
PRESS RELEASE

EU plans to boost growth and slash energy use should prioritise listed property – EPRA

Brussels, June 11, 2012 – The EU may be able to achieve the biggest pay-offs in its key twin policy goals of boosting growth and cutting the bloc's energy consumption by 20% by 2020, through harnessing the economic power of Europe's real estate industry and channelling financing through the transparent and efficient listed property sector, the European Public Real Estate Association (EPRA) said in a consultative response to the European Commission.

EPRA was responding to the Directorate General for Energy's consultation paper on: "*Financial Support for Energy Efficiency in Buildings*" in which the association said listed property companies offer a 'one-stop shop' for meeting the combined challenges of financing and delivering sustainability policies across Europe. Public companies with their professional management, external scrutiny by investors and a time-tested regulatory framework, are far better placed to lead this process and at a faster pace than other real estate investment models.

Philip Charls, EPRA CEO said: "Real estate has to be central to Europe's sustainability policies because housing, offices, shops and other buildings account for a large part of energy consumption across the continent. By taking steps to encourage the growth of the listed sector, the EU would give a large boost to its chances of meeting its 2020 targets and create jobs and lift economic growth at the same time."

According to Eurostat data, real estate provides the second largest untapped cost-effective potential for energy savings among economic sectors in Europe – estimated at 65 million tonnes of oil equivalent (Mtoe), or roughly the equivalent of half the entire annual energy consumption of Italy.

EU research calculates that the costs of achieving the EU's energy efficiency targets in European real estate would be EUR 587 billion between 2011-2020, or EUR 60 billion a year.

Philip Charls expressed concern, however, that the listed property sector suffers from a lack of scale due to fragmentation by national markets, whereby different regulatory and tax regimes handicap the efficient operation of the single market for one of the fundamental drivers of the EU's economy.

EPRA urged policy makers to adopt 'best-in-class' REIT legislation (the most efficient form of listed property company) across the EU as a common vehicle for transforming the industry. The association added that there was a conflict between many of the current EU regulations potentially impacting the real estate sector and the achievement of the bloc's economic and energy efficiency goals. As an example, it cited the EC's Energy consultation paper which identifies an investment need of EUR 60 billion a year in the building sector to realise its required energy savings potential – a sum which is significantly less than the capital that could be taken out of the real estate industry by the misdirected application of legislation on OTC derivatives intended for financial businesses.

Gareth Lewis, EPRA Finance Director said: "A larger listed property sector would mean a faster response to the energy efficiency challenges and would also be a great way for the EU to create jobs and boost Europe's expertise in the sustainable technologies of the future. There is now a rare window of opportunity for the EU to transform one of the most important sectors of the European economy and to boost growth and sustainability at the same time in a win-win situation for everyone."

Note to editors:**About EPRA**

The European Public Real Estate Association - is the voice of the publicly traded European real estate sector. With more than 200 active members, EPRA represents over EUR 250 billion of real estate assets and 90% of the market capitalisation of the FTSE EPRA/NAREIT Europe Index. Through the provision of better information to investors, improvement of the general operating environment, encouragement of best practices and the cohesion and strengthening of the industry, EPRA works to encourage greater investment in listed real estate companies in Europe.

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