

FOR IMMEDIATE RELEASE

Four Twenty Seven & GeoPhy Release First Global Dataset on Real Estate Investment Trusts' Exposure to Climate Change

OCTOBER 11, 2018 – BOSTON, MA – Market intelligence provider Four Twenty Seven and real estate technology company GeoPhy today announce the release of a product that provides granular projections of the impacts of climate change on real estate investment trusts (REITs). REITs represent an increasingly important asset class that provides investors with a vehicle for gaining exposure to portfolios of real estate. The data product was launched at the Urban Land Institute Fall Meeting in Boston, MA, accompanied by a white paper that lays out the implications of climate risk for the real estate sector.

Four Twenty Seven applied its scoring model of asset-level climate risk exposure to GeoPhy's database of listed real estate investment trusts' (REITs) holdings, to create the first global, scientific assessment of REITs' exposure to climate risk. The dataset includes detailed, contextualized projections of climate impacts from floods due to extreme precipitation and sea level rise, exposure to hurricane-force winds, water stress and heat stress for over 73,500 properties owned by 350 listed REITs.

"Real estate is on the frontline of exposure to climate change" said Emilie Mazzacurati, founder and CEO of Four Twenty Seven. "Many valuable locations and markets are often coastal or near bodies of water, and therefore are going to experience increases in flood occurrences due to increases in extreme rainfall and to sea level rise." she noted. "These risks can now be assessed with great precision -- the availability of this data provides investors with an opportunity to perform comprehensive due diligence which reflects all dimensions of emerging risks." she concluded.

"The market has begun to price in the potential impacts of fat-tail climate events" noted Dr. Nils Kok, Chief Economist of GeoPhy. "Properties exposed to sea level rise in some parts of the United States are selling at a 7% discount to those with less exposure, and the value of commercial real estate is expected to equally reflect these risks. Leveraging forward-looking data on risk exposure can allow REIT investors to anticipate changes in market valuations and react accordingly."

Key findings in the white paper include:

- 35 percent of REITs properties globally are exposed to climate hazards. Of these, 17 percent of properties are exposed to inland flood risk, 6 percent to sea level rise and coastal floods, and 12 percent exposed to hurricanes or typhoons
- U.S. markets most exposed to sea level rise include New York, San Francisco, Miami, Fort Lauderdale, and Boston. The Top 3 REITs most exposed to sea level rise in the U.S. are Vornado Realty Trust, Equity Residential, and CapitaLand.
- Globally, REITs concentrated in Hong Kong and Singapore display the highest exposure to rising seas. Sun Hung Kai Properties, worth \$56 billion, has over a quarter of its properties exposed to coastal flooding.
- 37 Japanese REITs have their entire portfolio exposed to the highest risk for typhoon globally, representing \$264.5 billion at risk in properties in Tokyo and other Japanese cities.

A copy of the report outlining the methodology and findings can be found via this link:
<http://427mt.com/2018/10/11/climate-risk-real-estate-investment-trusts>

Representatives from Four Twenty Seven & GeoPhy are available to answer any questions or comment as needed.

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ABOUT FOUR TWENTY SEVEN:

Four Twenty Seven (www.427mt.com) is the leading provider of market intelligence on the impacts of climate change for financial markets. We tackle physical risk head on by identifying the locations of corporate production and retail sites around the world and their vulnerability to climate change hazards such as sea level rise, droughts, floods and tropical storms, which pose an immediate threat to investment portfolios. Four Twenty Seven offers data products for listed instruments (equities, fixed income, sovereign, REITs) and portfolio analytics to support TCFD reporting and credit risk analysis.

Four Twenty Seven has won multiple awards for its innovative work on climate risk and resilience and our work has been featured by Bloomberg, the Financial Times and the UNFCCC. Four Twenty Seven was founded in 2012 and is headquartered in Berkeley, California with offices in Washington, DC and Paris, France.

ABOUT GEOPHY:

GeoPhy (www.geophy.com) is a technology company specialized in “big data” in the real estate sector. With a database of more than 100 million buildings and over 5,000 data points per building, our unique data fusion technology combines disparate data sources into one enriched, comprehensive data overview that puts buildings into context, providing standardized information on quality, value, and risk. Using data science and supervised machine learning, GeoPhy systematically analyzes features that drive real estate values, offering the first automated valuation platform for the commercial real estate sector.

Primarily used by institutional investors, lenders and other stakeholders in the financial industry, GeoPhy's technology provides data and insight that helps drive acquisition due diligence, current book monitoring, and site selection review.

Founded in 2014 GeoPhy is headquartered in Delft, the Netherlands, with offices in New York, London and Kaunas (Lithuania).

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