thus the rent levels, yields and property value of buildings and could have a positive impact on the occupancy rates of buildings.

It is key for property financers, investors and owners to unlock this potential value and start identifying, measuring, quantifying and managing these non-traditional value drivers to maximize the added value to society, clients (building owners, tenants, end-users buildings) and its own business.

How
Traditional TCO includes all costs of an owner over the lifetime of a building (i.e. 30 years). True TCO uses monetization and financial modelling to assess future costs and benefits of real estate’s positive and negative environmental and social externalities i.e. the benefits and costs they create for society for which they are not compensated.

The methodology is based on the discounted cash flow techniques that are already well understood within corporations in the Real Estate sector as measures of financial performance and corporate value creation but have not yet been widely extended to a societal value assessment.

The results, for instance presented as a value bridge, complement existing financial data to drive strategy and increase influence in dialogue with stakeholders.
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Scoping / immersion workshop
During a multiday immersion workshop, you will broaden your radar to explore key externalities and market disruptors that influence your competitive advantage. The aim of the workshop is to identify the context for change – magnifying weak signals to identify disruptive threats and the needs of key stakeholders in order to select a scope of measurement that will drive results.

Increase influence
• Become leading and innovative in sector
• Sustainability will become key for success, be ahead in the debate
• Build an objective base for advocacy and policy dialogue
• Enable a fact-based and balanced value creation dialogue with stakeholders

Drive strategy
• Higher quality and sustainability of overall real estate portfolio
• Improved impact on society
• Better (long term) financial performance
• Improved occupancy rates
• Lower risk profile: less volatility in value real estate
• Better competitive position towards clients

Benefits for your organisation

Key contacts - a combination of Real Estate and Sustainability experts

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