

# Property obliges

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**Real estate  
is responsible  
for 40% of global  
carbon emissions  
and for 100% of  
social impact.**

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As part of the real estate sector, the [German Impact Investing Association](#) aims to take a clear social and environmental stance.

The initiative is committed to raising awareness of our built environment and encouraging all stakeholders to take responsibility for their property and contribute to achieving climate goals and social responsibility.

To this end, the following discussion paper sets out nine key themes to guide policymakers, associations and other stakeholders in the sector.

## BACKGROUND: “FOR THE BENEFIT OF THE GENERAL PUBLIC“

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**“Property obliges.  
Its use shall  
also serve the  
public good.”**

*Grundgesetz Art. 14, Absatz [2]  
[German Basic Law, Art. 14, §2]*

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Real estate owners bear responsibility for their property in accordance with Article 14, Paragraph [2] of the Basic Law, which states: “Property obliges. Its use shall also serve the public good.”

Property owners therefore have a fundamental responsibility to their stakeholders: Tenants, users, customers, service providers, employees, society and our planet. The Basic Law of 1949 thus places the issue of social co-responsibility at the forefront. Applying this concept to real estate requires a shift in perspective, as the sustainable view, which focuses on the desired positive impacts for and on stakeholders, has only made limited entry into the political and industry debate. The built environment - infrastructure and property - shapes human life more than almost any other sector. It therefore interacts with society and the public. In addition to the impact of real estate on many social and societal factors such as health and well-being and the quality of neighbourhoods, buildings also contribute significantly to carbon emissions through the materials used and the technical equipment installed. Conscious and controlled use of these resources can therefore make a significant contribution to climate protection. In this way, real estate interacts directly with the environment, society and our planet.

The interdependencies and associated drivers outlined above place a special responsibility on those who manage property. Property owners are in a prominent position to make a significant contribution to the well-being of society, individuals and the environment. This leads to nine key propositions for a socially, environmentally and economically responsible property sector that aims to achieve a net positive impact on the environment and society.

## 9 KEY THEMES

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### #1

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There is a need to redirect capital flows from professional investors towards sustainable and socially responsible property investments in order to have a positive impact on the social and environmental development of our living spaces.

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### #2

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Real estate can make positive contribution to the welfare of society, individuals and the environment. However, this requires the establishment of a framework and a clear definition of responsibilities.

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### #3

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Land and soil are scarce. A responsible approach to land use and sealing is needed. In this discourse, the issues of densification, vertical expansion and dealing with existing structures must be given greater consideration.

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### #4

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CO<sub>2</sub>e [CO<sub>2</sub> equivalent] is the key metric for meeting climate change targets. The property sector is one of the largest emitters of CO<sub>2</sub>e, mainly due to the construction of buildings. The management of existing properties plays a key role in reducing and avoiding emissions. The owner of a building is necessarily the owner of CO<sub>2</sub>e, including embodied emissions. To monitor CO<sub>2</sub>e, a life cycle assessment is needed that includes not only construction, but also operation, repairs and maintenance, capital expenditure and disposal of building components. CO<sub>2</sub>e in the building sector needs to be accounted for in a life cycle assessment to highlight and create visibility.

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### #5

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Real Estate should contribute to biodiversity. Green spaces are not only the city park and the front garden - habitats for flora and fauna can be created on all surfaces, from the roof to the facade and within the usable area of a property. Biodiversity in real estate goes beyond climate protection and biodiversity conservation; it also counteracts the overheating of cities and can be functionally integrated [e.g. urban farming] as the basis for a sustainable habitat for people and nature.

## 9 KEY THEMES

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**#6**

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Real estate exerts a significant influence on human well-being – through its decisive role in shaping the qualities of indoor and outdoor spaces, as well as public and private areas for socializing and meeting. Properties, therefore, form the basis for the quality of life and social coexistence of all of us [see Thesis 2]. This awareness must be more deeply rooted in the real estate industry.

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**#7**

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Property owners are responsible for the parameters they can influence that affect the comfort, wellbeing and health of users.

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**#8**

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In the future, buildings will need to be ‘socially sustainable’, ‘green’, ‘innovative’ and ‘resilient’ in order to respond effectively to the massive global changes in various [living] environments. Both property owners and all other stakeholders along the property value chain are therefore called upon to implement these requirements with determination.

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**#9**

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Transparent [net positive] impact monitoring, measurable tracking and management are needed to learn from the results of property developments and to make processes more efficient, ensuring that desired developments can be effectively managed.