

Elite Commercial REIT embarks on first sustainability collaboration with the DWP

3 years ago



Department
for Work &
Pensions

Elite Commercial REIT Management Pte. Ltd., the manager of Elite Commercial REIT, is pleased to announce that Elite Commercial REIT has signed separate agreements with its tenant, The Secretary of State for Levelling Up, Housing and Communities of the United Kingdom (“UK”), to undertake asset enhancement works across the assets in the REIT’s portfolio that are occupied by the Department for Work and Pensions (“DWP”) to target sustainability and climate adaptation requirements.

This is in line with the UK Government’s commitment to achieve net zero carbon emissions by 2050.

Under the terms of the agreement, the REIT will invest £12.5 million over three years towards asset enhancement works to improve sustainability and energy efficiency credentials of properties in its portfolio that are currently occupied by DWP. This marks Elite Commercial REIT’s first collaboration with the DWP to boost sustainability and energy efficiency of their occupied estate.

Asset enhancement works meeting pre-agreed criteria including repair, replacement or upgrade of the lighting systems, heating and cooling systems, insulation and solar panels, and other initiatives will be undertaken to improve the Energy Performance Certificate (“EPC”) ratings of the REIT’s properties that are occupied by the DWP.

Ms Shaldine Wang, Chief Executive Officer of the Manager, said: “We are pleased to embark on this public-private collaborative effort, which came about as a result of our regular proactive engagement with the DWP. We fully support the UK Government’s push for transition to net zero carbon emissions. Investing in retrofitting works to enhance the energy efficiency ratings of assets in the portfolio will contribute towards reducing their environmental impact. This win-win initiative demonstrates our commitment to adapt our

portfolio to address sustainability and climate change requirements, and to extend the relevance of our assets to tenants.”

Separately, Elite Commercial REIT and DWP have also agreed to re-gear a significant number of leases of DWP-occupied properties by removing lease break options. Lease break options have been removed from the leases for 100 of the 117 DWP-occupied assets which had break clauses occurring in 2023. Following the lease re-gearing, 78.6% of the leases by total portfolio by gross rental income⁴ will continue straight to 2028 without any lease break options.

DWP is the UK Government’s biggest public service department, and is responsible for crucial welfare, pensions and child maintenance policy serving over 23 million 5 claimants. The department is instrumental and integral in supporting the UK social fabric, administering the State Pension and a range of working age, disability and ill health benefits.