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## The Tower of Babel

Gerold Permoser



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It is one of the best-known stories from the Bible: Man wants to see eye to eye with God and starts building a tower towards heaven; and God punishes man's hubris with Babylonian confusion. Bereft of a common language, mankind fails to finish the tower.

The race for the highest building in the world shows that man has learnt little. Tower and hubris still seem to come in tandem. And at least in those properties that want to be sustainable, the Babylonian confusion has survived in the shape of the certification chaos.

What makes properties sustainable? Is it more sustainable to live in a badly insulated building dating from the turn of the 19th century, given that a new construction would cause a bigger environmental burden than the existing energy costs? Does it make sense to invest in insulation if the material ends up as toxic waste down the line? Are triple-glazed windows the solution even if they are more likely to cause mould due to their unfavourable ventilation characteristics?

And how does one measure the sustainability of a building in the first place, given that the term itself is hazy?

Numerous ratings and certificates claim to prove the sustainability of a property. But what do Energy Performance Certificates et al. really measure? And how do such certificates relate to each other? Do they measure the same parameters, or is there a point in combining them?

Property has been one of the most interesting asset classes in Germany, Austria, and Switzerland in the past years both in terms of return and demand, coining the German idiom "Betongold" ("concrete gold"). Sustainable investors were largely excluded, which is one reason why we decided to have a closer look at the terra incognita of sustainable property. We would like to invite you, Ladies and Gentlemen, to join us on this expedition. Maybe we can contribute a little to do away with the Babylonian confusion, paving the way for the construction of a sustainable property portfolio.

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## Gerold Permoser

Gerold Permoser has been Chief Investment Officer at Erste Asset Management since early April 2013. He is responsible for all asset management activities and investment strategies for all investment funds held by the Erste Asset Management Group in Austria, Germany, Croatia, Romania, Slovakia, the Czech Republic, and Hungary. Before joining the company, he served this function at Macquarie Investment Management Austria KAG. Permoser has gathered experience in investments since 1997.

He began his career as a fixed-income analyst at the Creditanstalt in Vienna. He moved to asset management at Innovest KAG in 2000. He made significant contributions in the investment field there and advanced to CIO (director of asset allocation and research). Gerold Permoser studied at the University of Innsbruck and is a CFA charter holder. He offers training at the University of Vienna and at various post-graduate institutions for analysts and portfolio managers (i.e., at VÖIG, the Association of Austrian Investment Fund Companies).