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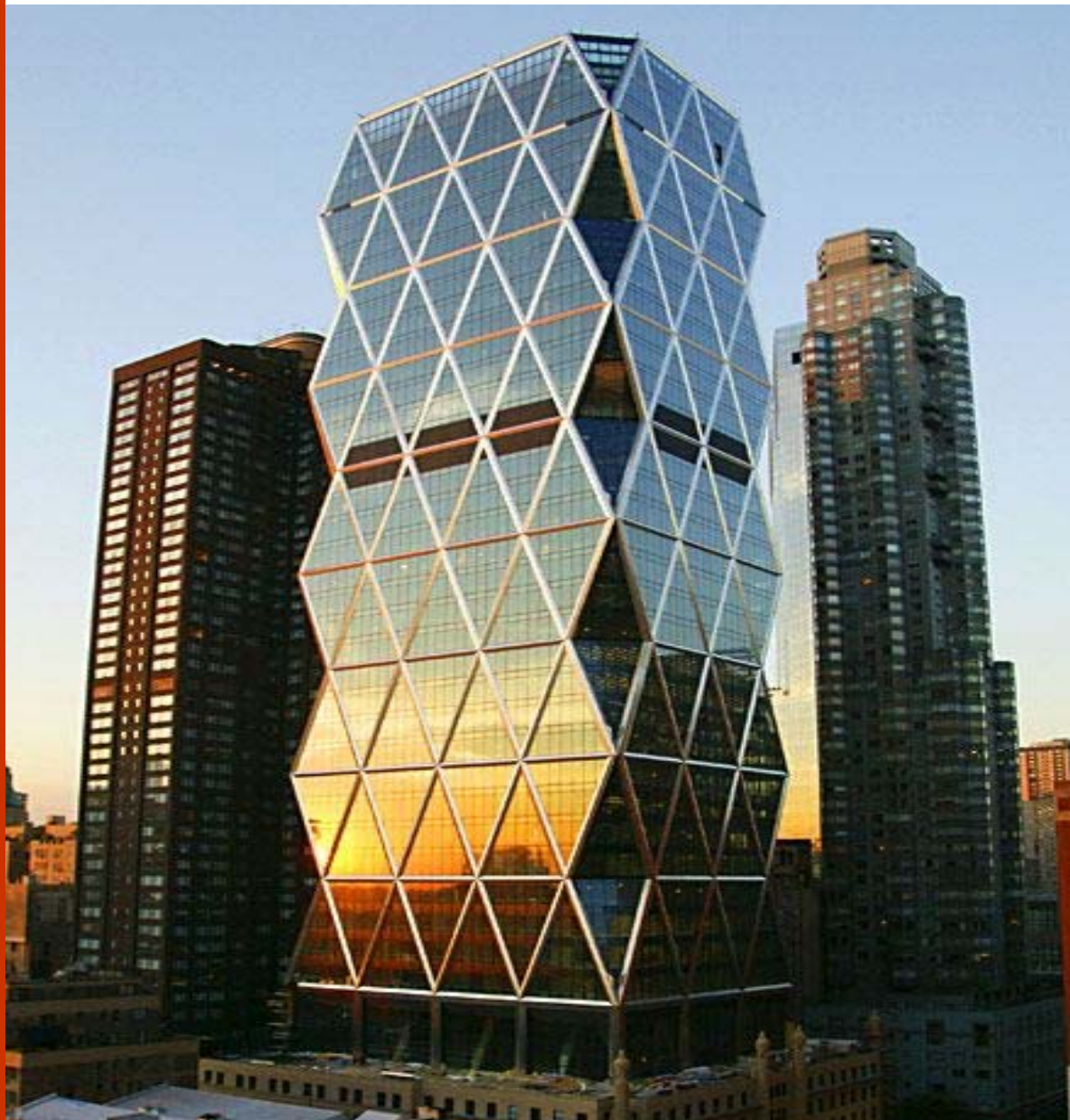
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The Institute for Market
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National Consensus Green Building Investment Underwriting Standards

Commercial Buildings

**UNANIMOUSLY APPROVED
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ABSTRACT

Green Building Underwriting Standard

The Green Building Underwriting Standard and the CMP Green Value Score is a straightforward, easy-to-implement tool allowing lenders, private equity investors, developers, and real estate owners the ability to rate an asset's "greenness" at the time of financing or acquisition. The tool is structured as an underwriting overlay that enhances current underwriting practices, increases transparency, and serves as an indicator of investment risk and long-term asset value.

Following an analysis as detailed in this Standard, an asset can be assigned a CMP Green Value Score from 0-100 based on the presence or absence of financially tangible criteria that influence the asset's financial, operational, and market-based risk profile. Understanding an asset's green profile and CMP Green Value Score on a relative basis allows for improved decision metrics along with greater market transparency across all facets of the investment decision process.

The CMP Green Value Score takes into account asset features that lead to energy and water efficiency, reducing current operating costs while also insulating tenants from future energy and water price increases and price volatility. The CMP Green Value Score also incorporates location-based attributes that affect a tenant's commuting patterns and/or carbon footprint, as well as factors inherent to indoor environmental quality that can affect rents, risk, and liability exposure.

The tool is applicable to asset-based and portfolio-based analysis and investment decision processes. Once a specific asset's CMP Green Value Score is determined, this analysis can be expanded to the portfolio level through an aggregation of asset-specific CMP Green Value Scores on a weighted basis improving investment decision making and investor reporting.

The Standard addresses critical market pressures that include the rapid and continuing rise in conventional energy and water costs, increased ongoing operating costs, exposure to price volatility, tenant preferences swaying in favor of green buildings, and current/future climate-change issues. Implementation will improve underwriting processes leading to increased capital market confidence. Ultimately, determining and disclosing an asset's CMP Green Score will better enable investors to fulfill fiduciary responsibilities, improve real estate industry underwriting, and lead to better risk-adjusted investment decisions.