

Government Employees Pension Fund backs sustainable investment in property

The Green Building Council of South Africa (GBCSA) has applauded Africa's largest pension fund - the Government Employees Pension Fund (GEPF) - on joining the Global Real Estate Sustainability Benchmark (GRESB).



"This is a huge boost for responsible investment in the property sector in South Africa and shows that asset managers will prioritise investment into companies with sustainable environmental management. Sustainability is slowly taking its rightful place at the boardroom table," said GBCSA's CEO, Brian Wilkinson.

GRESB membership gives the GEPF access to a transparent and comparable measure on the environmental performance of its real estate investments, which enables the fund to make more informed decisions on investments, with a focus on environmental sustainability.

The GEPF's significant property investment portfolio (managed by the Public Investment Corporation Properties) includes shares in South African property funds and directly owned South African property, including office buildings, retail centres and other real estate assets.

By assessing where its property portfolio ranks on the global benchmark, the GEPF will be able to recognise which buildings or property funds are excelling in terms of environmental sustainability. It will also be able to recognise where improvements are required and push for efficiencies to be implemented.

Better risk-adjusted returns

The GEPF's Responsible Investment Policy commits it to integrating environmental, social and governance (ESG) issues within all GEPF's investment decisions and ownership practices. GEPF ESG manager Adrian Bertrand noted that this integration will deliver better risk-adjusted returns through improving energy efficiency and reducing operational costs.

"Increasing demand for green and efficient buildings by blue chip corporate tenants' positions owners of green and efficient buildings to be able to attract and retain a better quality tenant and, in turn, attract higher rentals," he said.

Indeed, research on green buildings has shown that not only do they have better environmental footprints, but also have health and productivity benefits for building users; save on operational costs; and fetch higher rents on average for building

owners. The benefits of "greening" properties has proved to outweigh the costs.

The GBCSA is well placed to assist those looking for resources and information on green buildings. The GBCSA is also set to release the Green Star SA Performance Rating Tool, for existing buildings in Q4 2013, which will provide existing buildings the opportunity to achieve Green Star SA certification.

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