



KPMG business talk: Property sector as the country's growth engine

17 July 2024

KPMG Siddharta Advisory



Agenda

Time	Agenda	Speaker(s)
08.30	Welcome address Regional and global trends in the real estate sector	Irwan Djaja CEO, KPMG Siddharta Advisory (KSA)
08.45	Keynote speech Property as a country's growth engine: How to capitalize innovation, digitalization and ESG as the key drivers.	Mr. Budiarsa Sastrawinata Head of the Board for Integrated Property Development, Indonesian Chamber of Commerce and Industry (KADIN)
09.00	Panel discussion Roles and contributions of property sector to the country's economic growth and transformation: Indonesia and lessons learned from other countries	Moderator: Ms. Theresia Rustandi Secretary of the Board for Integrated Property Development, KADIN Panellists: Dr. Deven Chhaya Partner, Infratech, KPMG in Singapore Decarbonization Hub Lead, KPMG ASPAC Lo Mun Wai Partner, Head of Real Estate & Property sector, KPMG in Singapore Michael Horn Head of ESG Advisory, KSA
10.00	Closing remark & key takeaways	Lo Mun Wai Partner, Head of Real Estate & Property sector, KPMG in Singapore

With you today..

Irwan Djaja

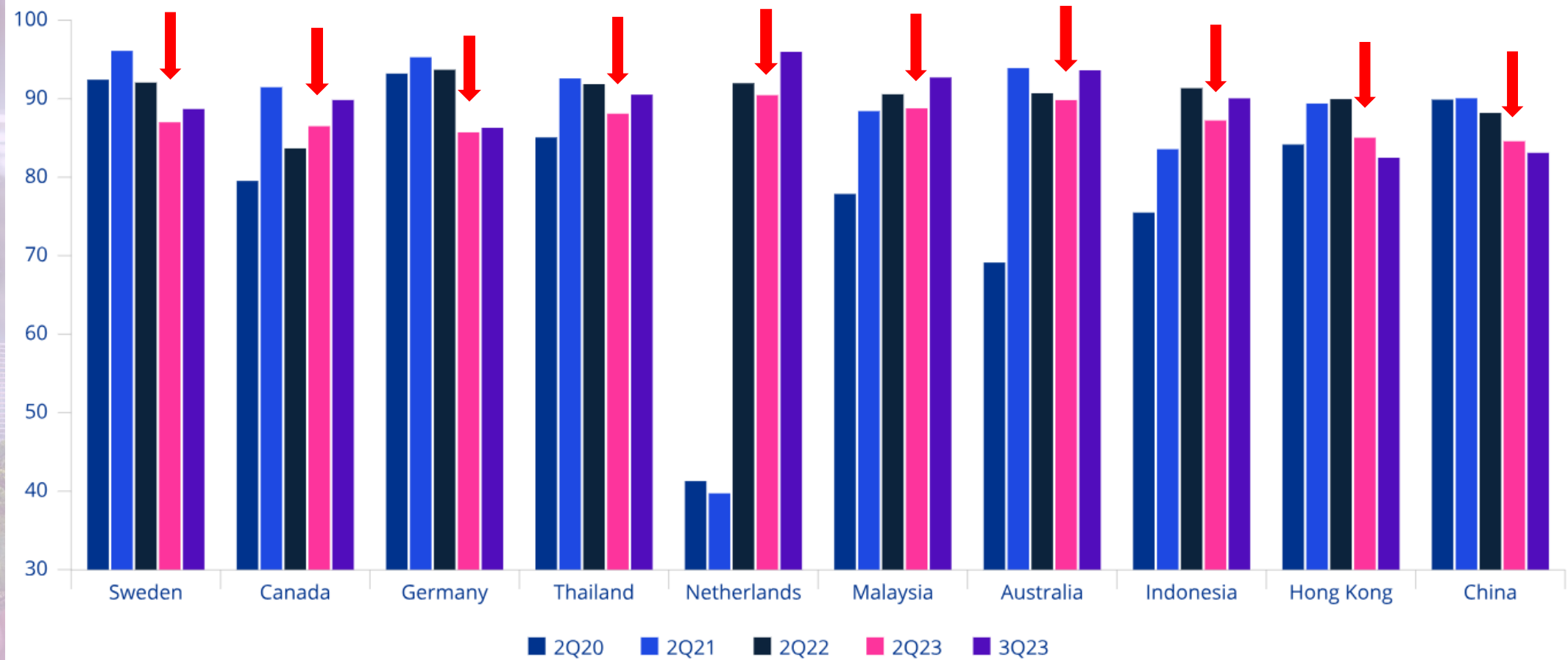
CEO

KPMG Siddharta Advisory

Irwan is the Head of Advisory practice for KPMG Indonesia and CEO of KPMG Siddharta Advisory. He has more than 29 years of experience spanning business consulting and industry roles. Prior to joining KPMG Indonesia, Irwan was a CEO of the technology, media and telecommunication for an Indonesian multinational conglomerate group company. During a ten year tenure with the group, Irwan served as an executive board member in various business units. He was the president director and CEO of a publicly listed company providing broadband internet, and the president director of a strategic listed holding company with an investment in 4G LTE, satellite, pay TV, broadband, media, and technology solutions. Irwan also served as president commissioner of an integrated financial service company.



KPMG FPI findings: Infrastructure and real estate FPI scores show greater decline in advanced economies



Source: [Macroeconomic trends depress global real estate markets - KPMG Global](#)





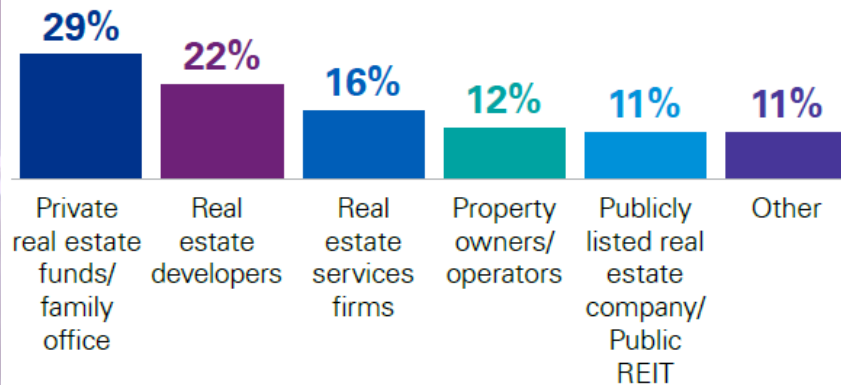
Better data, better decisions

How commercial real estate
companies can progress on their
enterprise data management journeys

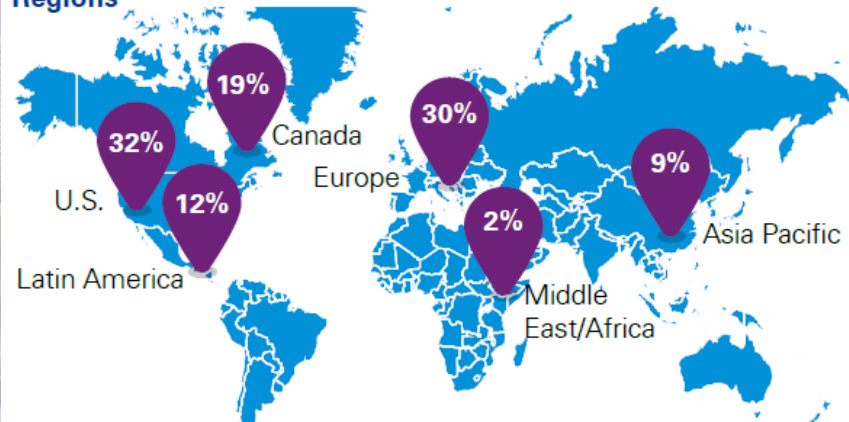
KPMG Data Strategy Survey

KPMG launched a real estate data strategy survey

Type of company*

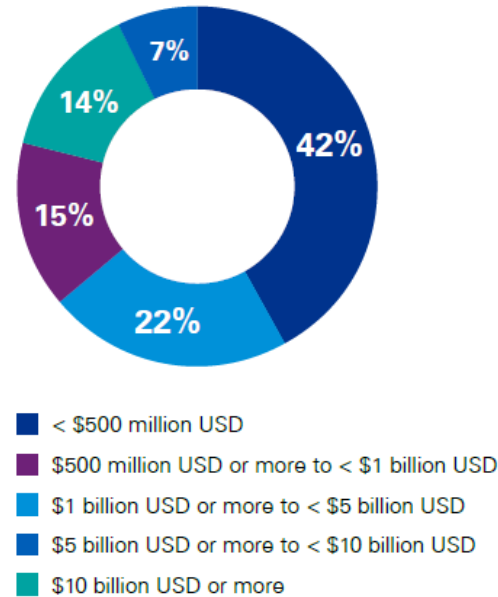


Regions*



*) Percentage have been rounded and as a result do not total 100%

Assets under management*

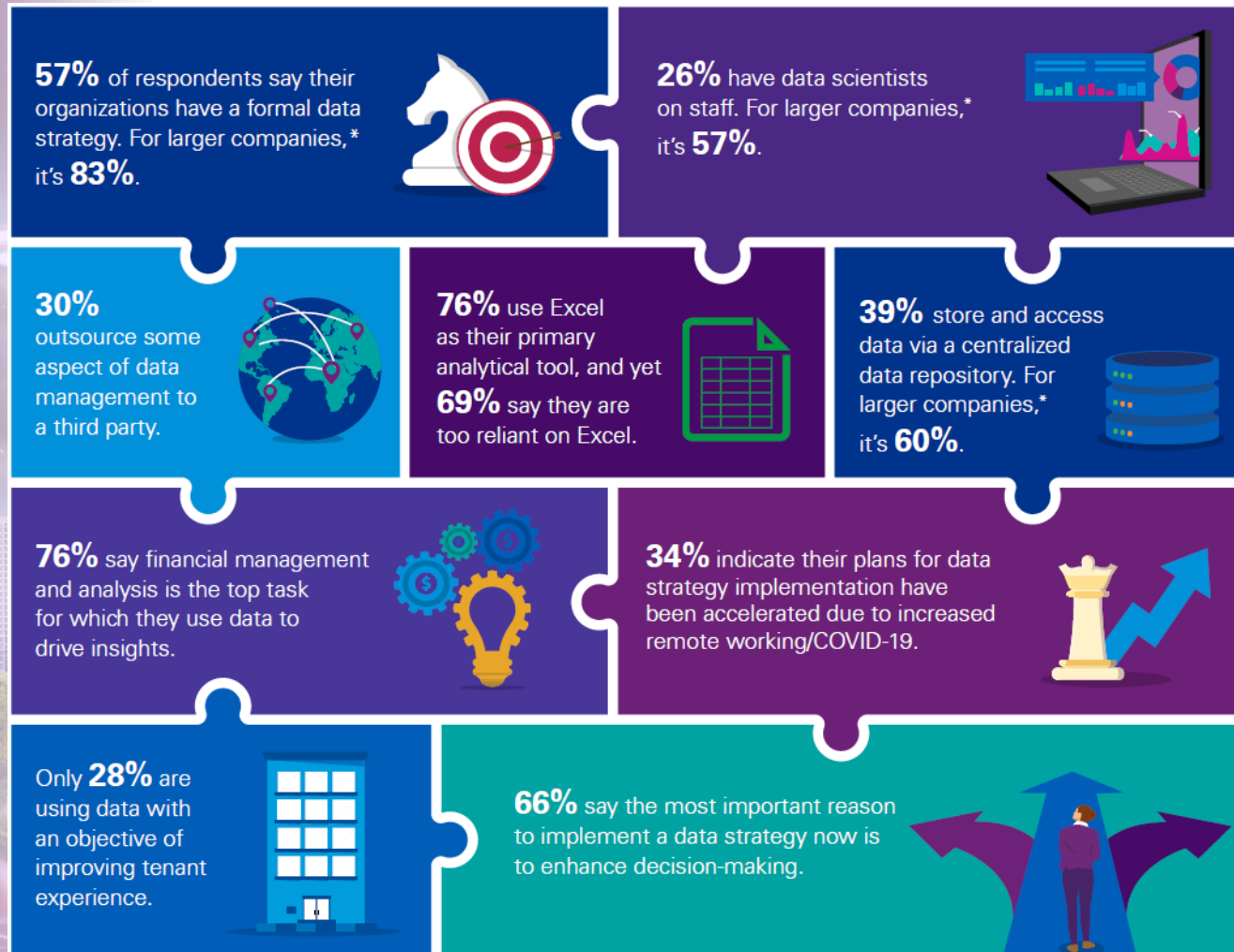


- Global participation from Americas, UK, Europe, and Asia.
- Diverse range of real estate firms (types and sizes).
- 188 Respondents: Leaders & Tech Professionals.

In recent years, KPMG conducted a groundbreaking survey on data strategy in real estate. We gathered insights from 188 real estate leaders and technology professionals across the Americas, Europe, and Asia, representing a diverse mix of companies in terms of size and type.

The survey aimed to shed light on current data management practices in real estate. This included how companies handle data governance, capture information, aggregate data, analyze it, and finally present it visually. Ultimately, We tried to understand how real estate companies are developing their data strategies, the obstacles they encounter, and their overall progress in this area.

Key survey findings and the benefits of an effective data strategy



Data management is hard work, and not inexpensive – What is the ROI?

- **Simplicity** – Provides a single integrated view of data to meet business requirements
- **Timely** – More responsive to end users' request and needs
- **Efficient** – Eliminates the need to repeatedly gather data, leaving more time for analysis and decision-making
- **Responsiveness** – Quicker implementation to satisfy technical requirements
- **Compliance** – Improved capability to meet regulatory reporting obligations
- **Cost** – Reduces overall cost of data management program and enables advanced analytics to optimize utilization
- **Security** – Enhanced capability to detect and reduce fraud

*) Larger companies have assets under management of US \$5 billion or more

Conclusion: Contextualize and capitalize on data

Four foundational tenets of a data management strategy

1

Manage data content

- ▶ Develop a comprehensive inventory of your relevant data
- ▶ Include unique identifiers for products, customers, entities, transactions, etc.
- ▶ Assign precise definitions of each data element
- ▶ Ensure data is accessible with appropriate controls

2

Ensure data quality

- ▶ Establish and adhere to best practices for accuracy, consistency, timeliness, relevance, etc.
- ▶ Make assignments and accountability for quality assurance clear
- ▶ Minimize manual processes, maximize automation

3

Enable cross-organizational collaboration, leveraging data

- ▶ Coordinate data needs with business leads
- ▶ Partner and align with IT
- ▶ Work closely with control functions to facilitate governance

4

Build a sustainable data management program

- ▶ Identify and develop essential organizational skill sets, executive support, stakeholders, etc.
- ▶ Ensure data governance is enforceable
- ▶ Create a data-driven culture sanctioned by management, based on standards, harmonized across the value chain, governed by policy, and monitored by audit

With you today..

Dr. Deven Chhaya

**Partner, Infratech, KPMG in Singapore
Decarbonization Hub Lead, KPMG ASPAC**

Deven leads Infratech Advisory services as a partner at KPMG in Singapore, with a focus on new insights and platforms for digital transformation and project management in the infrastructure sector.

Armed with more than 25 years' industry experience in ports, smart cities and energy and utilities, he has led numerous transformation efforts in energy transition, technology and citizen services. He is invited to speak regularly at public forums on energy imperatives and sustainable cities.



With you today..

Lo Mun Wai

**Partner, Audit & Assurance
Head of Real Estate & Property sector
KPMG in Singapore**

Mun Wai heads the real estate practice of KPMG in Singapore with more than 25 years of experience in Singapore and London. She is also actively involved in the initial public offerings (IPOs) of real estate investment trusts (REITs) and business trusts in Singapore, as well as follow-on offerings and placements.

She is passionate about delivering high-quality services to the real estate sector, bringing breadth and depth of technical and industry knowledge to the audits of clients.



Singapore Green Plan 2030



5 Pillars of Singapore Green Plan 2030



City in Nature

Create a green, liveable, and sustainable home for Singaporeans, and build up our carbon sinks by extending nature throughout our island



Sustainable Living

Make reducing carbon emissions, keeping our environment clean, and saving resources and energy a way of life in Singapore



Energy Reset

Use cleaner energy and increase our energy efficiency to lower our carbon footprint



Green Economy

Seek green growth to create new jobs, transform our industries and harness sustainability as a competitive advantage



Resilient Future

Build up Singapore's climate defences and resilience, and enhance our food security



Green Government and Green Citizenry as Key Enablers



Source: <https://www.greenplan.gov.sg/>

Singapore Green Building Masterplan 2021 – ‘80-80-80 in 2030’



80%

of buildings to be green by 2030

- *Step up the pace* of greening our buildings
- *Raise the sustainability standards* of our buildings



80%

of new developments to be SLE from 2030

Mainstream Super Low Energy (SLE) performance of new buildings so that from 2030, large majority of new development would be achieving today's SLE energy performance standards



80%

EE improvement (from 2005 levels) by 2030

Push boundaries in energy efficiency for best in class green buildings through research, innovation and implementation

Source: BCA

5 Measures to achieve the 3 key outcomes of SGBMP

1. Green Mark 2021

- Raise the standard in energy performance
- Place greater emphasis on other sustainability outcomes

2. Regulations

- Raise the minimum energy efficiency requirements for buildings gradually since 2008

3. GreenGov.sg (For Public Sector)

- Public sector take the lead to mainstream Super Low Energy buildings

4. Support Measures (For Private Sector)

- Provide incentive for energy efficiency improvement of existing buildings
- Enhance funding support for Green Building Innovation Cluster programme

5. Data Transparency

- Publish building energy performance data, started with commercial buildings in 2H 2021

Examples of incentive schemes and initiatives

Following incentive schemes and initiatives were deployed to promote green buildings in Singapore:

- a. the **Green Mark Incentive Scheme for Existing Building and Premises (GMIS-EBP)** co-funds up to 50% of the retrofitting cost of energy improvements;
- b. the **Building Retrofit Energy Efficiency Financing scheme (BREEF)** helps to underwrite the risk of default on loans from participating financial institutions for implementing new technology;
- c. the **Green Mark Gross Floor Area scheme (GM GFA)** grants additional floor area to developers who seek to achieve at least the Green Mark Gold Plus certification;
- d. the **Green Mark Pearl Award** is given to building owners who demonstrate leadership in actively engaging tenants to shape their behaviour and operational practices;
- e. the **Green School Roadmap** gives younger generations of the public first-hand experience in the green building movement; and
- f. the **Green Building Innovation Cluster (GBIC)** provides funding for experimentation, exhibition, and exchange of promising new energy efficiency solutions among industry stakeholders.

Source: BCA

IFM/AFM grant for Facilities Management Companies



\$30 million
Integrated Facilities Management (IFM)/Aggregated Facilities Management (AFM) Grant

Build industry capabilities in IFM/AFM to harness greater efficiencies from managing different FM services on an integrated platform, and aggregating FM services across a portfolio of buildings. Optimising building performance will help foster better sustainability outcomes.

The scheme is available till 31 Mar 2025 or till the available funds have been fully committed

Source: BCA

With you today..

Michael Horn

**Head of ESG Advisory and
Head of Turnaround & Restructuring
KPMG Siddharta Advisory**

Michael has more than 30 years Asia-Pacific experience in complex transaction advisory and finance. Michael's subject matter expertise includes a diverse range of ESG engagements, as well as ESG and other matters related to financings and financial institutions. In his roles as senior financial institution executive and advisor his experience spans project, trade, structured and corporate finance, and regulatory, rating agency and governmental affairs.

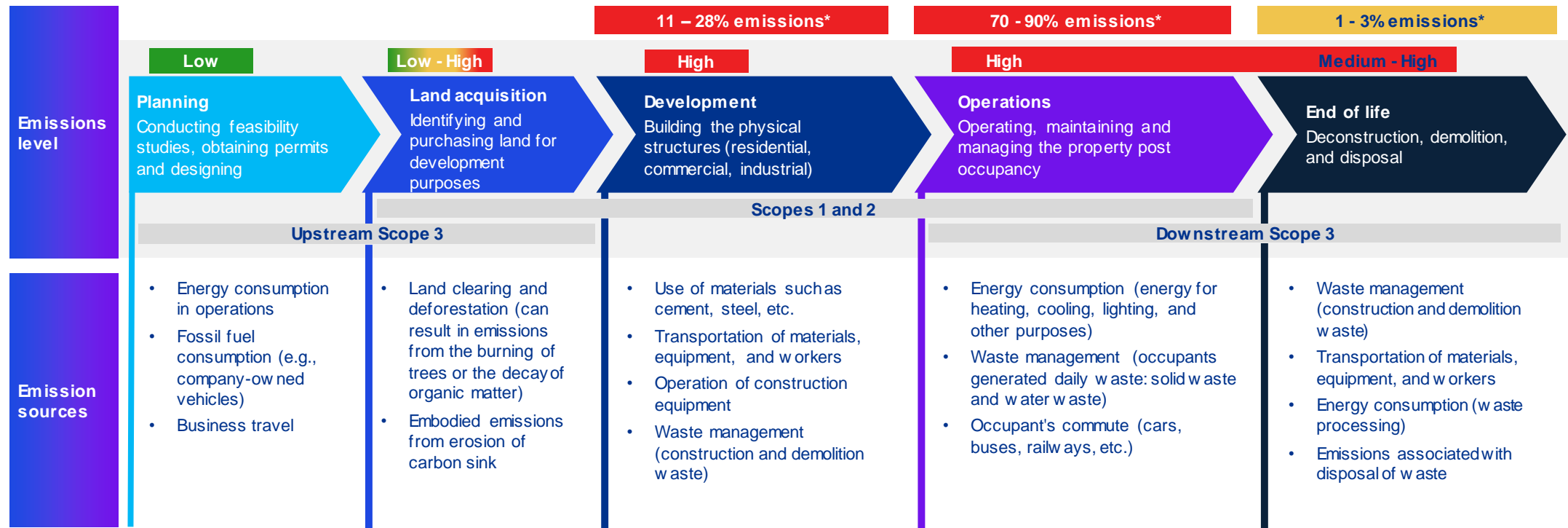


Value chain assessment can reveal the highest emitting activities

Construction and operations of buildings account for approximately 40% of global GHG emissions.²

The value chain for Real Estate sector spans the full life cycle of the product from planning to land acquisition, through end of life. A typical diversified Real Estate company may not perform activities across the full value chain and consequently the distribution of **scope 1, 2, and 3 emissions vary significantly between companies**. Emissions generated by the sector **vary by country and region**, as well as by the **type and age of assets**.

Emissions from the development and operations stage are the highest, heavily dependent on **material procurement, composition, and operational use**.



*The percentage of GHG emissions at each stage of the Real Estate value chain can vary depending on a number of factors, such as the type of asset, location, and energy consumption patterns. However, this is a rough estimate of the average percentage of emissions at each stage based on data from the United Nations Environment Programme (UNEP)¹

Source: 1. [UNEP GHG Emissions Buildings](#); 2. [WEE](#); 3. [UKGBC Guide to Scope 3 Emission Reporting in Commercial Real Estate](#)

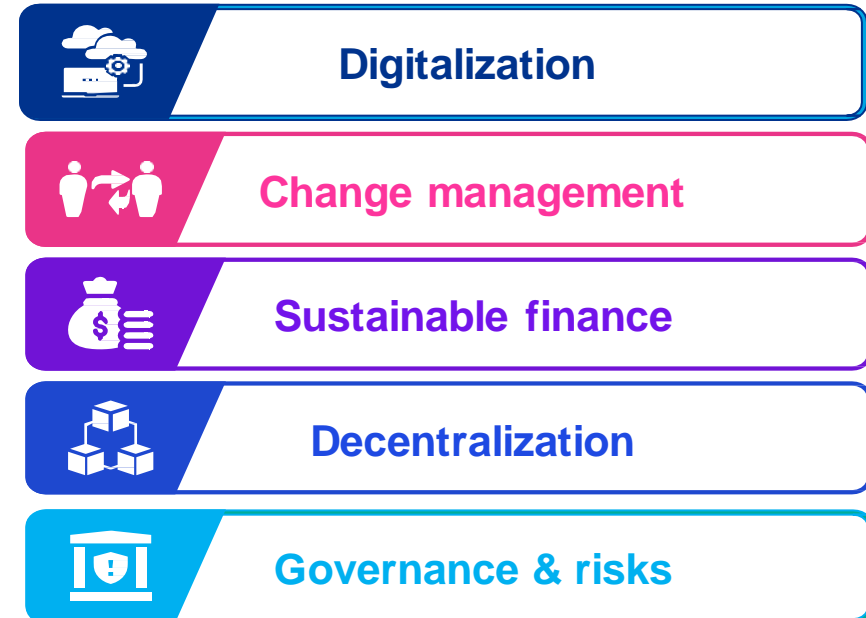
Operational carbon: Decarbonization framework

The decarbonization methodology comprises of four levers to allow organisations to achieve their net-zero vision. However, decarbonization alone is insufficient, and has to be accompanied by five decarbonization enablers, which will create effective change for the organization's climate ambitions.

Four levers to decarbonize operations

Reduce	Reduce carbon emissions via reduction of energy consumption (e.g. improve equipment efficiency)
Replace	Replace existing energy use with cleaner alternatives (e.g. electrification)
Produce	On-site generation of green/renewable energy (e.g. solar panels)
Procure	Purchase of green energy or carbon offsets (e.g. PPA, RECs)

Five enablers for effective change



Operational carbon: Decarbonization levers

Four categories of decarbonization levers: **Reduce** energy consumption with energy-efficient solutions, **Replace** existing energy sources with low or zero-carbon alternatives, **Produce** on-site generation of green/renewable energy and **Procure** green energy, green supplies and carbon offsets, enabling hotels to envision what measures and solutions they could consider for their decarbonization implementation.



KPMG's ASEAN Decarbonization Hub

Collaborative alliance with leading organisations to charter the roadmap to net-zero





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