

36TH ECBC PLENARY MEETING

EMF-ECBC ACADEMY TRAINING & MARKET UPDATE

CLIMATE ISSUES IN REAL ESTATE AND INVESTMENT OPPORTUNITIES IN SOCIAL HOUSING

Gianluca Mattarocci - Tor Vergata University of Rome

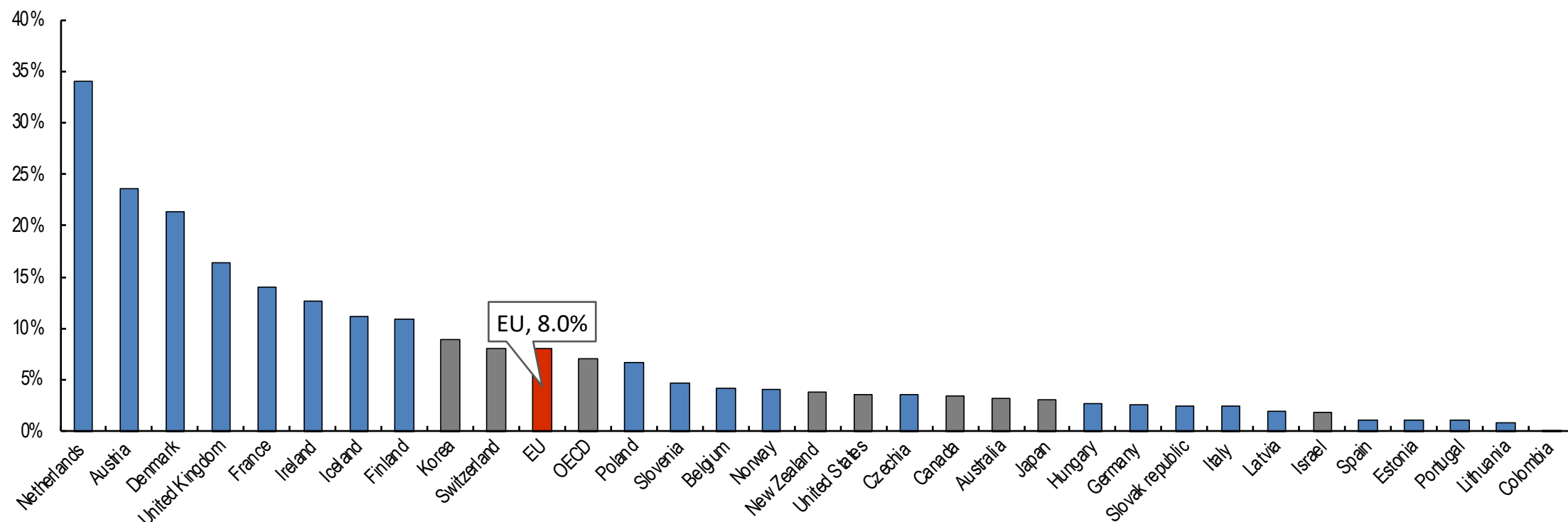
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- Introduction
- Social housing and climate change
- REITs and social housing
- Conclusion



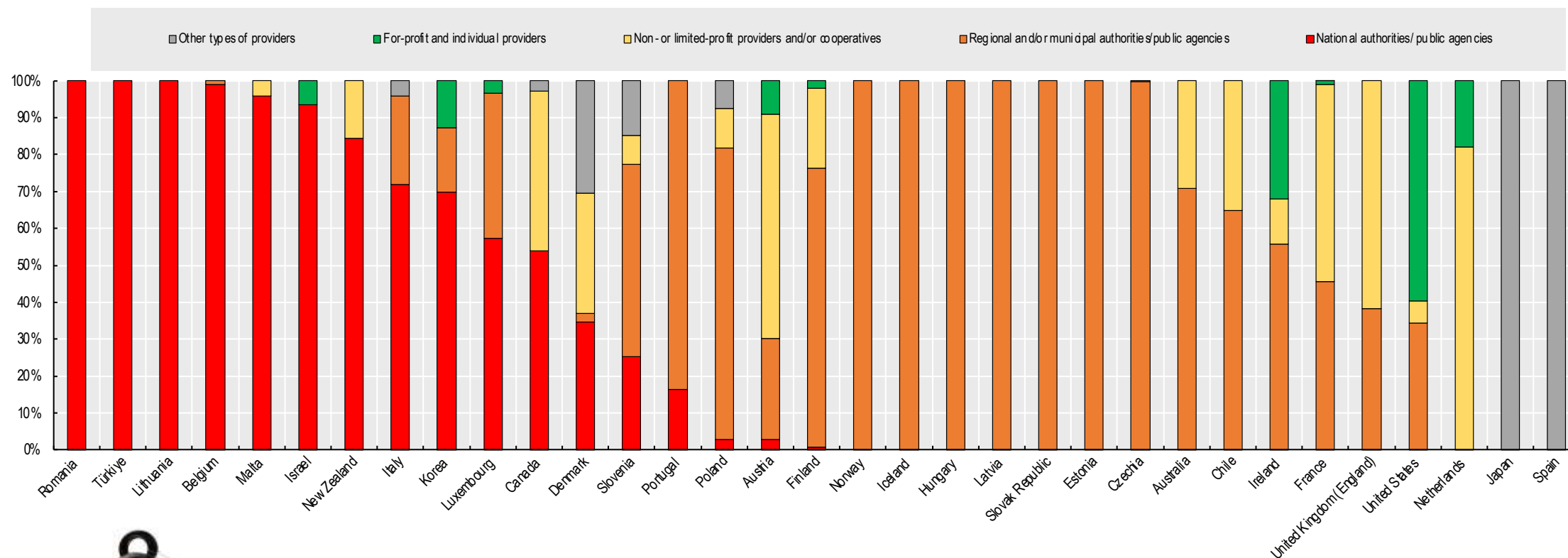
Introduction

Social housing as percentage of overall housing stock



Introduction

Providers of social housing



Public budget constraints and capex for energy efficiency



Introduction

Model for Financial instruments and grants with co-financing from the EIBG and others for affordable housing (April 2025)

- Combined FI in one operation (guarantee or loan FI)
- Guarantee to EIB, other IFI or NPBI, combined with grants in two operations
- FI implemented by EIBG/IFI/NPBI, combined with grants in two operations
- EIBG/IFI/NPBI funding combined with grants at final recipient level
- Equity and quasi-equity Financial Instruments



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Social housing and climate change

Topic	Reference
Energy efficiency programs and poverty	Tonn et al, 2021
Low energy efficiency of social housing stock	Ozarisoy & Altan, 2022
Cost of energy poverty	Avanzin et al, 2022
Energy retrofitting policy and social housing	Tsenkiva et al., 2021
Energy efficiency and payback for public entities	Desvallées, 2022

Our topic



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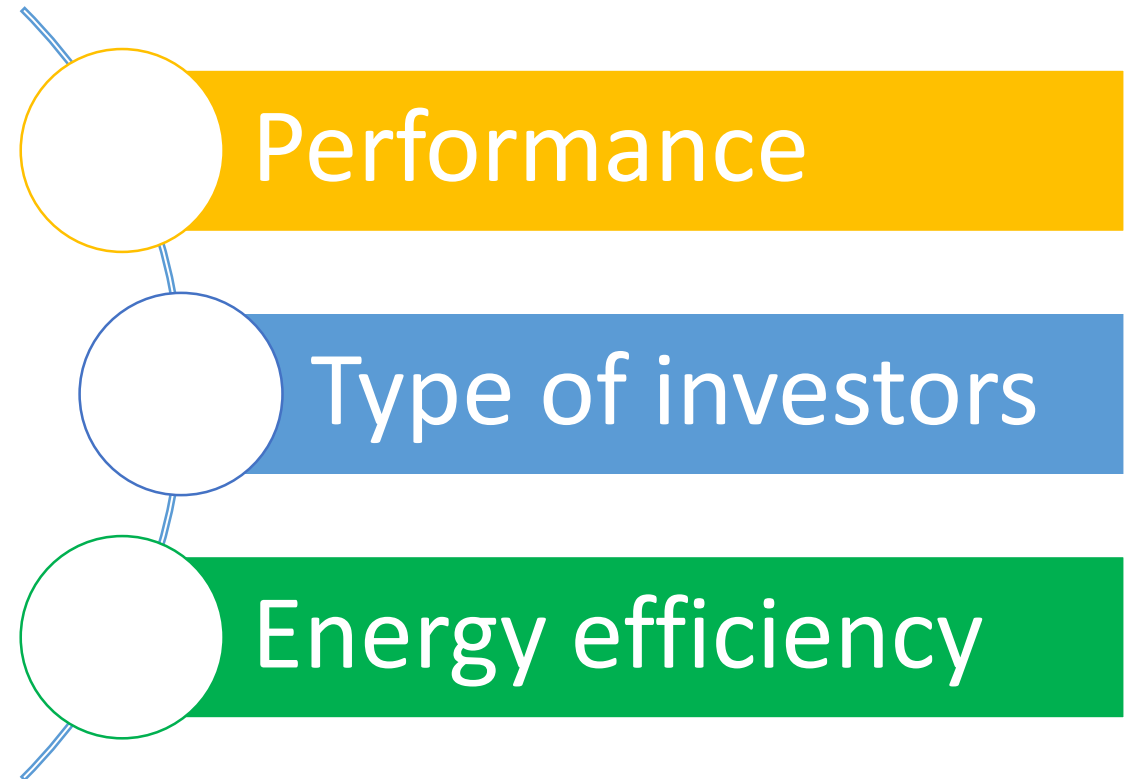
- Introduction
- Literature on credit risk and climate risk
- REITs and social housing
- Conclusion and perspectives

REITs and social housing

Framework of the analysis

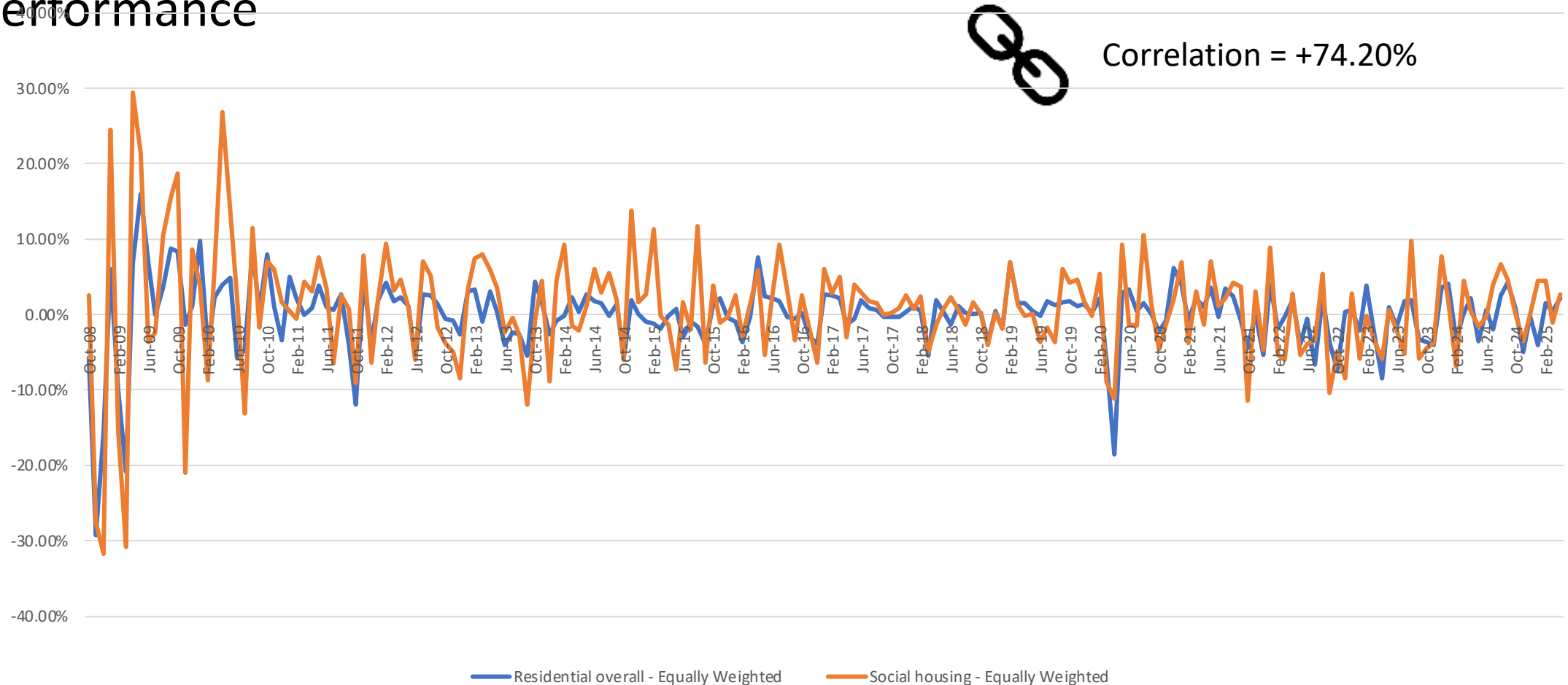


LSEG DATA & ANALYTICS



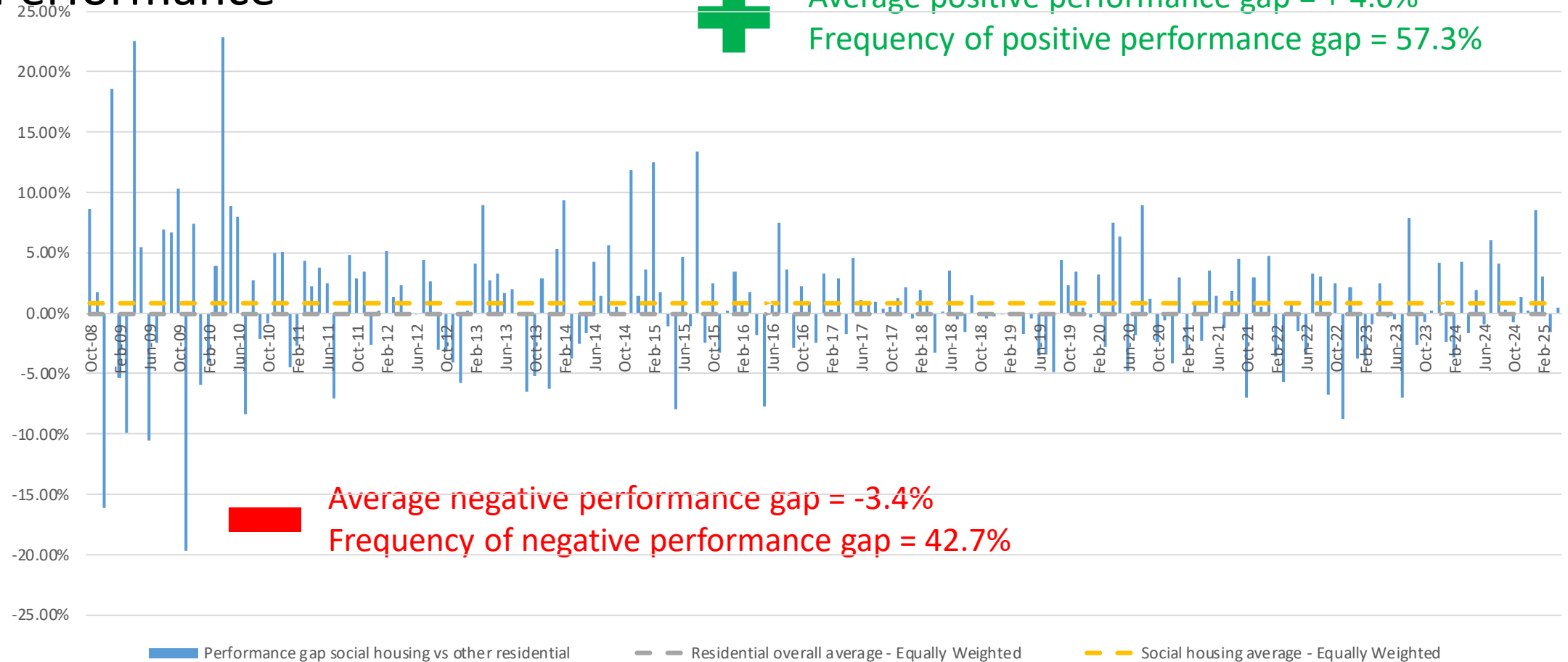
REITs and social housing

Performance



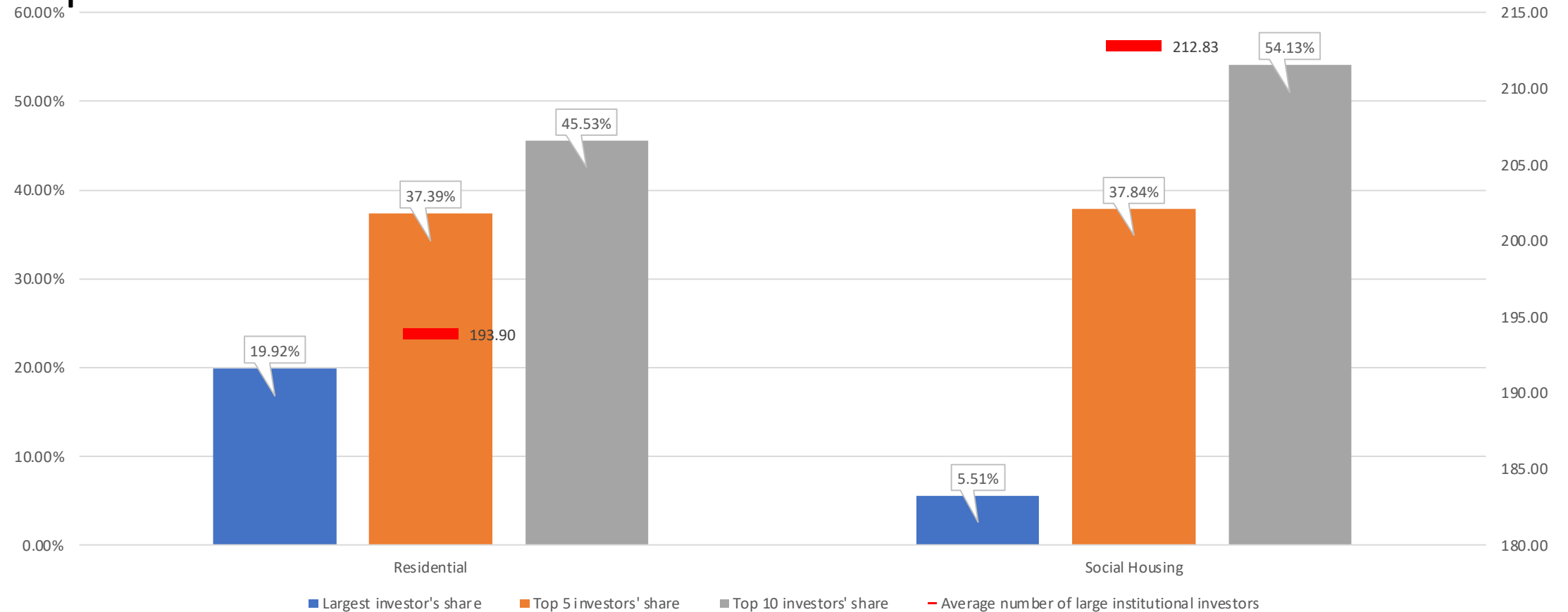
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Performance



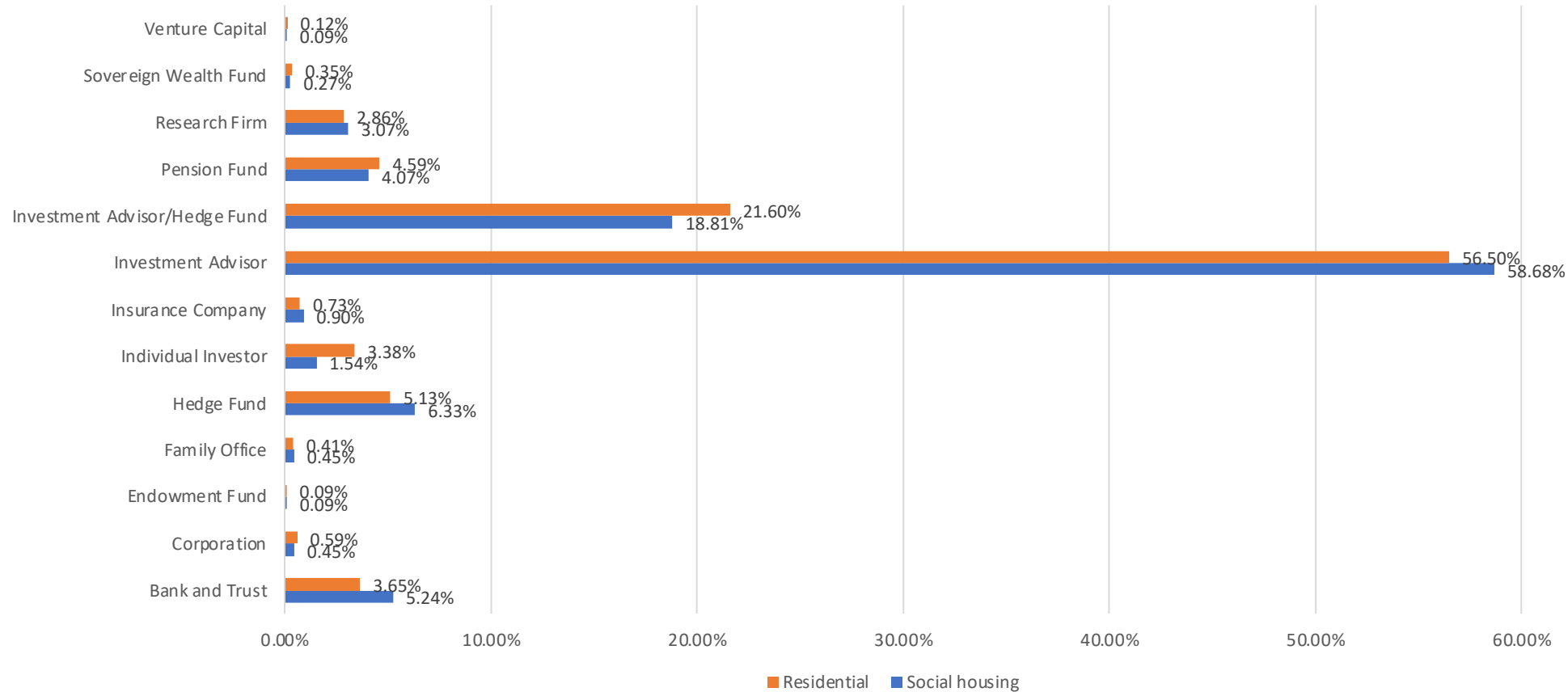
REITs and social housing

Top investors



REITs and social housing

Type of investors



Investment
advisor

Hedge
funds

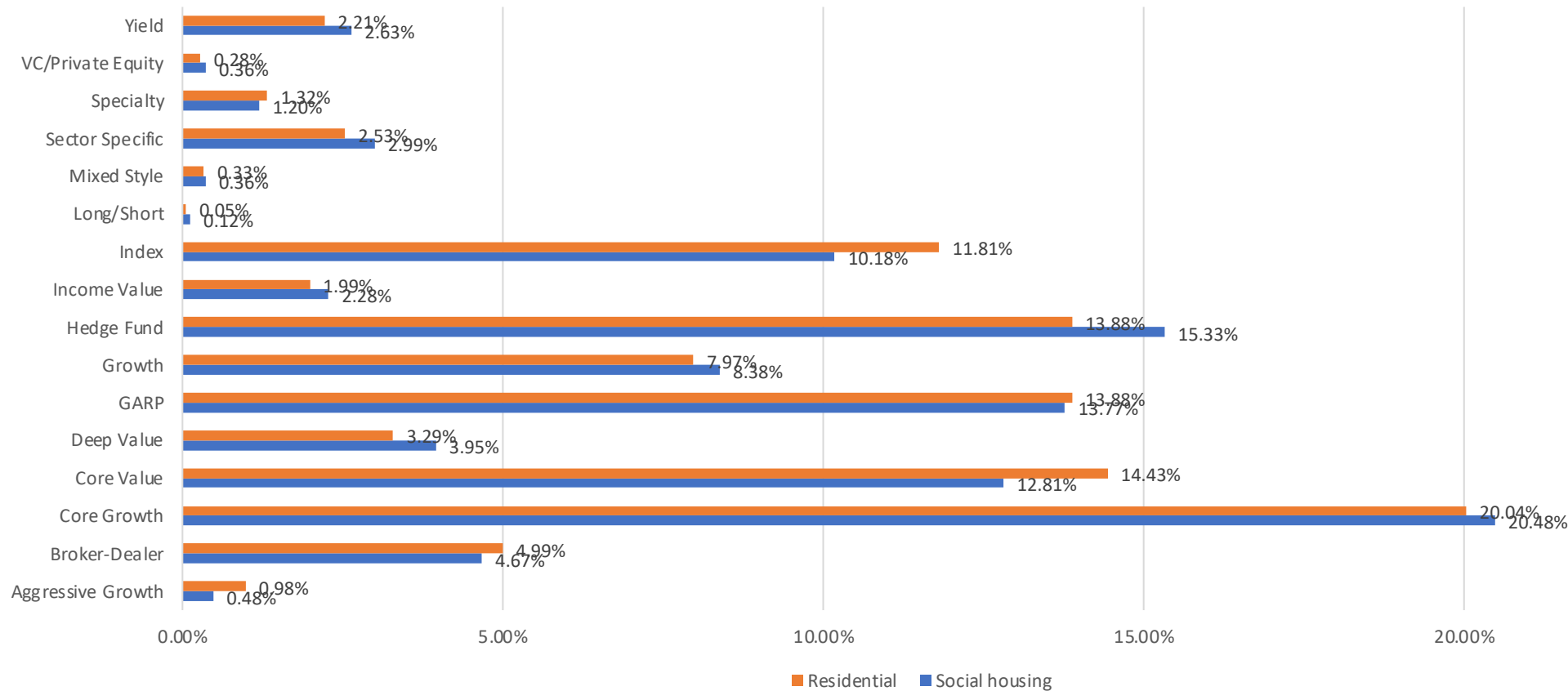
Bank and
trust

Pension
fund

Research
firm

REITs and social housing

Investment strategy



Core
Growth

Core
Value

GARP

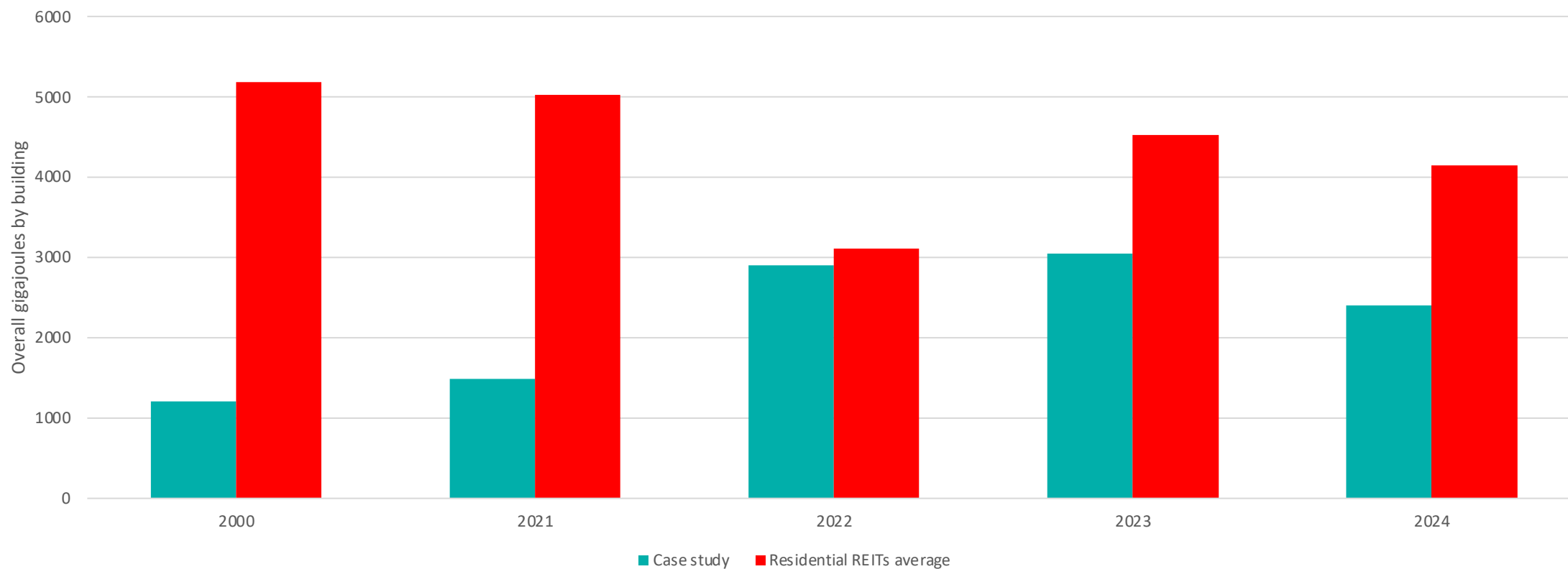
Hedge
fund

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REITs and social housing

Energy consumption by building - Example



Legenda: 1 Gigajoule = 277 KWH



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Conclusion and perspectives

Social housing development may benefit from the private intervention for supporting new development and energy retrofitting of existing buildings.

The role of institutional investor is not limited to no profit entities but also traditional investors may be interested to subscribe equity investment in mutual funds or REITs specialised in the social housing area. Next steps:

- Evaluate the risk adjusted performance of social housing REITs
- Evaluate the effectiveness of REITs' CAPEX expenditure on energy efficiency of the portfolio



Contacts

Gianluca Mattarocci

Professor of Banking

Tor Vergata University of Rome

E-mail: gianluca.mattarocci@uniroma2.it

