The Economic Imperative of Climate Adaptation

Rich Sorkin, CEO | 5.4.2018
Climate Science & Investment Conference

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A Scientific Approach for Business

Probabilistic view of physical risks arising from weather events and climate change at the property level from next day to 50 years

We integrate cross-sector best practices:

- Scientific modeling
- Cloud / scale computing
- Machine learning

Global coverage by 2020 for all major perils and drive meaningful business and policy action

Earth & Ocean Science Leadership

Alan Blumberg   **Josh Hacker**   **Pat Harr**   **Betsy Weatherhead**

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The Path Towards Resiliency

1

Understand
physical
vulnerabilities

2

Quantify
costs and
damageability

3

Identify
adaptation options
(operational, capital,
financial)

Our Goal

Build resiliency by using actionable data that enables sound investment and business decisions.

Actionable Insights in Real Estate

Investor Confidence

Pre-empt forward-thinking investor inquiries on climate risk with data

> Demonstrate thought leadership

Acquisitions / Dispositions

Factor climate into tactical & strategic investment decisions

> Protect & grow portfolio value

Public Engagement

Cultivate community resiliency while updating building codes

> Instigate local gov't investments

Tenant Value-add

Arm tenants with data to inform strategy & insurance negotiations

> Command premium lease rates

Emergency Management

Establish thresholds / triggers for crisis communication & disaster recovery

Asset Protection

Manage climate risk portfolio proactively (e.g., appropriate capital projects, insurance, hedging)

Market Responses to Physical Risks of Climate Change

New York City

▼ 12-23%

Price decrease for Sandy-spared buildings in new FEMA floodplains[1]

North Carolina

▼ $11,598 | 7.3%

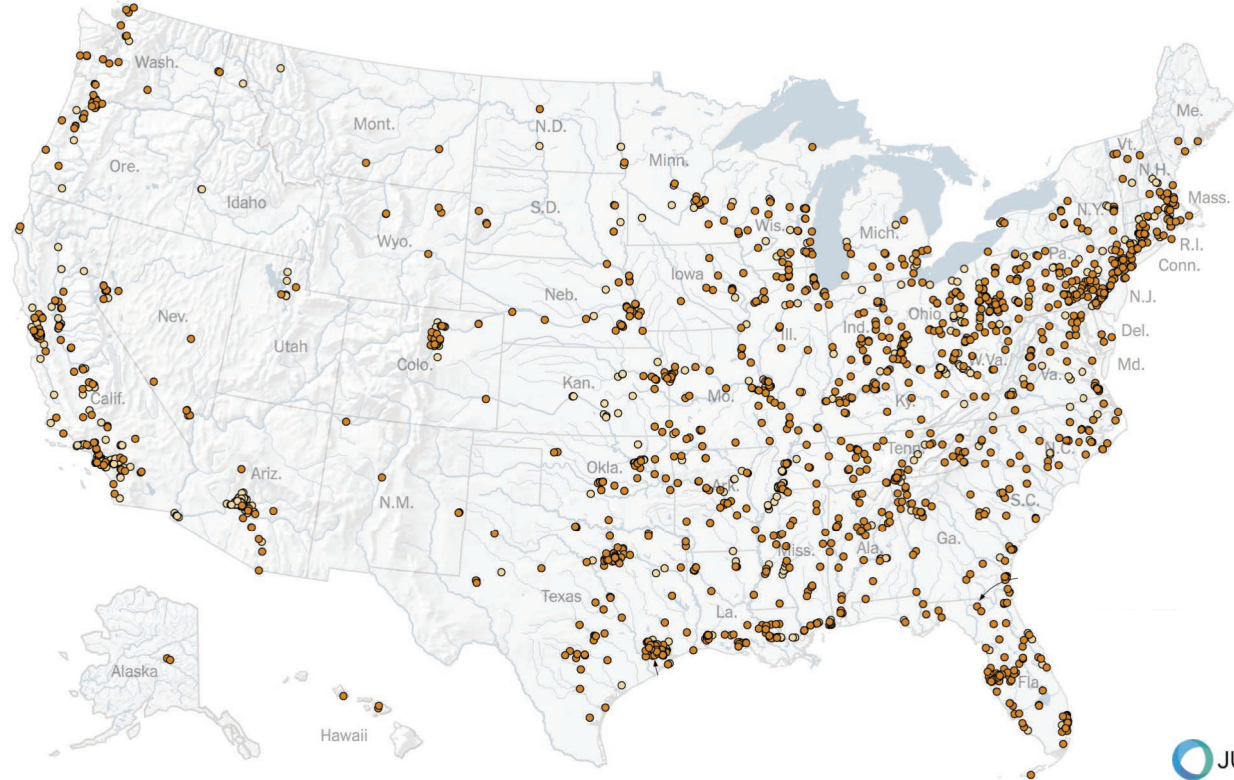Reduction in estimated value for locations within a floodplain[2]

Miami-Dade

▼ 7.6%

Sales drop in high-risk zones despite a 2.6% national increase[3]

…& companies are already responding

XEBEC | National REAL ESTATE ADVISORS

Chemical & Waste Releases Exacerbate Flood Risks

Sites registered in the Federal Toxic Release Inventory with high- or medium-risk of flooding

Resilience is a valuable investment opportunity.

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Every $1 spent by the Public & Private Sectors generates $6 & $4 in future benefits, respectively.[1]

Thank You

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