

# Competitive Advantage: Green Property Bonds

for investors, underwriters, issuers

Attribute	Green Properties	Conventional Properties
<b>Market Share</b>	44% of new construction & retrofits for buildings, about 80% of new national builder homes	Vast majority of existing properties
<b>Commissioning</b> insures property built as designed	Required for Green Bonds. At least \$1 / ft2 in added value	Not required. Added risk & expense
<b>Integrative Process</b> aligns principals in project life cycle reducing risks and construction costs	Required for Green Bonds. Reduces construction costs by 1% - 10% & risk	Not required. Added risk & expense
<b>Statistically Added Economic Value</b> & improved insurance loss ratios	Buildings have top of market rents, occupancy & valuation. Homes 9% more value in Ca. Insurance discounts. Multiple green attributes have greatest value.	Well documented obsolescence risk for new construction & retrofits
<b>Investor Preference &amp; Brand</b>	Green bonds selling out - pent-up demand. Measurable brand increase	Vast majority of existing bonds
<b>Improved Indoor Air Quality</b>	Faster lease-up, greater tenant retention, healthier products, higher Green Value Scores	Not measured
<b>Save Energy &amp; Water</b>	Green Bond energy efficiency minimum. Highest Green Value Scores for most efficient properties	Accelerating expenses from growing price volatility
<b>Reduced Carbon Pollution / Climate Risk</b>	Highest Underwriting Green Value Scores for Greatest Reductions	Subject to growing regulatory constraints & costs
<b>Occupant Productivity</b>	Increased project ROI by 1350 - 1200%	Not measured
<b>Relation to Transit</b>	Higher Green Value Scores for Transit	Not measured
<b>Resiliency</b>	Resilient Standard Value Score	Increasing risk & costs
<b>Higher Ratings</b> Acknowledged	Statistically fewer defaults for energy efficiency. Validated per property with Green Value Score.	Not measured
<b>Industry Size &amp; Liquidity</b>	\$450b yr. industry. 200% green bond growth	Vast majority of market
<b>Bond Yield</b>	Same now. Likely yield advantage as market recognizes green value	Subject to greater volatility

Data from Green Bond Business Case Including RELi Consensus Underwriting Standards, peer-reviewed and released at NYSE press conference and updated by leading economists. Prepared on Earth Day 2015. Copyright | All Rights Reserved

