

Benefits of Green Building Underwriting

- Trying to secure green building financing or refinancing?
- Do you need to sell the value of your green building project?
- Would you like to measure value and risk of green buildings, homes and portfolios?

For Commercial & Multifamily Real Estate:

The **Commercial Real Estate National Consensus Green Building Underwriting Standard[®] 2.2** provides a quantitative *CMP Green Value Score[®]* showing increased cash flow and reduced expenses. This relates directly to net operating income, the industry measure of a building's investment value.

For Residential Real Estate:

The **Residential Green Building Underwriting Standard[®] 2.1** provides a quantitative *CMP Green Value Score[®]* showing reduced expenses and increased value.

Background:

The consensus Standards were launched in meetings on Wall Street by leading investment banks and unanimously approved on September 2, 2008, market tested on over 150 properties by leading investment banks, investors, global real estate leaders, and the federal government, and amended three times. The Capital Markets Partnership / MTS is an American National Standards Institute-Accredited and Audited Standards Developer.

For the capital markets and the building industry, consensus standards have the highest value and are a prerequisite for use and adoption because they substantially reduce risk and uncertainty and have regulated the industry since 1898.

The Standards are part of and incorporate peer-reviewed Wall Street due diligence released at the NYSE documenting added green building value with national statistically valid data through over 30 reports, consensus standards, and investor surveys.

The Underwriting Standards:

- **Document:** higher valued collateral and reduced risk for owners, lenders & investors
- **Provide:** increased investor confidence and preference
- **Stimulate:** green building financing, and refinancing by providing the basis for cheaper cost of capital & higher bond ratings
- **Identify and Rank:** green building attributes increasing cash flow and value
- **Cover:** LEED, ENERGY STAR, certified Climate Neutral, HERS Index, GreenPoint RATED, International Green Construction Code Buildings & Homes with 5 categories of attributes scoring value
- **Assist Appraisals:** as part of the Appraisal Institute's Model Green Building & Home Valuation Scopes of Service facilitating green appraisals, and Certified Green Value[®] label capturing a property's added green building value for all property types and purposes including through the appraisal: the means that real estate globally is valued.

CMP GREEN VALUE SCORE FORMULA

NATIONAL CONSENSUS *GREEN BUILDING UNDERWRITING STANDARDS*©

	Score	Value Ratio	Adjusted Score
ENERGYSTAR Score		40%	
Green Building Underwriting Standard Score		35%	
LEED Rating or GreenPointRATED	NONE CERTIFIED	0%	
	SILVER	2%	
	GOLD	5%	
	PLATINUM	10%	
Climate Neutral Certified	YES	10%	
	NO	0%	
CMP GREEN Value SCORE		100%	

The CMP Green Value Score is part of the approved *Green Building Underwriting Standards*© 2.0 providing a 25-100 score for all properties and portfolios, documenting increased cash flow and value, and reduced expenses. The Green Building Underwriting Standard Score component of the *Green Value Score* identifies the green building attributes increasing value including energy efficiency, onsite green power, proximity to transit, commissioning, integrative process, climate neutral operations, improved indoor air quality.

The Standards are the exclusive jurisdiction of CMP’s Green Building Underwriting Standards National Consensus Committee that is conducting Underwriting and Integrative Process Education with the Urban Land Institute and leading financial institutions and developers. The Standards comply with the green building financing requirements of the Federal Housing Finance Agency, Office of the Comptroller of the Currency, FTC, & Attorneys General.

CMP’s *Capital Markets Briefing Paper: Business Case for Commercializing Sustainable Investment*© captures four years of due diligence with investors, investment banks and rating agencies, documenting that green buildings and certified sustainable products are more profitable, less risky, and preferred by investors in a Survey initiated with S&P covering over \$3.3 trillion in assets, including national statistically valid data for over 13,000 properties.

The Paper was supported by the Bank of America and Energy Foundations, JPMorgan, Federal Home Loan Bank, and Anonymous Foundation for green affordable housing investment, and released at CMP’s August 18, 2009 Press Conference at the New York Stock Exchange. For Education Programs on the Standard contact CMP. The Standards are available at:

<http://webstore.ansi.org/FindStandards.aspx?SearchString=&SearchOption=1&DepthID=3144&PageNum=1&SearchTermsArray=#.UaZyp-u8D0c>