

SUSTAINABILITY CASE STUDY

YDEK, Amsterdam, Netherlands

June 2017



PROPERTY DATA

Location	Moermanskade 73-97 1013 BC Amsterdam, Netherlands
Type of usage	Office
Year of construction	2012
Rentable area / parking lots	5'466 m ² / 60
Letting rate / WAULT	100% / ca. 12 years
Market value	Approx. EUR 17.4 m
Gross initial yield	Approx. 6.7%
Tenant	Media Company
Fund Manager	Credit Suisse Asset Management (Switzerland) Ltd.



BACKGROUND

In September 2016 Real Estate of Credit Suisse Asset Management acquired a new building in the city center of Amsterdam. The office building is situated in an excellent location fronting a river near the Amsterdam city center. Just four years old, the high-quality property mirrors the neighboring industrial charm by offering large outdoor areas and floor-to-ceiling windows. The entrance hall provides communal lunch facilities and a lounge area on the ground floor entirely fit out in the style of the building.

The building underlies a profound analysis of its energy efficiency performance. Energy Star identifies energy efficient buildings by both defining reference of energy use (comparable buildings) and benchmarking its performance (US building population). Real Estate collaborates with Siemens in order to achieve its ambitious target of a top quartile score performance (+75) within 3 years.

CONTEXT AND DRIVERS

Extensive experience with sustainability at Credit Suisse:

- Pioneering work in energy controlling and operational improvements at property level
- More than 1,000 properties are constantly monitored
- CO₂ emissions savings within 5 years: 6% (2012-2016)
- Since 2012 exclusive collaboration with Siemens regarding energy controlling and operation improvements

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STRATEGY

Build-up of a risk-averse core / core + real estate portfolio in Europe: Broad diversification throughout most of the real estate markets in Europe. The properties produce a robust income return through attractive lease characteristics in the current low-yielding environment.

Given its 12 year lease to a strong tenant the property generates a stable cash flow in the long-term. In addition fund management sees room for value appreciation due to the dynamic outlook for the submarket being fully developed into an attractive office and mixed-use agglomeration. While still offering some strategic upside potential the property already comes with a comparatively strong sustainability rating. Energy consumption and costs shall be reduced in the short-term by optimizing the set-points for heating and cooling and installing a weather forecast system. In the mid- and long-term it is considered to replace the downlights and the pumps for the heating and cooling along the life cycle.

Opportunities:

- Quick Wins: Optimization set points / pumps, optimize server rooms
- Mid-term potential: Install weather forecast system, replace downlights
- Long-term strategy: Extend photovoltaic capacity, replace pumps

IMPLEMENTATION

Focus on energy efficiency to reduce CO₂: CO₂ reduction through active management in collaboration with Siemens. This creates potential additional value for the properties. CO₂ compensation for the rest of the portfolio by purchasing the respective certificates at the expense of Credit Suisse at the end of each year.

Adding value to the property in five steps:

1. Analysing: Comprehensive carbon due diligence before acquiring the building
2. Implementation: Installing meter box, preparing measurement system
3. Measurement: Half yearly reporting of data
4. Optimisation: Defining further interventions due to the findings of the measurement
5. Carbon offset: Ensure the portfolio is carbon neutral by purchasing carbon reduction certificates

This approach is applicable to all regions (e.g. APAC) across the globe. In particular relying on the Energy Star rating score to capture the energy and carbon performance of properties is independent of the location of the property. Credit Suisse relies on a "Carbon Due Diligence" in collaboration with partner Siemens. This might inspire other market participants to follow this approach.

Credit Suisse and Siemens continue with their long-term and successful partnership also for all international properties located outside of Switzerland. The cooperation with Siemens was built on a building optimization program of around 1,000 properties in Switzerland. Tenants benefit from enhance building technology and energy and resource efficiency gains.

OUTCOME

The YDEK building in the harbor of Amsterdam is furnished with some high efficient equipment. Motion sensors for lighting, thermal component activation and heat generation with ground water heat pumps provides a very good basis for a high efficient building operation. In addition the owner runs a contract with a company called "Sprinx" who is in charge of the efficient operating of the building and will participate on the energy savings (verbally communicated by owner).

Different meter (electricity, heat and water) are installed in the building with the focus of cost allocation in case of multi-tenant use. Most meters provide a data interface but they are not connected with a monitoring system. It is highly recommended to use this meter infrastructure to monitor the energy consumption of the different areas to execute and prove optimization measures.

Environmental KPI's:

Energy Star Rating	90 (out of 100) / A (highest possible)
BREEAM Certificate	60.79% ("Very Good")
Current CO ₂ emissions	53 kg CO ₂ /m ² (below NLD & EU avg.)
NL EPDB Label	A-rated (46 kWh/m ² electricity and 26 kg/m ²)

INFORMATION

Information Sources

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