



AREF
The Association of Real Estate Funds

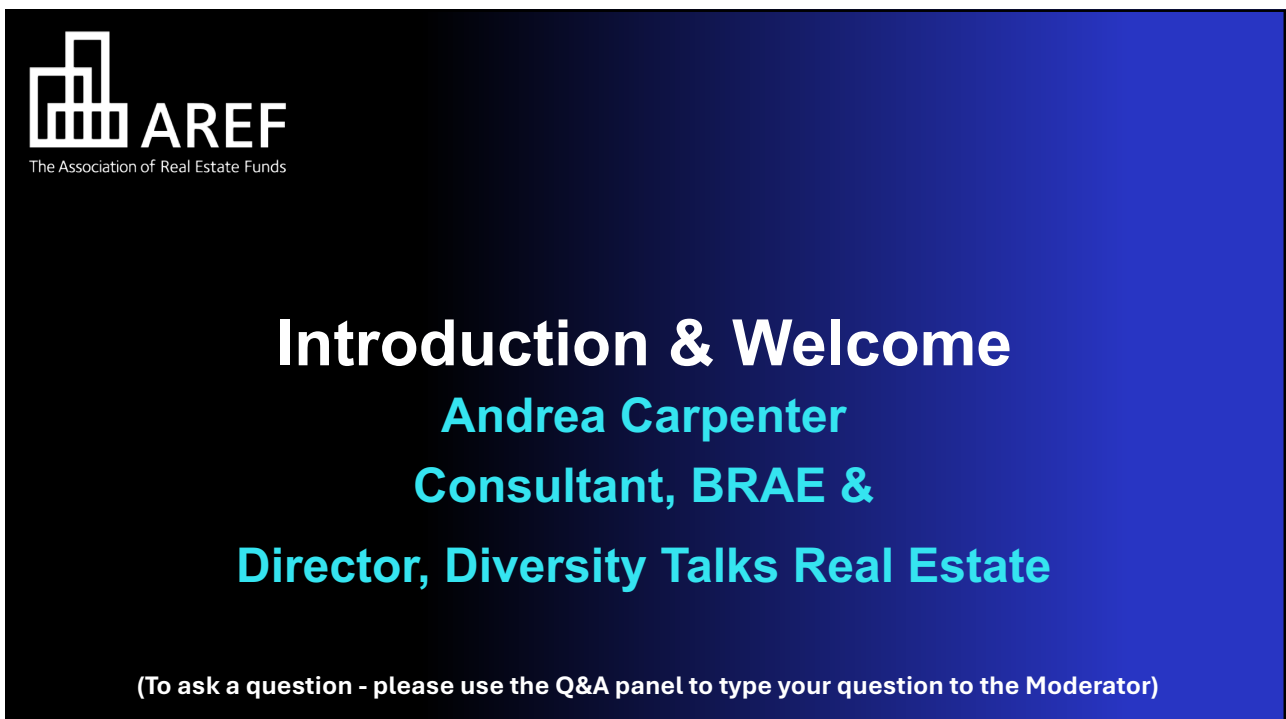
Transition Planning in Real Estate

14 October 2025

This webinar will be recorded.

Thanks for joining.
This call will begin
shortly

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AREF
The Association of Real Estate Funds

Introduction & Welcome

Andrea Carpenter
Consultant, BRAE &
Director, Diversity Talks Real Estate

(To ask a question - please use the Q&A panel to type your question to the Moderator)

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Speakers for today



Suzy Glass
Co-CEO
BRAE



Stephanie McMahon
Director
SMCI



Chinyelu Oranefo
Managing Director,
Sustainability Advisory,
Real Estate & Housing
Lloyds Banking



Sam Carson
Head of Sustainability
Valuation & Advisory
CBRE

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Agenda

- 10:30** Introduction & Welcome from Andrea Carpenter
- 10:35** Presentation from Suzy Glass and Stephanie McMahon
- 11:00** Panel Discussion & Q&A
- 11:30** Finish

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AGENDA

- 01 HELLO AND WELCOME
- 02 WHAT IS TRANSITION PLANNING
- 03 PROJECT AIMS
- 04 WORKSTREAMS
- 05 TP GUIDANCE
- 06 TIMELINE
- 07 PANEL

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BUILDING RESILIENCE

“A STRONG **TRANSITION PLAN** CAN UNLOCK GREATER VALUE AND BUILD RESILIENCE, OPENING YOUR BUSINESS TO A WORLD OF OPPORTUNITY.”

KPMG
TRANSITION PLANS:
MOVING BEYOND
DISCLOSURE

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WHAT IS TRANSITION PLANNING?

A STRATEGIC WRAPPER

A transition plan is a strategic roadmap that outlines how an organisation will shift towards a low-carbon, sustainable business model that addresses climate risks, commercial opportunities, and regulatory requirements to drive long-term business transformation.

The Transition Plan Taskforce determined that transition plans should be:

STRATEGIC_____ Integrated into the core business strategy.

AMBITIOUS_____ Based on achieving clear, science-based targets.

ACTIONABLE_____ Outline concrete steps and resource commitments.

ACCOUNTABLE_____ Include mechanisms for monitoring + reporting progress.

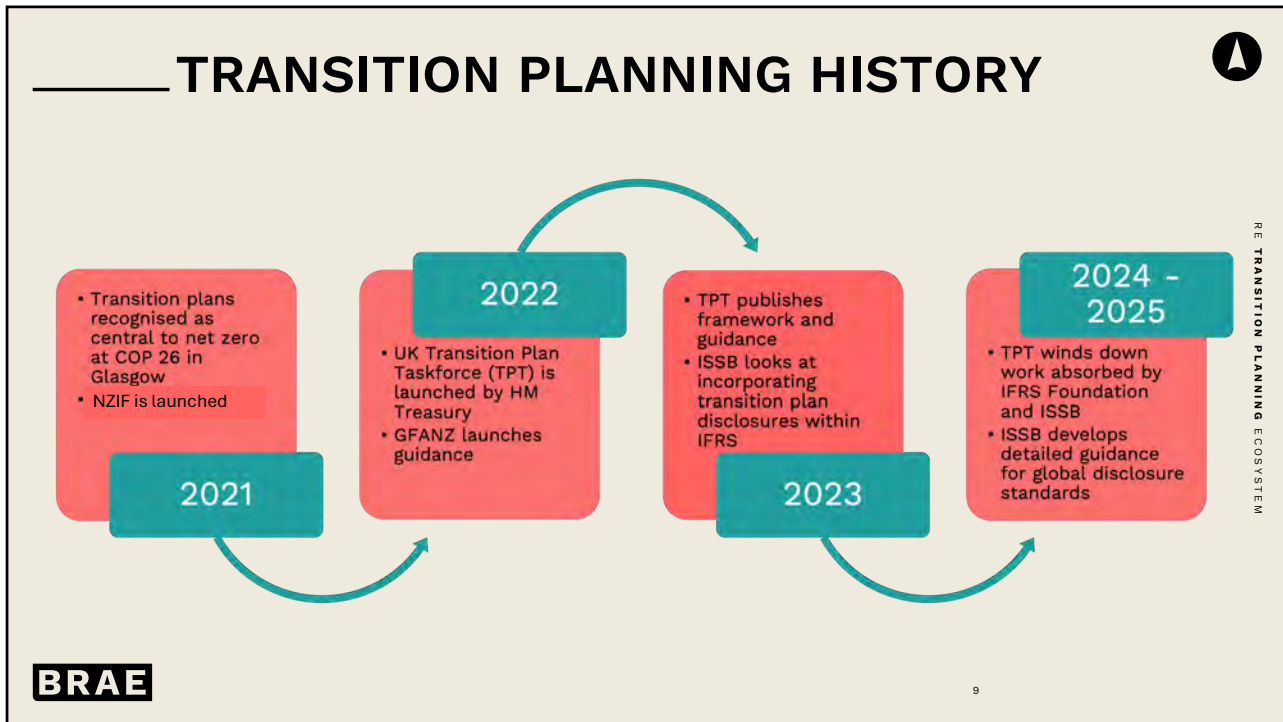


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PROJECT AIMS

TO ADDRESS THE LACK OF CORPORATE TRANSITION PLANNING IN REAL ESTATE

Real estate businesses are increasingly addressing decarbonisation at asset or portfolio level. However, there is limited coherent long-term planning at corporate level. Transition planning enables the move from commitment to action.

TO ADDRESS SLOW, PIECEMEAL PROGRESS TOWARDS SUSTAINABILITY GOALS

Existing ESG guidance can create confusion and lead to overwhelm and opt-out. This initiative positions just transition planning as a holistic and strategic wraparound used by companies to design and manage a fair, inclusive transition.

TO ADDRESS THE LACK OF SPECIFIC REAL ESTATE GUIDANCE

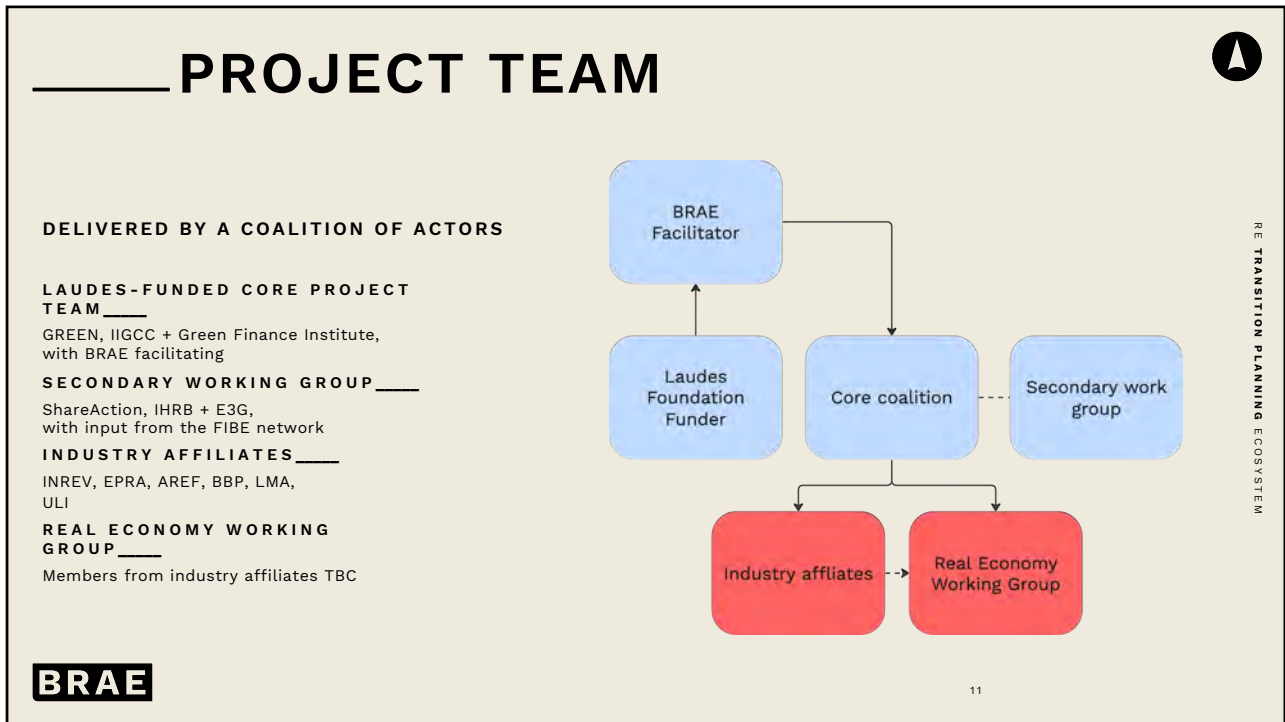
There are general resources designed to guide companies to develop high quality transition plans (for example

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BEYOND BUSINESS AS USUAL

NOT JUST MORE OF THE SAME

NOT JUST A NET ZERO TARGET
 A company-wide transformation that goes beyond individual assets, reshaping business models to ensure long-term sustainability and resilience.

NOT JUST FOR THE SUSTAINABILITY TEAM
 Led by C-Suite and Board. A company-wide responsibility requiring collaboration and innovation across operations and finance to ensure the whole business works coherently towards achieving transformative sustainability goals.

NOT JUST A RISK + COMPLIANCE TOOL
 A strategic approach, helping organisations meet regulatory requirements AND creating opportunities for long-term business change, sustainability, and resilience.

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____ RISING STAKES



“WE WANT TO WORK WITH OUR CLIENTS ON THEIR CLIMATE TRANSITIONS. BUT IF THEY’RE NOT DOING ENOUGH AND AREN’T WILLING TO CHANGE, WE’LL CONSIDER ENDING OUR RELATIONSHIP.”

ING
FIVE THINGS TO
KNOW FROM OUR
CLIMATE PROGRESS
UPDATE 2024

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____ THE ROLE OF TRANSITION PLANS



- Progress the industry from product-level innovation to corporate transformation
- Establish decarbonisation and climate strategy as board-level responsibilities
- Act as a shared reference point for stakeholders to assess whether they want to partner with companies
- Shape access to capital and availability of transition finance
- Signal regulatory and market readiness in a changing policy environment

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RE TRANSITION GUIDANCE

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____ RISING STAKES



SECTOR CONTEXT

- Socially embedded with decisions affecting capital flows & communities.
- RE is not an island and may lose agency.
- Entity's unique role(s) & contribution to systemic decarbonisation.
- High-carbon assets transformed, not merely sold off.
- Adaptation & resilience are essential.
- Collective industry planning.
- Avoiding harm – physically (e.g. floods) and socially (e.g. displacement or exclusion).

SCOPE

- Institutionally owned, professionally managed commercial real estate sector in Europe and the UK.
- C.60% of the sector privately held.
- Public transparency is limited, yet critical.
- Aggregate-level disclosures may offer a middle ground.
- Multi-asset portfolios, fund structures and interoperability with corporate-level disclosures essential.

STRATEGIC & ROUNDED

- Three strategic pillars:
 - ____decarbonising the entity
 - ____addressing climate risks/opportunities
 - ____contributing to economy-wide change.
- Governance must be board-led and integrated with:
 - ____Financial planning
 - ____Macro/dependency-based scenario analysis.
- Engagement across the value chain.
- Plans are live, assessed regularly (if not often) and include doing no harm.

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SECTION 2 -TPT FRAMEWORK



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TACTICAL TO STRATEGIC

COMBINING EXISTING TPT BEST PRACTICE AND REAL ESTATE NEED



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REAL ECONOMY GROUP #1 ENGAGEMENT



“SOMETIMES THE
LARGEST EMISSIONS
AREN’T WHERE WE
HAVE THE MOST
CONTROL.”

WHAT WE MEAN BY ENGAGEMENT

- Value chain (suppliers, contractors, tenants, finance partners, utilities, waste management, etc.) – Development AND operational.
- Industry peers (coalitions, knowledge sharing etc.)
- Government/public sector (policy, just transition).
- Purpose: manage dependencies, leverage partnerships, drive collective action, and achieve corporate transition objectives.

BARRIERS

Capacity and resources to deliver engagement strategies.

Data gaps – where are the highest emissions.

Alignment issues – corporate sustainability goals filtering down to project-level decision makers.

Fragmentation – suppliers/tenants face overlapping but inconsistent engagement demands.

OPPORTUNITIES

Integrating engagement with other pillars (governance, culture, skills, incentives).

Stronger data-driven prioritisation of tenants/partners.

Designing resilient, future-proof buildings to avoid costly retrofits later.

Coalition building to reduce duplicative demands on suppliers.

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REAL ECONOMY GROUP #2 GOVERNANCE



GOVERNANCE COMPLEXITY IN RE

- Real estate governance differs from corporate sectors due to layered structures: asset management, fund management, portfolios, and broader corporates that may only partially focus on real estate.
- Private markets require different governance levers.

TENSION POINTS

- Asset and fund managers are trained to protect client capital but are being asked to make uncertain decarbonisation investments.
- Leadership must signal support and accept imperfect knowledge to empower managers to act.

EMBEDDING

- Governance must cascade from the board into incentives, recognition, and accountability throughout the organisation.
- Culture is critical: embedding a learning environment and empowering staff builds resilience and credibility in transition plans.
- External pressures (investors, clients, regulators) increasingly shape internal governance, but organisations must balance flexibility with accountability.

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REAL ECONOMY GROUP #3

INNOVATION

CHANGE TODAY

- Shift toward prioritising financially material metrics (energy intensity, GHG performance, pathway alignment) to guide investment decisions.
- Emphasis on asset AND portfolio-wide minimum standards and a broader lens.
- Data/proptech for faster measurement and planning.
- Asset-level upgrades progressing, but the “low-hanging fruit” phase is maturing.
- System dependencies (e.g. grid decarbonisation) create a potential “2035 cliff” where further gains get harder and economically unviable asset risk rises.
- New business models and partnerships required.

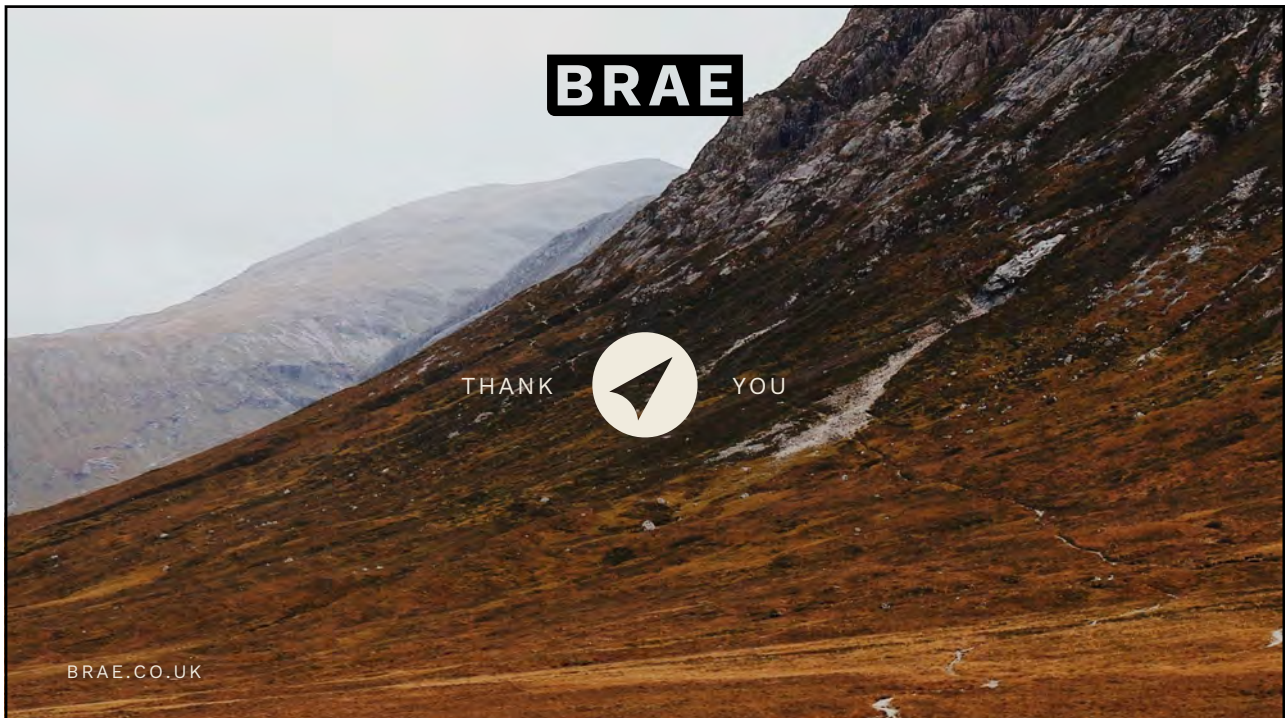
PLANNING FOR UNCERTAINTY

- Cultural and governance enablers: multi-year refresh cycles, executive sponsorship, ESG as an enabler with delivery owned by asset teams.
- Scenario planning with clear trigger points and pre-authorised capex pathways to act quickly if policy or grid trajectories diverge.
- Early, integrated supply-chain collaboration (from development through to the final investor) to help avoid cost blow-ups and accelerate delivery.

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THANK YOU

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Panel Discussion



Moderator
Andrea Carpenter



Suzy Glass
BRAE



Stephanie
McMahon
SMCI



Chinyelu
Oranefo
Lloyds Banking



Sam Carson
CBRE

(To ask a question - please use the Q&A panel to type your question to the Moderator)

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Q&A

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Thank you for attending