

WEBINAR

Pathways to net zero

A multi-dimensional approach to carbon neutrality



Our speakers



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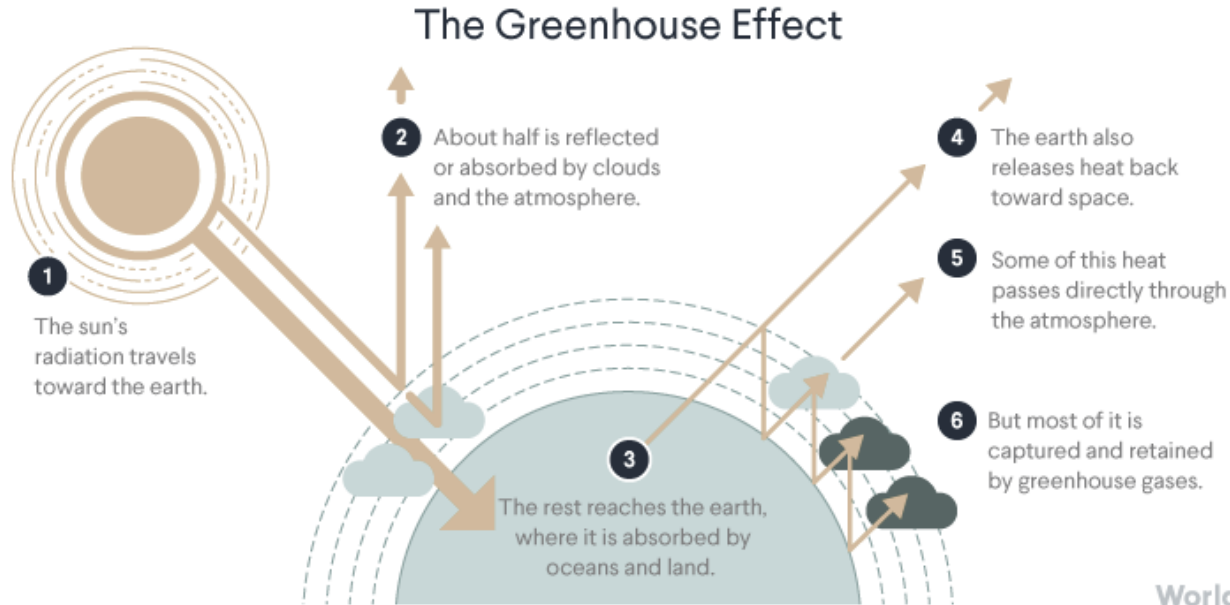
Principal Consultant - ESG
Goby

What is net zero?

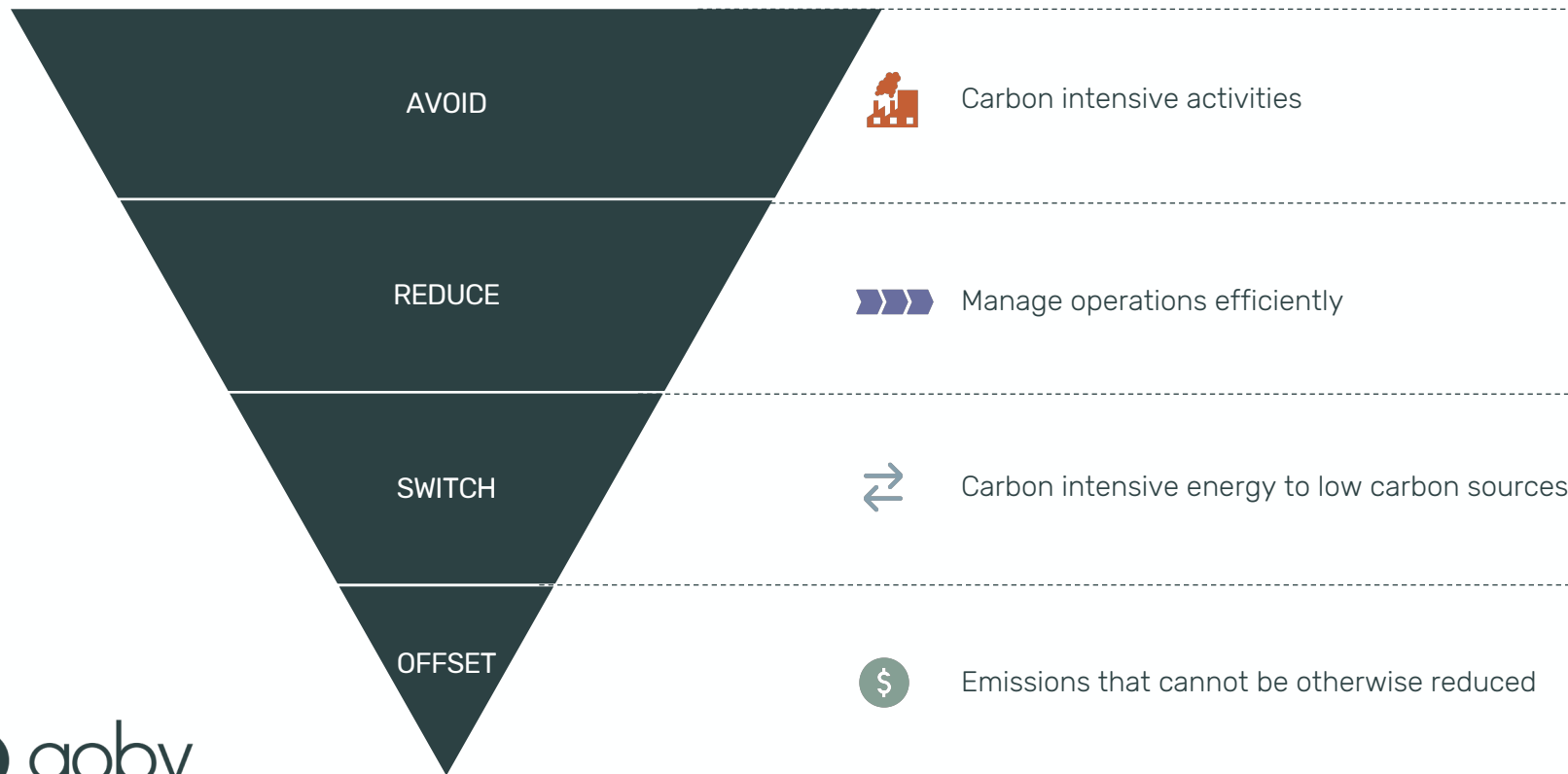
*"The balance between the amount of greenhouse gas **produced** and the amount **removed** from the atmosphere..."*

*We reach **net zero** when the amount we **add** is **no more than the amount taken away.**"*

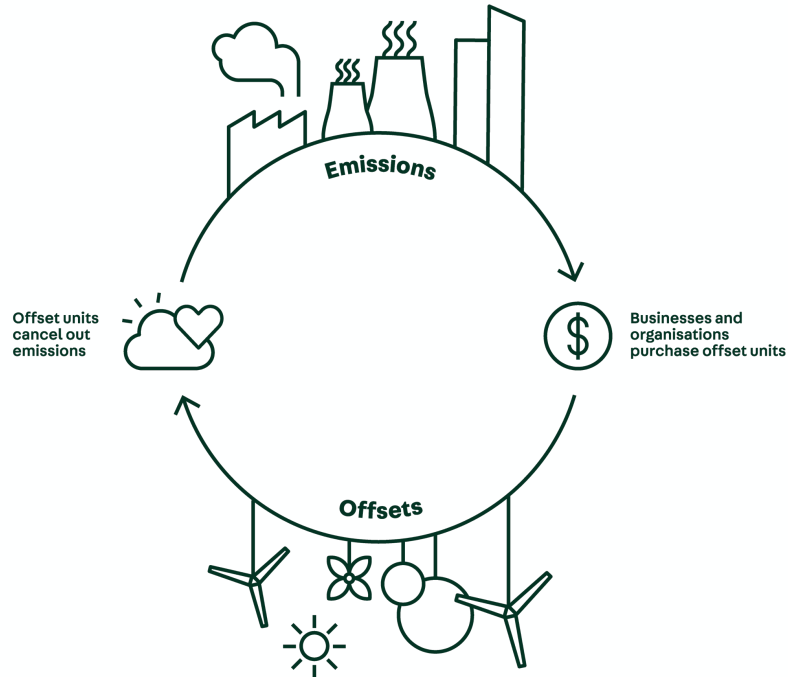
Greenhouse effect



Four aspects to consider



How does offsetting work?



What does it mean for your business?

- Increased interest in off-setting from investors
- More questions on voluntary ESG disclosure frameworks about carbon mitigation strategies
- Emerging legislation and changing regulatory environment
- Competitive advantage

The Paris climate accord

- EU ministers agree to make **carbon neutrality by 2050** binding
- A growing number of countries are making **commitments to achieve carbon neutrality**
- **The Paris Agreement** signed by 194 countries and ratified by 188 as of November 2020
- More than 1,000 businesses are working with the **Science Based Targets initiative (SBTi)** to reduce their emissions

Voluntary targets

ESG INVESTING

Blackstone Sets Goal to Cut Emissions as Sustainable Investing Takes Hold

By [Leslie P. Norton](#) Sept. 29, 2020 9:44 am ET

Apple, Ford, McDonald's and Microsoft among this summer's climate leaders



EDITORS' PICK | Oct 15, 2020, 06:00am EDT | 2,242 views

U.S. Utility Companies Rush To Declare Net-Zero Targets

ULI Greenprint Net Zero

MARTA SCHANTZ
URBAN LAND INSTITUTE

WEDS JAN 13, 2021



ULI Greenprint - Reducing Carbon, Building Value

Worldwide alliance of **leading real estate owners and financial institutions** committed to improving the **environmental performance** of buildings

Member-driven initiative with the **goal** to reduce carbon emissions **50% by 2030** and achieve **net zero carbon operations by 2050**

Includes **44+ companies** representing 10,000+ properties totaling 220 million square meters across **32 countries**

Share best practices and promote the business case for green buildings with the broader ULI membership



ULI Greenprint Members

2030
DISTRICTS[®]
NETWORK

Allianz

AXA Investment
Managers

BLACKROCK[®]

bxp Boston
Properties

Brookfield
Properties

CalPERS

CenterPoint

CITY
DEVELOPMENTS
LIMITED

CLARION PARTNERS

CommonWealth
partners

CRESCENT
COMMUNITIES

DWS

FCP

FPA MULTIFAMILY
SEARCHING FOR OPPORTUNITY

THE GREEN
CITIES
COMPANY

GID

GLL REAL
ESTATE
PARTNERS
A member of Macquarie Group

Goldman
Sachs

Granite

GROSVENOR

HEITMAN
A REAL ESTATE INVESTMENT MANAGEMENT FIRM

Howard Hughes
THE HOWARD HUGHES CORPORATION

HUDSON
PACIFIC
PROPERTIES

Jamestown

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INVESTMENT MANAGEMENT[®]

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MULTIGREEN

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VENTURES

NEO

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PARKWAY

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SAVANNA

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SL GREEN
REALTY CORP.

TISHMAN SPEYER

THE TOWER
COMPANIES

UDR

ZURICH

ULI Urban Land
Institute



ULI GREENPRINT

NET ZERO CARBON OPERATIONS GOAL

#NETZER**x2050**

Why is Net Zero Important?



Financial business case:

- Lower OpEx
- Lower M&R
- Increased NOI
- Increased Asset Value



Investors are Valuing It



Tenants are Asking for It

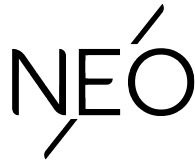


Increased energy
reliability/ grid resilience

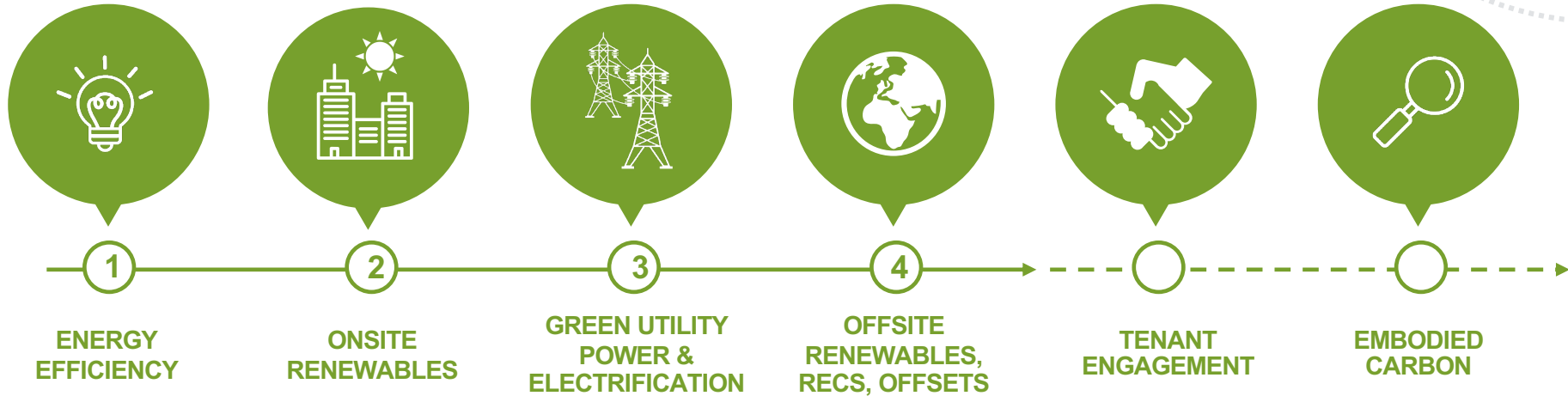


Regulations are Coming

ULI Greenprint Members Aligned with the Net Zero Goal



Roadmap to Portfolio-Wide Net Zero



How ULI Greenprint Defines Net Zero Carbon

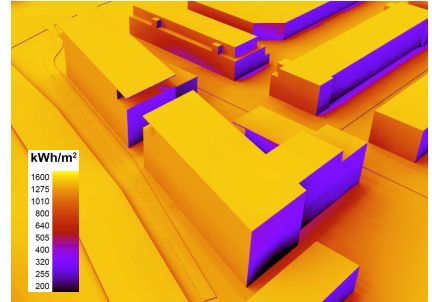
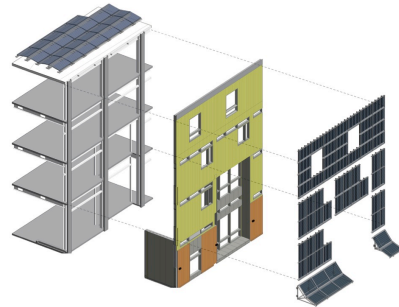
- OPERATIONAL BOUNDARIES
- ACQUISITIONS AND DISPOSITIONS
- ACHIEVING AN ABSOLUTE NET ZERO GOAL WITH A GROWING REAL ESTATE PORTFOLIO
- GREENING OF THE UTILITY GRID



Net Zero Building Example – Morgan Creek Ventures

Boulder Commons

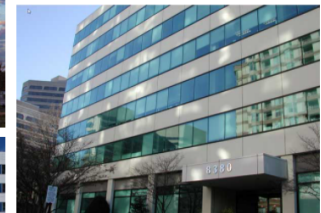
- 100 KSF NNN multi-tenant property in Boulder Commons, CO
- Daylight, views, efficient floor plans, flexible configurations
- Off-the-shelf components
- Solar analysis to optimize building orientation and PV panel installation
- Green leases with plug-load allowances
- 12% incremental cost, a \$12 PSF construction premium
- Faster lease up, Anticipated \$54 PSF higher sale value due to lower cap rate



Net Zero Portfolio Example – Tower Companies

Offset all emissions since 2010

- > 5 MSF of office, retail, and multifamily properties in the DC, MD, VA area
- In 2010, made a commitment to annually offset 100% emissions
- Met US Dept of Energy's Better Buildings Challenge to reduce energy intensity by 20%
- > 90% of commercial office portfolio is operating under a green lease
- Installs rooftop solar panels on new and existing buildings where feasible
- Further plans to prioritize, deepen and be more aggressive on sustainability



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Thank you!