

Empira study examines impact of inflation and rising energy costs on real estate use: Modern buildings are better prepared

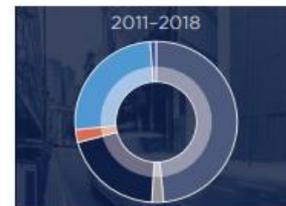
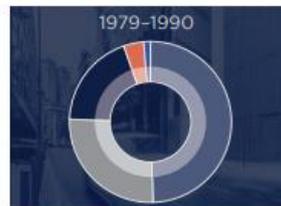
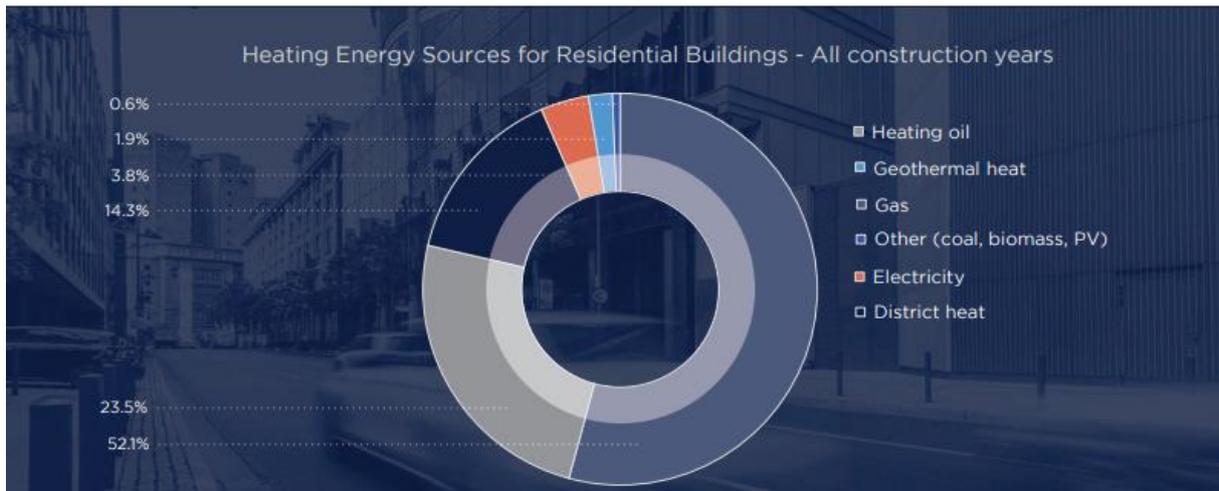
- **Modern new buildings aligned with ESG criteria are better positioned in the current environment and can cushion cost shocks**
- **Project developments should adhere to high standards to provide greater resilience to crises**

Zug (Switzerland), 14. December 2022 - The Empira Group, a leading investment manager for institutional real estate investments, has conducted a study to examine the impact of the current inflationary environment and rising energy costs as inflation drivers on the use of real estate and which properties are being particularly affected. For the purpose of this study, the causes of inflation were analysed and classified, future potential scenarios for the were explored and linked to energy costs. Different energy sources were also analysed for their respective price increases and their impact on residential property in Germany.

Inflationary price level hits private households

Since mid-2021, inflation has risen significantly in Germany and across the entire Eurozone. In October 2022, price increases reached a temporary peak of more than ten percent, of which energy prices were a major driver. Above all, the sharp rise in heating costs will continue to weigh heavily on all households through ancillary costs.

The study showed the composition of inflation and the causes of price increases. It also analysed which energy sources are particularly affected, and which strategies can best compensate for the price increases being experienced by private households.



Share of residential buildings by main heating energy
source: Federal Statistical Office, own calculation and presentation.

Buildings with older energy concepts at a disadvantage

The study concluded that modern new buildings that operate independently of Russian gas or that do not use outdated heating systems are much better positioned for the coming months and the long-term orientation towards ESG criteria. The same applies to project developers: the focus on sustainably developed properties and neighbourhoods that are conceptualised with long-term develop-and-hold strategies offers greater resilience to crises such as those we are currently experiencing. Find out which energy concepts are currently proving to be particularly resilient in our study.

[You can download the study here.](#)

[END](#)

About the Empira Group

The Empira Group offers institutional investors a vertically integrated platform for real estate investments in Europe and the United States of America. With an investment volume of approximately €7.1 billion, Empira is a leader in the German-speaking region in the



development of novel and high-yield investment approaches in the areas of equity and debt. As an innovation driver, the company is a first mover in the field of debt products. The real estate and capital market experts of the Empira Group are a one-stop shop for the entire value creation process in the residential and office use classes. The company is headquartered in Zug, Switzerland, and has offices in Luxembourg, Germany, the USA, the UK and Austria.

Media enquiries:

Claire Barry, Blue Hour Communications

M: +(0)7795 672706

E: cbarry@blue-hour.co.uk