IPUT REAL ESTATE DUBLIN

Delivering Smart Buildings: A developer's perspective

CitA Digital Skills Series, 2024

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Pictured: No. 3 Dublin Landings, IFSC, Dublin 1

IPUT Real Estate Dublin

We are Ireland's leading investment company with 60-year track record

€2.7 billion

Portfolio value

2m sq. ft

Offices & logistics developed in the last decade

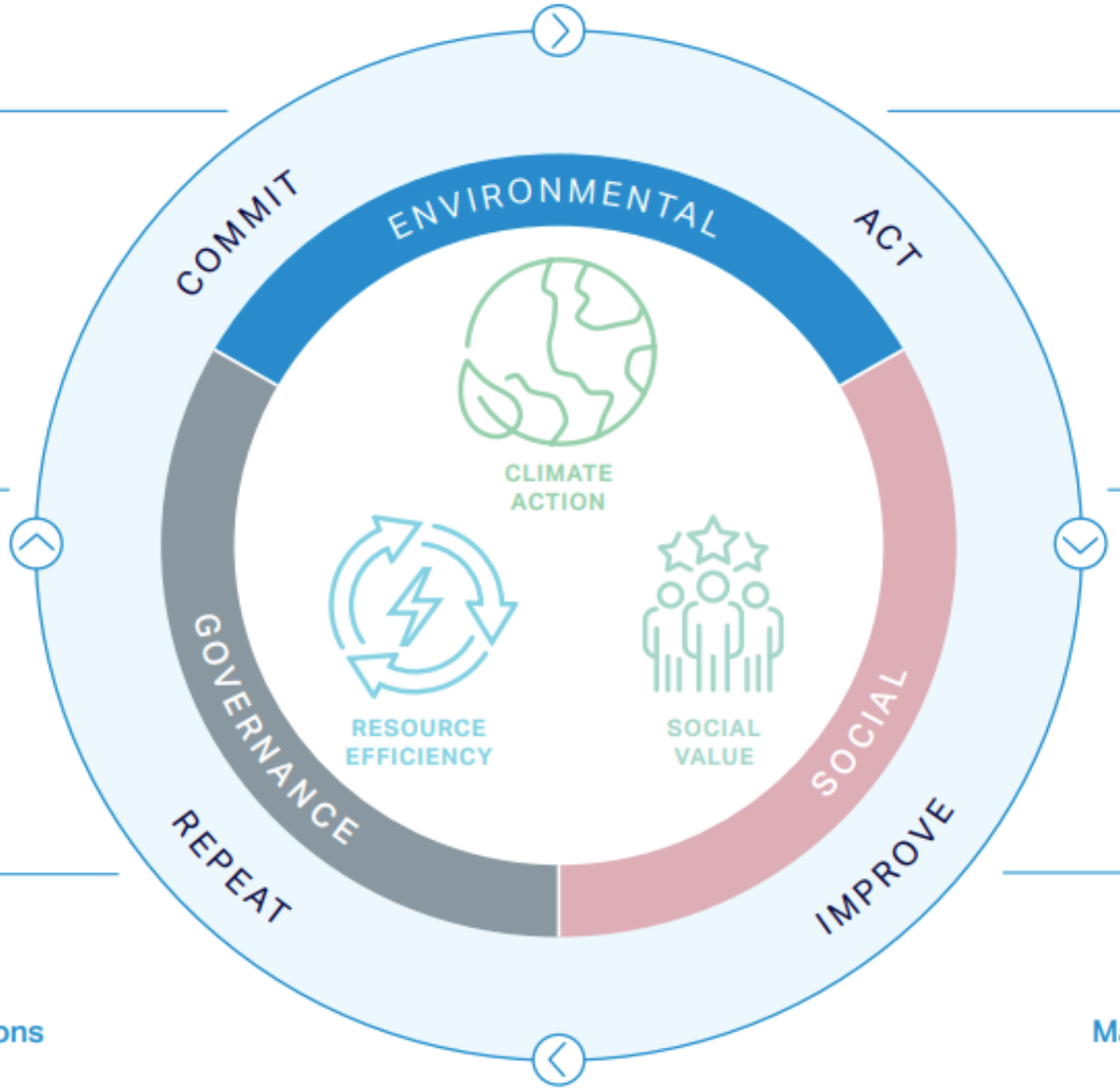
GRESB 5 Star

GRESB

99%

Occupancy rate

Our guiding principles for delivering sustainable buildings



Performance
Sustainable buildings that set the standard for how we work today

Credibility
We are trusted and transparent in disclosure, assessments and certifications

Stewardship
Making responsible decisions for positive outcomes

Engagement
Enhancing user experience and supplier engagement

Efficiency
Building and managing efficient and future-ready buildings

Placemaking
Making places that support our communities

What are smart buildings?

A smart building uses digital technologies, sensors, and automation to monitor and optimize building operations, including lighting, HVAC, energy use, security, and more.

Key characteristics:

- Integration of IoT (Internet of Things) - real-time data collection for better decision-making.

- Automation - self-adjusting systems for efficiency and comfort.

- Sustainability - focus on energy efficiency, water conservation, and reducing the carbon footprint.

- Connectivity & analytics - use of big data to monitor performance and predict needs.

Why Smart Buildings Matter to Developers

1. Economic Value & ROI:
Higher Rent Premiums
Increased Property Value
Attracting High Quality occupiers

2. Operational Efficiency:
Energy Efficiency
Predictive Maintenance

3. Regulations & Sustainability Goals:
Meeting Green Building Standards
Carbon Reduction – corporate responsibility goals.

Smart Buildings and the Developer's Competitive Edge

1. Future-Proofing:

- Adapting to Future Needs - developers who embrace smart technologies may be better positioned for long-term success.

- Technological Obsolescence - future-ready systems minimises the risk of becoming outdated or less competitive.

2. Differentiation in the Market:

- Brand Image - developers and owners can market smart buildings as a premium offering, attracting discerning tenants looking for modern, sustainable, and technologically advanced spaces.

- Attractive to Investors - buildings with integrated smart technologies may be seen as more valuable and future-proof, potentially commanding higher investment and lower vacancy rates.

Developer's Strategic Approach to Smart Buildings

1. Planning and Design:
- Integration at the Design Phase - consider during the early stages of building design for seamless integration and cost-effectiveness.
- Collaboration with Tech Providers - work closely with technology partners to select the most effective smart systems for their buildings.

2. Phased Implementation:
- New Construction V Retrofitting - For new buildings, smart technology can be integrated from the ground up. For older buildings, retrofitting solutions (e.g., smart sensors, IoT devices) can be used to upgrade systems.
- Scalability - Ensure that technologies can be easily upgraded or expanded as technology advances.

3. Financial Considerations:
- Initial Investment V Long-term ROI - Emphasize the value of smart technologies in terms of operational savings (e.g. energy costs), higher occupancy rates, and potential rent premiums.
- Incentives & Grants - Developers can benefit from incentives, grants, or low-interest loans for sustainable building projects.

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The Benefits for Occupiers

Enhanced productivity and comfort	Improved safety and security	Data-driven insights
Customisable Environments - occupiers can adjust lighting, temperature, and air quality to their preferences, improving employee satisfaction and productivity. Wellness Features - air quality, natural lighting, and temperature control.	24/7 Surveillance - real-time monitoring and alerts. Smart Access - more secure and streamlined access control systems, such as contactless entry.	Space Optimization - occupiers can use data analytics to understand how space is being used and optimize layouts for efficiency and collaboration. Cost Transparency - Real-time utility data helps occupiers optimize their own energy usage and reduce costs.

Smart Building Challenges for Developers

1. High Upfront Costs:
While there is potential for long-term savings, the initial cost of installing smart technologies can be a barrier, especially for smaller projects.

2. Complexity of Integration:
Interoperability Issues - Ensuring that various smart systems (e.g., HVAC, lighting, security) work together seamlessly.
Retrofitting Older Buildings - Bringing older buildings up to smart standards can be difficult and costly.

3. Data Security and Privacy:
Protecting occupier data and securing building systems against cyber threats is a growing concern.

4. Market Readiness:
Not all stakeholder are fully aware of or ready for smart buildings, so educating the market may be necessary.

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The Future of Smart Buildings

- AI and Machine Learning - Buildings will become more intelligent, with AI used for predictive analysis, optimizing energy use, and improving occupier experiences.

- 5G Connectivity - Faster, more reliable communication between building systems, enabling real-time monitoring and control.

- Building as a Service (BaaS) - New business models where developers lease technology and data services alongside physical space.

- Integration with Smart Cities - Buildings will become part of a larger urban ecosystem where data flows between infrastructure and city systems for greater efficiency.

Key takeaways:

- Smart buildings provide long-term economic benefits for developers, such as potentially increased rent premiums, lower operational costs, and higher property values.

- Integration of smart technologies is an investment in the future, helping developers remain competitive in a rapidly evolving market.

- Occupiers increasingly expect modern, sustainable, and tech-enabled spaces that improve their quality of life and productivity.