



US property energy efficiency booms as TIAA-CREF promises 10% cuts

Real estate arm says it has already saved the equivalent of an estimated 37 million pounds of carbon dioxide emissions.



by **Hugh Wheelan** | March 26th, 2008

TIAA-CREF, the \$435bn (€300bn) US pension, insurance and financial services company, and one of the country's largest institutional real estate investors, says it aims to cut energy waste in its property portfolio by 10% before 2010, saving millions of pounds of carbon dioxide emissions. The group owns a \$70bn global portfolio of property investments, of which \$25bn is in directly owned buildings in the office, retail, industrial and multi-family sectors across the US, Canada and Western Europe.

Its announcement underlines a significant trend to adaptation of buildings for energy efficiency in the US, following similar commitments by other large investors. At the start of March the Investor Network on Climate Risk, a coalition of US and European investors responsible for over \$1.75 trillion (€1.2 trillion) in assets organised by Ceres, the US environmental investment group, said signatories would cut energy use in property holdings by 20% over the coming three years. The signatories include giant US real estate owners like CalPERS, the California civil service pension scheme, which has more than \$20bn in property. The coalition said it would also prioritise green building standards at the core of future investment decisions, lending support to pressure on new-build properties to be energy efficient.

Tom Garbutt, managing director and head of TIAA-CREF Global Real Estate, said: "We believe the best management practices today are defined, in part, by energy efficiency. TIAA-CREF is committed to lowering the carbon footprint of the buildings that comprise our commercial real estate portfolio." The group has so far reviewed 43 million square feet of office buildings and other properties within its real estate portfolio to identify potential energy reduction. It has reduced energy use by 125 million Kilo British Thermal Units, equivalent to an estimated 37 million pounds of carbon dioxide emissions. It said it had achieved this by working with property management companies to replace inefficient lighting and turn off the lights when the offices are unoccupied. The US Environmental Protection Agency (EPA) named TIAA-CREF a 2008 Energy Star Partner of the Year for its reductions in greenhouse gas emissions, citing the company's progress in improving energy efficiency.

The company is also seeking the US Green Building Council's Leadership in Energy and Environmental Design (LEED) certification for two new properties being developed this year in Minneapolis, Minnesota and Miami, Florida.