

**Impact investing in the French Real Estate
sector**
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**Evidence of SCPI (“Société Civile de Placement
Immobilier”)**

Emma Dohollou

Dissertation written under the supervision of Giacomo Morri

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Abstract in Portuguese

Esta tese explora como os investimentos socialmente responsáveis em "Société Civile de Placement Immobilier" (SCPI) no setor imobiliário francês podem impulsionar o desenvolvimento sustentável e impactos socioambientais positivos. Por meio de uma abordagem qualitativa, dados são sistematicamente coletados de entrevistas, relatórios anuais, comunicados de imprensa, relatórios de sustentabilidade e literatura acadêmica. Em uma era de crise climática, as SCPIs são analisadas como veículos para abordar questões ambientais e sociais. Dada a considerável utilização de energia e emissões provenientes de edifícios na Europa, o estudo destaca o potencial do setor imobiliário para catalisar mudanças positivas por meio de modernização sustentável, práticas de eficiência energética e adoção de materiais sustentáveis. Os resultados enfatizam as SCPIs, caracterizadas por perspectivas de longo prazo, ativos diversos e retornos financeiros e de impacto duplo, como veículos para apoiar iniciativas ambientais e sociais impactantes. Elas permitem investimentos direcionados que beneficiam comunidades, promovem projetos verdes e influenciam padrões do setor. Sua estrutura organizacional e supervisão regulatória reforçam a responsabilidade, respaldada pelo compromisso governamental com práticas sustentáveis e alinhada com esforços globais de sustentabilidade. Finalmente, este estudo enfatiza o potencial multifacetado das SCPIs para promover mudanças positivas, combinando retornos financeiros com benefícios socioambientais mensuráveis, direcionando assim o cenário imobiliário para um caminho mais sustentável.

Palavras-chave: Investimento de impacto, Investimento socialmente responsável (SRI), Impactos sociais-ambientais positivos, Setor imobiliário, Desenvolvimento sustentável.

Título e Autor: Investimento de impacto no setor imobiliário francês - Evidências das SCPI ("Société Civile de Placement Immobilier"), Emma Dohollou.

Abstract in English

This thesis explores how socially responsible "Société Civile de Placement Immobilier" (SCPI) investments in the French Real Estate sector can drive sustainable development and positive social-environmental impacts. Through a funnel qualitative approach and a qualitative coding approach, data is systematically collected from interviews, annual reports, press releases, sustainability reports, and academic literature. In a climate-crisis era, SCPIs are explored as vehicles for addressing environmental and social issues. Given substantial energy use and emissions from buildings in Europe, the study underscores the potential of the real estate sector to catalyze positive change through green modernization, energy efficiency practices, and sustainable materials adoption. The findings highlight SCPIs, characterized by long-term outlooks, diverse assets, and dual financial-impact returns, as vehicles for supporting impactful environmental and social initiatives. They enable targeted investments that directly benefit communities, foster green projects, and influence industry standards. Their structured nature and regulatory oversight enforce accountability, supported by government commitment for sustainable practices and aligned with broader global sustainability endeavors. Finally, this study emphasizes SCPIs' multifaceted potential to effect positive change by combining financial returns with quantifiable societal and environmental benefits, thereby steering the real estate landscape towards a more sustainable path.

Keywords: Impact investing, Socially Responsible Investing (SRI), Positive social-environmental impacts, Real estate sector, Sustainable development.

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List of Abbreviations

AFNOR	« Association Française de NORmalisation »
AFREXIM	« Association Française des sociétés d'Expertise Immobilière »
AIF	Alternative Investment Fund
AMF	« Autorité des Marchés Financiers »
ASPIM	« Association française des Sociétés de Placement Immobilier »
BIR	Responsible Real Estate Barometer
BREEAM	Building Research Establishment Environmental Assessment Method
COP21	Conference of the Parties 21 st
DJSI	Dow Jones Sustainability Index
DPE	« Diagnostique de Performance Energétique »
ESG	Environmental, Social and Governance
EU	European Union
GIIN	Global Impact Investing Network
GRESB	Global Real Estate Sustainability Benchmark
HQE	« Haute Qualité Environnementale »
INREV	European Association for Investors in Non-Listed Real Estate Vehicles.
IRR	Internal Rate of Return
KIID	Key Investor Information Document
LEC	« Loi Energie Climat »
LEED	Leadership in Energy and Environmental Design
NGOs	Non-governmental organization
NREF	European non-listed real estate fund
OECD	The Organization for Economic Cooperation and Development
OID	« Observatoire de l'immobilier durable »
OPCI	« Organismes de Placement Collectif Immobilier »
PFU	« Prélèvement Forfaitaire Unique »
PRI	Principles for Responsible Investment
PWC	PricewaterhouseCoopers
SCPI	« Société Civile de Placement Immobilier »
SDGs	Sustainable Development Goals
SFDR	Sustainable Finance Disclosure Regulation
SRI	Socially Responsible Investing
UNEP	United Nations Environment Program
UNFCCC	United Nations Framework Convention on Climate Change
WMO	World Meteorological Organisation

1. Introduction

1.1. Background

Our world is facing to some challenges including climate change or the access to education and healthcare. The Earth's temperature is rising and therefore more frequent and severe natural disasters are occurring, and weather patterns are altering. The current course of actions includes the Paris agreement which is a legally binding international treaty on global warming that was adopted at the 21st Conference of the Parties (COP21) of the United Nations Framework Convention on Climate Change (UNFCCC) in December 2015. The primary goal of this agreement is to strengthen the global response to the threat of climate change by limiting global temperature rise to no more than 2 degrees Celsius above pre-industrial levels and pursuing efforts to limit temperature rise to no more than 1.5 degrees Celsius. The Agreement creates a framework for transparent monitoring and reporting of countries' climate goals, for both developed and developing nations. According to a press release issued by the World Meteorological Organisation (WMO) in November 2022, temperatures in Europe have risen at a rate more than twice the global average over the last 30 years (the fastest of any continent). The report warns that if the warming trend continues, climate change effects (extreme heat, flooding, ...) will have an impact on society, economies, and ecosystems.

Climate and environmental matters are leading increasingly to social awareness as they often have significant impacts on human societies and communities. For example, people are more aware of the of the potential impacts of climate change and of environmental issues related with their day life. The 2021 Edelman Trust Barometer, an annual survey that measures public trust and attitudes towards various institutions (including governments, businesses, NGOs, and medias), is suggesting a growing trend of public awareness and engagement on environmental issues. According to the 2021 survey, 86% of respondents globally believe that climate change is a real and pressing problem that requires urgent action, up from 81% in 2020. The survey also found that 65% believe that businesses should take the lead in addressing climate change, rather than waiting for government action.

This movement is not limited to government or other international organizations and can be extended to the private sector. The real estate sector is one of the industries with a high potential for imposing real change toward a more sustainable world in terms of both environmental and social factors. According to the 2022 United Nations Environment Program (UNEP) report, buildings in Europe are responsible for approximately 40% of global energy consumption and

33% of greenhouse gas emissions. This presents a major opportunity for the sector to reduce its environmental impact through the adoption of sustainable practices and technologies. The real estate sector also shows a significant social stratification particularly through its role in shaping the physical environment and the distribution of housing and commercial space. In many cities the real estate market has become increasingly stratified, with high-income individuals and businesses clustering in certain neighborhoods, while low-income individuals and businesses are clustering in less desirable areas. An opportunity for the sector to reduce the social stratification is by promoting more inclusive and equitable development practices, such as mixed-income housing and commercial development.

1.2. Socially Responsible Investing and Impact Investing

With the resurgence of social and environmental issues, many investors recognise that traditional investment strategies may not be adequate to address these challenges and are looking for new approaches to contribute positively to these outcomes. Investors have been considering ethics and sustainability in their investment decisions for many decades, especially with the apparition in the 1960s of the modern concepts of socially responsible investing (SRI). Since then, the SRI industry has expanded significantly, and a diverse range of investment products and strategies are now available to investors seeking to incorporate sustainable considerations into their portfolios. SRI refers to an investment strategy that seeks to generate both financial returns and positive social and environmental outcomes by incorporating environmental, social, and governance (ESG) in the investment decision-making process. This strategy can be applied across various asset classes, including equities, fixed income, and alternative investments such as real estate and private equity. Despite the industry has made significant progress in recent years, there are still challenges to be addressed such as the lack of standardized metrics and reporting and the fact that SRI strategies may limit investors' ability to achieve competitive financial returns.

Impact investing has emerged in recent years as a new approach that is focused on generating measurable positive social and environmental impact in addition to financial returns (Rockefeller Foundation, 2007). This approach differs from traditional investment models that focus solely on financial returns, and it reflects a broader shift in investor preferences toward aligning their investment portfolios with their values and priorities. The impact investing industry is growing, and this new strategy highlight the importance of social and environmental impact considerations in investment decision-making. The estimated size of the impact investing

market stands at USD 1.164 trillion in assets under management in 2021 (GIIN report, 2022). In 2019, the Global Impact Investing Network (GIIN) published a report based on a survey of investors that provided insights around the scope of impact investing industry: 97% of survey respondents citing as the most important consideration for impact investing the creation of positive social and environmental impact.

However, the impact investing approach is accompanied by risks, and particularly the significant “impact washing” risk. It can be seen as a form of greenwashing or social washing that can mislead investors and consumers by the practice of making false or exaggerated claims about the social or/and the environmental impact of an investment or a project (Cote, 2022). The main risks of impact washing are articulated around the lack of clarity and transparency (Findlay and Moran, 2019). A lack of clarity could have negative consequences for integrity and growth, while a lack of transparency makes it difficult to assess the true impact of an investment. In addition, “impact washing” can damage the reputation of investors and organizations, undermining the credibility of the entire impact investing field.

1.3.Sustainable Development Goals (SDGs)

The United Nations General Assembly adopted the 2030 Agenda for Sustainable Development in 2015, laying out a comprehensive blueprint for a better and more sustainable future for all. This Agenda includes 17 Sustainable Development Goals, SDGs, (Figure 1: Sustainable Development Goals) which aim to end poverty, protect the planet, and ensure prosperity for all. The GIIN states that meeting these goals by 2030 will necessitate investments worth several trillion dollars. SDGs represent a critical framework for action and embody a collective aspiration for a more inclusive and responsible global society (United nation, 2018). All 193 member states collectively agreed upon the "urgent call for action," which has now emerged as the most frequently employed framework for sustainable investors (Bass et al., 2020).

Figure 1: Sustainable Development Goals



SOURCE: UNITED NATION, 2023

The SDGs could provide a framework for individuals or professional investors to identify and measure the impact of their investments on a range of issues, including health, climate change, and inequality. By aligning their investments with the SDGs, they can ensure that their capital is directed towards addressing the most pressing global challenges, while generating financial returns (GIIN, 2022). Moreover, the SDGs provide a common language and framework for investors and other stakeholders, such as governments and businesses, to collaborate towards achieving a sustainable future and can be a tool to enhance transparency and accountability.

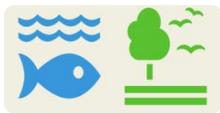
As seen before, real estate development and management can have significant impacts on the environment and social well-being, making it a critical sector for achieving the SDGs. Investors can leverage their investments to support sustainable real estate development that aligns with the SDGs. For example, the property sector can play a significant role in advancing the SDG 11, which aims to make cities and human settlements more inclusive and resilient by investing in energy-efficient buildings, sustainable building materials, and affordable housing. Moreover, by integrating sustainable practices into their business models, real estate companies can improve their reputation, attract socially responsible investors, and create long-term value. Furthermore, this can enhance transparency and accountability which are controversial subjects in the sector. By aligning investments with the SDGs and considering sustainable practices, investors and real estate companies can contribute to achieving a more sustainable and equitable future for all.

1.4. Taxonomy Regulation

The European Union introduced the EU Taxonomy¹ regulation, which establishes a standardized classification system for environmentally sustainable economic activities. This framework classifies “green” or “sustainable” economic activities executed in the EU (EU taxonomy, 2023), such as energy, agriculture, manufacturing, real estate, and more. The EU taxonomy establishes a clear framework for the concept of sustainability, by defining accurately when a company operates sustainably or in an environmentally friendly manner. These companies stand out when compared to their competitors and should benefit from increased investment. As a result, the legislation seeks to encourage and reward environmentally friendly business practices and technologies. The EU Taxonomy has 6 environmental objectives: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution and control, and protection and restoration of biodiversity ecosystems. This regulation encompasses environmental objectives that are interconnected with the SDGs (Figure 2: EU Taxonomy Regulation and SDGs connection). This concern mainly the following SDGs:

¹ A taxonomy should include a contextual framework and an underlying objective for organizing a given set of elements. Its primary objective is to facilitate the categorization, evaluation, and comparison of various indicators. However, its paramount significance lies in identifying the fundamental properties and characteristics essential for users to determine the relevance and applicability of the indicators within their specific context.

Figure 2: EU Taxonomy Regulation and SDGs connection



Life on Land and Life below Water - SDG 15 & 14

- The EU Taxonomy regulation provides criteria associated with the sustainable use and protection of marine resources, and the protection and restoration of biodiversity and ecosystems.
- These criteria identify activities that contribute to the protection and restoration of terrestrial ecosystems (i.e. forests, wetlands, and natural habitats); and activities related to marine conservation, sustainable fishing practices, and marine pollution prevention.
- The EU taxonomy sets criteria for sustainable land use practices, reforestation and the protection of endangered species; and sets criteria for sustainable marine management practices, the protection of vulnerable marine species and the reduction of marine pollution.
- These EU Taxonomy objectives align with SDG 15 and SDG 14, which aim to protect and manage terrestrial and marine ecosystems.

SOURCE: SIRAGUSA, STAMOS, BERTOZZI, PRIETTI – EUROPEAN HANDBOOK FOR SDG

As mentioned before the Impact investing has gained significant attention in recent years. In this context, the EU Taxonomy regulation plays a crucial role by providing a common language and definition of what constitutes an environmentally sustainable activity. This enhances transparency by setting clear standards for reporting and disclosure. The framework also helps in managing environmental risks and identifying potential opportunities. In summary, the EU Taxonomy Regulation can be seen as the framework for classifying environmentally sustainable economic activities.

1.5.Sustainable Finance Disclosure Regulation (SFDR)

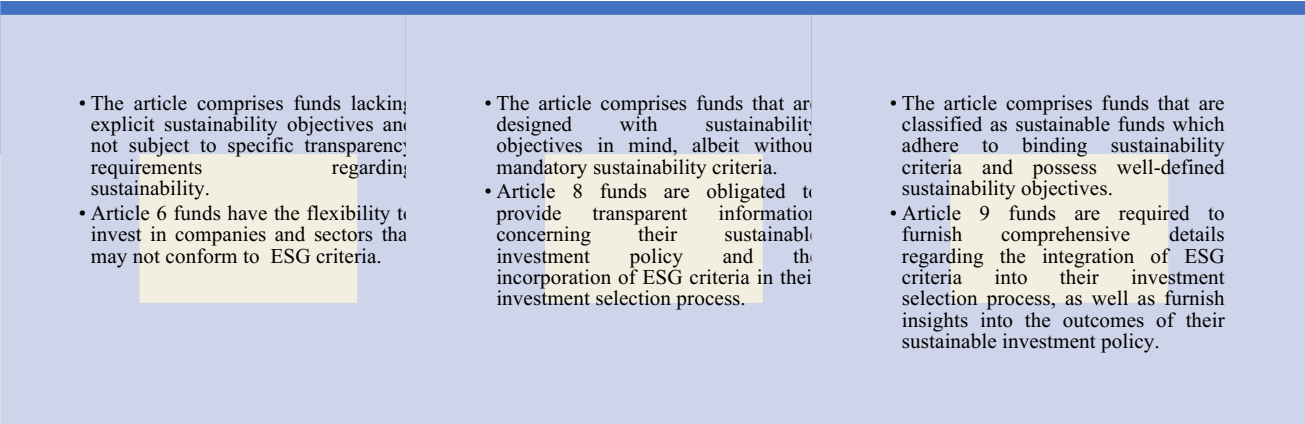
The Sustainable Finance Disclosure Regulation (SFDR) is a regulation that aims to promote transparency and disclosure of sustainability-related information by financial market participants including financial institutions and asset managers. The regulation requires the disclosure of information regarding their integration of sustainability risks into their investment decision-making processes and the consideration of adverse sustainability impacts of their investment decisions. Furthermore, it mandates the disclosure of the extent to which financial

products promote environmental or social characteristics, as well as their alignment with the EU Taxonomy Regulation.

SFDR fulfills several important purposes in the realm of sustainable finance. Firstly, it enhances transparency by ensuring that investors have access to consistent and comparable information regarding the sustainability characteristics and impact of financial products. Secondly, SFDR safeguards the interests of investors by mandating clear and accurate disclosure of the ESG characteristics of financial products and prevent investors from potential risks and uncertainties. Furthermore, SFDR promotes the integration of sustainability risks into the decision-making processes of investment professionals. It encourages the consideration of ESG factors, such as climate change risks, and their potential financial implications on investment portfolios. Lastly, the regulation encourages financial market participants to create and offer financial products that align with sustainability objectives, particularly those focused on generating positive environmental and social impact.

The SFDR regulations encompass various requirements for investment service providers and asset managers, including the disclosure of information pertaining to the sustainability aspects of their financial products and the classification of their funds based on diverse sustainability criteria. An intriguing aspect of SFDR is its establishment of distinct categories for financial products, namely "Article 6," "Article 8," and "Article 9" (Figure 3: Article 6, Article 8 and Article 9), which serve as guiding frameworks for these products.

Figure 3: Article 6, Article 8 and Article 9



SOURCE: AMF (2022), EUROPEAN COMMISSION

In conclusion, the SFDR represents a significant step towards enhancing transparency and disclosure of sustainability-related information in the EU financial market. The regulation plays a crucial role in promoting the development of the impact investing market, ultimately contributing to the achievement of sustainability objectives.

1.6.SCPI

A “Société Civile de Placement Immobilier” (SCPI) is a type of French non-listed properties investment vehicle that allows investors to pool their money together to invest in a diversified portfolio of income-producing real estate assets (Maurer and Sebastian, 1997). There are two main types of real estate investment funds which are mainstream funds and professional funds. SCPI are a part of mainstream funds at the same level of “Organismes de Placement Collectif Immobilier” (OPCI) and civil unit trusts. By looking at the mainstream level, the SCPI vehicle represent more than 75% in term of capitalization of this category (ASPIM, 2022).

SCPIs have gained popularity in France, by providing to individual investors the access to the real estate market in a diversified and professionally managed way. First, they provide diversification by allowing investors to spread their investments across a range of different properties and locations and therefore reducing the risk of concentration in a single property or location. Secondly, they are managed by real estate’s professionals who are responsible for identifying and acquiring properties, managing tenants, and generating rental income. Moreover, SCPIs provide a way for individual to invest in real estate even with relatively small amounts of capital. By making real estate investments accessible to a wider range of people, the French government aims to promote financial inclusion and help people to build wealth.

Current state of SCPIs in the French environment is positive as this investment vehicle is considered to have a relatively low risk due to the pooling of resources and diversification. Therefore, they promote stability and improve economic resilience. SCPIs offer an increasing number of options available to investors and have been growing steadily in recent years. This trend is due in part to the low interest rate environment in France, which has made it difficult for savers to find investment opportunities with attractive yields. Over the past 5 years, the average long-term interest rate in France has been only 0.32%. This is half the yield of the United Kingdom (0.96%) and almost six times lower than the United States (1.94%) (Insee, 2022). However, the year 2022 has seen increasing credit rates due to inflationary trends. These

elements could degrade the value of SCPIs units, particularly in the sense that many players could withdraw due to the rise in borrowing rates, thus causing a decline in the price of these assets.

Recently, SCPIs that invest in properties that meet environmentally sustainable standards appeared. Since 2020, real estate funds as SCPI and OPCV are eligible to the SRI label. The label was created in 2016 by the French Ministry of Economy and Finance to allow savers and professional investors to distinguish investment funds implementing a robust socially responsible investment methodology (French Ministry of Economy and Finance, 2020). Investing in these types of SCPIs could have benefits such as reduction of greenhouse gas emissions, efficiency improvement and the promotion of healthier and more livable communities. There is an increasing demand for environmentally sustainable properties from both tenants and buyers who are conscious of environmental and social issues. By financing the development of sustainable properties, SCPIs can play a role in promoting environmentally sustainable development and reducing the carbon footprint of the real estate market.

2. Methodology

2.1. Research purpose

The purpose of this paper is to investigate the impact investing strategy in the French real estate sector, with a focus on SCPI. The study aims to explore how SCPIs can be utilized as a tool for promoting sustainable development and generating positive social and environmental impacts. This research will contribute to the existing body of knowledge and literature on impact investing by providing insights into the potential benefits of SCPIs in France. The purpose of this report is in part to map the existing landscape of impact investing and bring clarity to the field. The project is limited to the SCPI real estate sector, excluding areas such as OPCV and civil unit trust. Furthermore, the project focuses on the French market, reflecting the research's implicit assumptions about market conditions and regulations.

Research Question:

How socially responsible “Société Civile de Placement Immobilier » (SCPI) in France can be used to promote sustainable development and generate positive social and environmental impact?

Utilizing a qualitative research methodology with a funnel approach, the research will analyze a comprehensive dataset of SCPIs operating in France. This methodology enables systematic data collection and analysis from a large sample of SCPIs in order to assess their ESG integration practises and the impact of their investments. Moreover, another aspect of the study is to identify the factors that contribute to or hinder the promotion of sustainable development and positive social and environmental impact. The findings of this study will be valuable for investors and stakeholders in the real estate sector, as they seek to align their investment decisions with sustainable development goals and address societal and environmental concerns.

The primary objective of this research is to explore how SCPIs can contribute towards achieving sustainability goals by analyzing their underlying principles, strategies, policies, practices as well as their overall performance. The purpose is to (1) understand the concept of impact investing, to (2) analyze how SCPIs work and to identify what are the key factors that determine whether an SCPI promotes sustainability or not, and to (3) evaluate different cases regarding successful implementation of socially responsible investments through SCPIs. To achieve these objectives, qualitative methods will be employed. Qualitative data such as interviews with industry experts including fund managers who specialize in managing funds invested through SCPIs; analysis reports from regulatory bodies like Autorité des Marchés Financiers (AMF); case studies etc.; will help provide insights into current trends shaping the role of SCPIs towards creating a more sustainable future.

By addressing these objectives, this research aims to fill a gap in the literature regarding the role of SCPIs in sustainable real estate development and particularly for the case of the impact investing approach in the French real estate sector.

2.2. Research approach

The research methodology employed in this study is a funnel quantitative approach, which involves a systematic and iterative process of data collection and analysis. The overarching aim of this approach is to begin with a broad collection of data from various sources, including interviews with management firms, analysis of documents such as annual reports, press releases, and market analyses, direct observations, and a thorough review of relevant literature. Gradually, the focus is narrowed down, and key themes and patterns are identified. To ensure the integrity and comprehensiveness of the data collected, open-ended and non-leading

interview questions will be utilized. This approach aims to capture unbiased and detailed information from management firms regarding their investment practices and strategies. By adopting this approach, a comprehensive examination of a significant sample of SCPIs operating in France will be conducted. This will facilitate a detailed assessment of their investment practices, the extent to which they integrate ESG considerations, and the impact of their real estate investments on sustainable development.

The research will follow the following key steps:

1. **Data Collection:** A comprehensive dataset of SCPIs operating in France will be compiled. The dataset will include information on the investment strategies, portfolio composition, financial performance, ESG practices, and sustainability reporting. Data will be collected from various sources, such as annual reports, sustainability reports, regulatory reports, and other publicly available documents.
2. **Sample Selection:** From the collected dataset, a representative sample of SCPIs will be selected for further analysis. The sample will be selected based on predetermined criteria such as the capitalization, the typology, the type of certification (SRI, DPE, ...), the integration of ESG practices, etc.
3. **Data Analysis:** The analysis will focus on assessing the ESG integration practices of the SCPIs, examining their investment strategies and the indicators used in the measurement of the sustainability or/and the social and environmental impact of their real estate investments.
4. **Interpretation of Findings:** The findings of the data analysis will be interpreted to derive meaningful insights regarding the role of SCPIs in promoting sustainable development within the French real estate sector. The goal here will be to look on connections between categories and identify patterns and trends.
5. **Discussion and Conclusions:** The research approach will culminate in a comprehensive discussion and conclusion section that synthesizes the findings and presents their implications. The discussion will relate the research findings to the existing literature on impact investing, sustainable real estate, and SCPIs. It will also address any limitations of the research approach and provide recommendations for future research.

~~Data interpretation~~

**Discussions and
Conclusion**

SOURCE : ILLUSTRATION OF A FUNNEL APPROACH

2.3.Data collection

The data comes mainly from two sources. The first one is in the form of interviews with professionals in the field. The second source is the available documents including annual reports, press releases, sustainability reports, and academic literature. As with the approach, the data is mostly of qualitative nature, with a few exceptions of quantitative data (like the performance comparison of the funds).

2.3.1. Interviews

The qualitative data obtained through interviews is to be regarded as primary data. Hence, the study controlled and evaluate the entire data collection process.

The interviews procedures consisted of personal meetings and virtual interviews, using Telephone, Zoom, or Microsoft Teams. The ambition throughout the study is to have personal meetings as far as possible. However, it is a difficult process to reach the desired people in these management companies. During the study, interviews were conducted with eight different individuals. Table 1 below present the individuals interviewed, their professional title, as well as the organization that they are working at.

Table 1: List of Interviewees

<i>Name</i>	<i>Title</i>	<i>Company</i>
Robin Godet	SRI manager	Norma Capital
Antoine Teinturier	Investment manager	Consutum AM
Estelle Ginefri	CSR and innovation	Foncière Magellan
Clementine Arlin	ESG manager	Astream
Laure Driol	Marketing and ESG manager	Sogenial Immobilier
Marine Ilieski	SRI project manager	Atland Voisin
Alexis Bulckaert	CSR manager	Aestiam
Sébastien Debuire	Head of ESG	Euryale AM

In France, there are currently 42 management companies that offer SCPI vehicles (Aspim, 2022). These firms collectively manage 215 SCPIs across the country. Among them, 34 have obtained the SRI label on December 31, 2022. It is important to note that the SRI label in France is granted by independent third-party organizations that evaluate investment funds based on their adherence to ESG criteria. This label serves as an indicator that the investment fund meets specific standards for socially responsible investing, offering valuable guidance for investors interested in supporting companies committed to sustainability and social responsibility. The objective of this study was to conduct a minimum of 5 interviews with management firms selected from the aforementioned pool of 42 firms as of December 31, 2022. Ultimately, 8 management companies have agreed to participate in the study. The interviews encompassed the following firms: a top 5 management firms in terms of SCPIs capitalization and collection, a management firm demonstrating the best SCPI performance in 2022, a management firm with all its SCPIs certified SRI and a management firm overseeing a substantial number of SCPIs.

The interviews were conducted within the timeframe spanning from March 1, 2023, to July 15, 2023. By conducting interviews with this diverse set of management firms, the study aims to gain valuable insights and perspectives regarding their investment practices, strategies, and their impact on sustainable development within the French real estate sector.

2.3.2. Available documents

In addition, this study incorporates data from a diverse range of documents, including annual reports, press releases, sustainability reports, and academic literature. By gathering data from multiple sources, the research aims to capture a broad spectrum of perspectives, covering various aspects such as commercial real estate, sustainable urban development, and hotels.

These documents offer valuable insights into the social and environmental practices, objectives, and impacts of SCPIs operating within the French real estate sector.

To organize the aforementioned data from various sources, a qualitative data coding approach is employed. This method involves the analysis of data by identifying themes or codes that emerge from the qualitative data collected. The procedure entails categorising lengthy and detailed qualitative data, such as interviews, focus groups, and documents, into common themes. Furthermore, comparing the points of view expressed across different sources allows for a more complete understanding of the data. Braun and Clarke (2006) describe themes as “a common, recurring pattern across a dataset clustered around a central organizing concept”. This rigorous analysis of trends and patterns enhances the validity and reliability of the findings, and contributing to a comprehensive understanding of the role of SCPIs in promoting sustainable development and generating impact within the French real estate sector.

3. Theoretical framework

3.1. Socially Responsible Investing (SRI)

3.1.1. Landscape of Responsible Investing: Challenges and Perspectives

Socially responsible investing (SRI) has emerged as a popular investment approach in recent years, as investors seek to align their investments with their values and beliefs. The concept emerges in the 18th century in the United States when religious groups began to exclude certain types of investments from their portfolio on moral ground (Crifo and Mottis, 2016). Socially conscious investing maturing and grew in popularity in the 1960s relying more on moral values than on religious values with the apparition of trade union, NGOs, and consumer association (Crifo and Mottis, 2016). In contrast to its origins in Anglo-Saxon countries as an ethical investment approach, SRI adopted by Continental European countries primarily followed a financial approach focused on the development of positive screening methods that rely on extra financial criteria, such as ESG factors (Déjean and al., 2006).

The perspectives of investors are evolving and beyond financial considerations, a new approach based on non-financial considerations has emerged (Berry and Junkus, 2012). Indeed, a body of studies (Roberts and al., 2007; Déjan and al., 2011) and surveys (Schroder, 2020; Harvard 2022) suggests the increasing demand of investors as the primary drivers of the growth of SRI. In other words, investors are interested in investing in companies that are socially responsible and have strong ESG implications. However, the SRI practice is facing some challenges as the

lack of standardized metrics and reporting resulting in difficulties for investors to evaluate firms' ESG performance (Höchstädter and Scheck, 2015). For instance, Dow Jones Sustainability Index (DJSI); most common index used; and FTSE4Good Index do not consider the same parameters in the evaluation of sustainability performance of companies (Schöder, 2006). From an SRI index to another, diverse criteria can be excluded or included in the evaluation process, which makes performance comparison of different SRI funds difficult (Schueth, 2013). Moreover, Schueth (2013) also describes his concerns about the emergence of “green washing” from the part of companies claiming to be socially responsible without actually making meaningful changes to their practices. This matter is supported by Olatubosun and Nyazenga (2019) which indicates that the lack of enforcement mechanisms contributes to the emergence of “green washing” as well as the different perceptions of funds managers and asset managers on the topic. Overall, given these negatives effects, researchers have argued that these challenges could be overcome by increasing the transparency and the accountability in responsible investment practices (Schueth, 2013; by Olatubosun and Nyazenga, 2019).

Beside the investors' interest of SRI practices, there is no conclusive evidence that SRI strategies could potentially achieve or not competitive returns (Kiymaz, 2019). Research conducted by Sciarelli and al. (2021) support that SRI strategies can be a part of favorable financial outcomes while promoting positive social and environmental deliverables. For instance, the ESG global study (2022) published by Harvard, emphasizes on companies with strong ESG performance were more likely to have better financial performance in the long term. To clarify, companies that adopt socially responsible practices may have lower risks and better long-term financial results. However, the meta-analysis realized by Revelli and Viviani (2014) suggests that there is no discernible financial advantage or disadvantage associated with socially responsible investments compared to traditional investments, based on the quantitative and empirical evidence provided. Acknowledging these findings, academics are suggesting to investors to focus on long-term performance rather than short-term gains as SRI strategies may not always produce immediate financial benefits (Kiymaz, 2019; Chiappini, 2017).

In recent years, there has been the apparition of numerous similar terms to SRI as impact investing, sustainable and responsible investing, ethical investing, ESG screening, etc. These related terms can be recognized as a “tower of babel” (Freireich and Fulton, 2009), and impact investing, which focuses specifically on generating measurable social and environmental impact alongside financial returns, can be seen as a subset of SRI.

3.1.2. French SRI label

The French SRI label (Socially Responsible Investment label) is a certification to encourage investment funds to conciliate economic performance and social and environmental impact in their strategies. The label was launched in France in 2016 by the French Ministry of Finance and provides investors with a way to identify funds that integrate ESG factors into their investment decisions. The primary goal of this label is to allow individual and professional investors, to distinguish investment funds that implement a robust SRI methodology, leading to measurable and concrete results (Label ISR, 2023).

In this context, the SRI label can be seen as a tool for promoting sustainable investing and supporting the achievement of the SDGs (Noureddine, 2022). In fact, Arjaliès et al (2018, 2020) are extensively documented the implementation of the SRI label and the implications of this latter one since its creation. First of all, ESG objective must be differentiate than impact investing objective. The first concept seeks to assess financial materiality while the second concept focuses research into social and environmental impacts (Arjaliès et al, 2018). The SRI label can be seen as a first step for the integration of future tools for impact investing. By certifying investment funds that meet ESG criteria, the label provides a way for investors to identify and invest in funds that align with their values and objectives. This can drive capital towards investments that have a positive impact, and ultimately contribute to the achievement of the SDGs. Secondly, at the label effectiveness evaluation level, Arjaliès and al. (2018) have demonstrated that the current measurement and reporting practices of the French SRI funds are not sufficient in measuring and reporting the impact of their investments. Finally, Arjaliès and al. (2020) draw attention to the growing investor interest in SRI and the significance of measuring investment impact beyond conventional financial metrics. They point out a number of obstacles to measuring impact, including the lack of standardized data, the lack of methodologies, the demand for improved communication and transparency. However, there are also criticisms, concerning the indulgence of the label and the lack of clarity around the criteria used in the decision-making process (Lavaine, 2020). Despite the numerous changes that need to be made to adjust this recent label, this latter represents a significant turning point in raising awareness for the importance of sustainable investing on a global scale (Arjaliès and al, 2020). Notably, it is one of the first national SRI label to be established in Europe that sets a high standard for socially responsible investing practices (Label ISR, 2023).

3.2. Impact investing

3.2.1. Origins and dimensions

As previously mentioned, impact investing is a new practice that aims to generate positive social or environmental impact alongside financial returns (Höchstädter and Scheck, 2015). The term appeared in 2007 at the Rockefeller Center in Italy where several practitioners came together to define a new approach to investing and generate more than financial returns. Impact investing has its roots in the SRI movement of the 1970s (Höchstädter and Scheck, 2015; Chiappani, 2017; Falkowski and Wiśniewski, 2013). Höchstädter and Scheck (2015) demonstrate that two dimensions are always present in the impact investing literature: the financial and non-financial dimensions. The financial dimension includes a minimum return while the non-financial dimension can be very diverse in nature: social, environmental, cultural, developmental, economic, or governance (Viviani, 2018). Höchstädter and Scheck (2015) define non-financial impact as environmental impact or social impact. Later on, in 2009, the Global Impact Investing Network was founded to establish a worldwide network that would advance the practice of impact investing in both emerging and developed markets.

3.2.2. Definition and terminology

The importance of defining new terms cannot be overstated, as it helps to avoid confusion and misinterpretation. However, in the case of impact investing, the scope and implications of this term have been slow to emerge (Clarkin and Cangioni, 2015). Indeed, in her book, Chiappani (2017) explains the different phases involved in defining impact investing and underlines how the slow communication movement on the term has led to some confusion about the strategy's objectives. Chiappini (2017, p.9) explains that in the first phase of the market, corresponding to the first three or four years of development, the exact definition of the term impact investing was not a necessity. Subsequently, in what she calls the second phase, there was a need to develop a clear framework that could help the market grow. Indeed, the extensive academic and practitioner literature on the subject has only extended the problem of conceptual clarity of impact investing. The findings suggest that there is no clear consensus on the definition of impact investing, and that the term is often used reciprocally with other concepts like socially responsible investing, sustainable investing, and ethical investing (Höchstädter and Scheck, 2015). Overall, these literatures describe points of similarity and inconsistency at three levels: definitional, terminological, and strategic.

In general, practitioners agree that the two main characteristics of impact investing are having a social or environmental impact alongside financial return (Freireich et al. Fulton, 2009; Brown and Swersky, 2012; Addis et al., 2013). Besides, Impact investing is distinct from philanthropy in a sense that it must be "profit oriented" (Reeder and Coloantonio, 2013) and there is an intent of obtaining social impact benefits (Alphamundi, 2010; Brown and Swersky, 2012; Addis et al., 2013). In many ways, this mindset contradicts the traditional investing landscape, where the dominant belief describes the combination profit and sustainability as counterproductive (Bugg-Levine and Emerson, 2011). While the traditional perspective is entrenched, impact investing is becoming a mainstream perspective in the finance world (Koh et al., 2012). As a result, in order to proceed with this study, it is necessary to agree on a definition that is widely accepted in the field while also making sense to the purpose of this paper. The GIIN (2020, p.1) states the definition of impact investing that is most widely used in the industry and appears to be the most comprehensive: "Impact investments are investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return".

3.2.3. Impact Investing within Real estate

Impact investing in real estate refers to investing in real estate projects or properties that have a positive social or environmental impact in addition to providing financial returns (Ernst & Young, 2022). Impact investors seek to achieve both financial returns and social or environmental benefits through their investments. This practice runs counter to the strategy of traditional real estate companies, which focus more on profitability than on creating impact (Rockefeller Philanthropy Advisors, 2020). Despite this, it does not imply that there are no motivating factors within the sector to create a genuine impact. Particularly, impact investing approach in real estate sector can help address some of social and environmental challenges while promoting sustainable and responsible development (Schroders, 2019). Indeed, the numbers are self-evident, buildings in the EU are accountable for 40% of energy consumption and 33% of greenhouse gas emissions in 2020, primarily attributed to construction, usage, renovation, and demolition (European commission 2022). For example, one way to reduce these figures is to follow a green modernization as this approach has a positive impact, especially for buildings that were less energy efficient before the retrofit, on rental income, occupancy rates and asset values (Brounen et al., 2016).

As mentioned earlier in the paper, impact investors could have social and environmental goals aligned with the SDGs (GIIN, 2018). Indeed, Schroders, a UK-based asset management

company, has connected potential impact to the SDGs to determine the appropriate direction for impact investing strategies in the real estate sector. The group has identified several SDGs as particularly relevant and achievable for the real estate sector (Schroders, 2019): the SDG number 8 (Decent Work and Economic Growth), the SDG number 11 (Sustainable Cities and Communities), and the SDG number 13 (Climate Action). This framework provides a comprehensive view of the real estate sector's impact and serves as the foundation for the company's real estate investment strategy. Similarly, Geltner et al. (2018) provides a structured approach to impact investing in commercial real estate considering the importance of identifying, assessing, monitoring, managing, and evaluating the impact. Finally, practitioners and academics agree that industry players (regardless of asset class, target return, geography, or sector) can act to achieve the SDGs by 2030.

Concerning the accountability in impact investing within real estate, this subject remains a complex issue that requires to adopt a multi-dimensional approach. Indeed, numerous research (Höchstädter and Scheck, 2015; Clarkin and Cangioni, 2015; Chiappini, 2017) agree on the lack of definitions and confusions around the term impact investing. Therefore, some organizations have developed certifications schemes for property investments that meet certain sustainability or impact criteria with the aim of providing a level of assurance to investors that their investments are aligned with their impact objectives. This is the case of the Global Real Estate Sustainability Benchmark (GRESB) which provide a framework for assessing and benchmarking the sustainability performance of real estate portfolios. However, some authors highlight the lack of accountability mechanisms that allow investors to prioritize their financial goals over environmental and social goals and suggest the need for rigorous reporting and transparency measure (Pivo and McNamara, 2017). In short, it seems important that the term impact investing be well defined before applying the concept to the real estate sector. Clear definitions are needed to ensure that investors understand what they are investing in and what social or environmental impact they are seeking to achieve.

3.3.French SCPI Real estate sector

3.3.1. The industry of French Real Estate

The period of economic recession and high unemployment that reached French real estate market in the 1990s, lead to a decline in property, a slowdown in construction activity and a lack of investment in the sector (Saly-Giocanti, 2013). To address these challenges, new financials products have been developed such as private property investment vehicle, which

allowed investors to pool their money and invest in real estate assets (Nappi-Choulet, 2012). These new products provided a new way for investors to access the real estate market and the implementation from the French government of new policies, such as tax incentives, helped to revive the industry and stimulate the demand in the sector. This trend continued throughout the 1990s and into the 2000s, with the “financialization” of French real market becoming an established feature of the French economy (Nappi-Choulet, 2010). The French real estate market is a dynamic and important part of the country’s economy. In 2018, the real estate sector's share of the French economy's gross value added was close to 13% (Insee, 2022). France has a well-established legal system promoting the stability of the market characterized by moderate price movements, low volatility, high level of liquidity and protection of property rights (OECD, 2021). The French property market is depicted by two major segments: the residential real estate, driven by demand from citizens, and the commercial real estate, driven by demand for offices and retail spaces.

One significant aspect of the French real estate industry is the residential market, which has been extensively studied. The residential real estate sector remains highly prized and exhibits more income stability than commercial sectors (Pwc, 2023a). Wijburg (2018) describes the adoption by the French state of a form of "privatised Keynesianism" that is using housing as a means of stimulating demand and boosting economic growth. The author discusses of the creation of new financial instruments and emergence of new actors and their functions in the financialization of housing and the growing inequalities in access to housing. Moreover, the sector is recently facing to environmental public policies which is causing the sector to reshape itself (Beaubrun-Diant and Maury 2021). Even if these policies prove that energy-efficient renovations and carbon taxes can have a significant impact on reducing energy consumption and greenhouse gas emissions, questions remain about the effectiveness of these policies based on the level of compliance and enforcement (Charlier and Risch, 2012).

The second important aspect concerns the commercial real estate market. Over the past decade, office and retail development has been limited. Indeed, the Covid-19 pandemic, and the introduction of telecommuting in most sectors, has taken a toll on commercial real estate, pushing the sector to revitalize itself (Pwc, 2023a). However, major French cities such as Paris and Lyon have vibrant commercial real estate markets and there is strong demand for industrial properties in the manufacturing or logistics sectors. Nappi-Choulet (2006) argues that the private sector, including commercial real estate investors and developers, plays an important

role in urban regeneration projects in France. However, the author also points out the involvement of the private sector which is strongly influenced by government policies and regulations, as well as by the overall economic and social context.

Over the past few years, there has been growing interest in sustainable and energy-efficient properties, and the French government has introduced several initiatives through financial and regulatory incentives to promote green building practices (Radovanović and Lior, 2017). As mentioned before, the building sector is a very energy-intensive sector in Europe and in France. However, the French real estate sector has made a commitment in recent months through the adoption of "good practices", its number of environmental certifications and the ecological character of its numerous construction projects. Since 2018, the "Observatoire de l'immobilier durable" (OID) has developed a Responsible Real Estate Barometer that annually assesses the level of maturity of real estate players in terms of ESG practices. This Barometer incorporates the new requirements of the EU Taxonomy, the SFDR and French regulations on extra-financial transparency. For example, the results of the 2022 Barometer show stable ambitions in terms of energy and carbon emissions in the real estate management sector. This is mainly linked to strong regulatory pressure over the past few years, which has enabled players to gain in maturity.

3.3.2. The industry of French SCPI

SCPI is a unique investment vehicle that appeared in 1960s and has become increasingly popular in the early 2000s (Azan and al., 2021). This collective investment schemes that pool funds from individual investors to invest in a diversified portfolio of real estate assets is a part of non-listed real estate investment funds. These unlisted funds regulated by the AMF ("Autorité des Marchés Financiers") contribute strongly to the creation of wealth in France and in the regions, in particular by employing 1.8 million people (EY, 2022).

The industry of SCPIs in France has been the subject of a few academic studies and publications over the years. However, at the European level, non-listed real estate investment funds have been subject to further research and one of the main aspects that emerged is that these funds tend to have a lower risk exposure due to their diversification benefits and professional management. Indeed, Newell (2014) investigates the performance and features of European non-listed real estate funds (NREFs) between 2002 and 2012 and found that NREFs had a significant positive impact on a diversified real estate portfolio, as they delivered higher returns,

lower volatility, and better diversification benefits compared to publicly traded real estate securities. However, the author also notes that these non-listed vehicles can exhibit higher fees and liquidity risk compared to their publicly traded counterparts. On the other hand, Marzuki and Newell's (2020) suggests that non-listed vehicles investments offer a convincing opportunity for investors seeking to diversify their portfolios and generate stable long-term returns. They found that this unique asset class is subject to low correlation when comparing to traditional equity and bond markets. However, these funds are susceptible to significant challenges, including high transaction costs, lack of liquidity, and difficulty in valuing and monitoring assets. Well before the challenges identified by Marzuki and Newell (2020), Thissen (2001) has examined the evolution of non-listed property funds in Europe and has identified new directions for their development. The study already identified several challenges facing the industry, including the need for greater transparency, standardization, and professionalism. The author supports the implementation of greater cooperation between fund managers and investors, the development of new products, and the adoption of best practices in governance and risk management. Additionally, the article published by INREV in April 2021 discusses of the growing importance of non-listed real estate investment in investment portfolios and highlights the fact that this asset class offers investors access to a wide range of properties and markets that are not available through listed real estate investment. This article agrees with Marzuki and Newell's findings on the fact that this asset class can provide higher returns and lower volatility than other asset classes, such as equities and bonds. Overall, the existing research and publications on the industry of non-listed real estate investment funds (including SCPIs) in Europe in general, suggest that these investment vehicles have delivered strong returns to investors and provided diversification benefits to portfolios.

4. Analysis and Results

4.1. Overview of SCPI – "Société Civile de Placement Immobilier"

4.1.1. Understanding SCPI: Definition and Categorization

A SCPI, conversationally referred to as "pierre papier," represents a collective investment scheme structured as an unlisted company. Its primary objective is to provide to individuals the opportunity to invest in a diversified portfolio of real estate properties. By pooling capital from numerous investors, SCPIs amass funds dedicated to the acquisition and management of rental real estate assets. While individual investors form the primary source of capital, contributions from companies and associations are also admissible. Real estate assets encompass a wide range of properties, including offices, hotels, retail properties, warehouses, and residential properties.

In essence, a SCPI is a corporate entity that acquires and manages a diverse real estate portfolio that includes multiple buildings. The investment allocation in this portfolio is determined by the total capital contributed by the investors, resulting in a proportional distribution across the various properties.

Various types of SCPIs exist, each serving different objectives. “*Tax-efficient*” SCPIs are special financial products that offer attractive tax benefits. These real estate investments provide to investors tax advantages based on the invested amount associated with specific laws, such as SCPI Pinel², SCPI Malraux³, or SCPI Denormandie⁴. However, compared to other yield-oriented investment products, the income generated from tax-efficient SCPIs is generally lower. Furthermore, the liquidity of the invested funds may be limited, making it challenging to sell the shares. To qualify for these SCPIs, investors typically need specific profile, including a high tax bracket, available investment capital, and a primary objective of tax exemption. *Yield SCPIs* are financial products allowing investors to acquire shares in the company's real estate assets. The potential rental income is derived from the rents generated by the properties owned by the management company. These SCPIs primarily consist of professional real estate, including offices, warehouses, and commercial or business premises. A notable characteristic of these properties is that the commercial lease terms are often longer compared to residential leases. “*Capital Appreciation*” SCPIs, also known as valorization SCPIs, invest in real estate properties with strong potential for appreciation. Unlike tax-efficient or yield SCPIs, these SCPIs do not distribute rental income as dividends and therefore allow investors to avoid taxation on potential property income. The performance of capital appreciation SCPIs is directly linked to the increase in their share prices. These SCPIs aim to acquire units in properties at a discounted price and sell them after a few years, generating capital gains upon resale. This study will focus specifically on the analysis of *Yield SCPIs*, which tend to be the preferred choice among investors due to their capacity to provide consistent and substantial returns.

² Pinel SCPIs invest in new or rehabilitated housing in a stressed area while respecting energy performance criteria. The amount of the tax reduction enjoyed by the partners depends on the rental commitment decided by the management company (e.g. 12% over 6 years, 18% over 9 years or 21% over 12 years)

³ Malraux SCPIs make it possible to deduct from taxes the property deficit resulting from eligible renovation work within the limit of €100,000 per tax household. In return, there is a commitment to retain the shares for a period of 15 years.

⁴ Denormandie SCPIs allow a reduction in income tax from the year of subscription. The tax benefit for the partners relates to the entire amount of the investment. The tax reduction varies according to the duration of the rental commitment.

Furthermore, it is crucial to differentiate between SCPIs with variable capital and SCPIs with fixed capital. With a variable-capital SCPI, unit subscriptions are open at any time and the management company does not fix a specific number of units. This flexible structure allows new investors to join the SCPI at any time, while existing investors can exit the SCPI in accordance with new inflows. The subscription and resale price of a unit is determined by the management company and may not differ by more than 10% from the reconstitution value according to the AMF. On the other hand, a fixed-capital SCPI has a limited number of units. Subscription to this type of SCPI can only take place when individuals sell their SCPI units or in the event of an increase in the SCPI's capital.

An additional topic that has been previously quoted and holds paramount importance for comprehension is the concept of reconstitution value. The reconstitution value of an SCPI serves as a metric employed to evaluate the worth of a real estate asset held within the SCPI. It is a significant indicator for investors, alongside factors such as yield, property type, and location. The reconstitution value is derived by aggregating the total value of the SCPI's real estate assets, encompassing the portfolio, and incorporating the costs and fees incurred during their acquisition. Typically, the reconstitution value is calculated on an annual basis by the SCPI's management company. It is intended to give an indication of the real value of the real estate assets held by the SCPI, considering fluctuations in the real estate market, transaction costs and any debts. It is essential to acknowledge that the reconstitution value is a theoretical measure, and according to regulations, this value (the price of the unit) is not permitted to deviate from it by more than 10%. Consequently, the reconstitution value should be compared to the acquisition value of a share. Therefore, the purchase price of an SCPI unit can be subject to two outcomes. Firstly, a premium may exist, wherein the unit is overvalued relative to the SCPI's actual assets. This scenario benefits existing investors, but it disadvantages new investors who believe the acquisition price is too high in relation to the SCPI's assets. Secondly, a discount may be present, indicating that the unit is undervalued in relation to the SCPI's assets. This situation can present an appealing opportunity for prospective investors.

4.1.2. Investment Criteria for SCPI Selection

The valuation of SCPI holds significant importance for investors. Regardless of the investment objective, it is crucial to compile a set of essential indicators to evaluate asset performance and assess associated risks (such as volatility, liquidity, and credit). The chosen indicators, which

will be discussed on below, have been identified for each SCPI quoted in the qualitative analysis conducted in this study (Appendix 1: SCPIs characteristics).

#1 CAPITALIZATION

The capitalization of a SCPI is determined by multiplying the number of issued shares by the subscription price per share. This quantifiable metric, often expressed in millions or billions, serves to assess the size and market value of the SCPI. Possessing a substantial number of real estate assets, ideally diversified, contributes to a higher capitalization, and plays a crucial role in mitigating risks associated with factors such as vacancy, payment defaults, and maintenance.

#2 PERFORMANCES

Both the distribution rate for a specific year and the internal rate of return (IRR) over an extended period necessitate careful analysis.

The distribution rate of an SCPI is undoubtedly one of the most decisive selection criteria for investors. The distribution rate serves as a metric for comparing SCPIs based on yield and examining yield patterns over time. In the case of variable-capital SCPIs, the distribution rate is derived by dividing the gross annual dividend by the subscription price on January 1 of the same year. Conversely, for fixed-capital SCPIs, the distribution rate is calculated using the average share price for the previous year. This method enables comparisons among SCPIs with performance expressed gross of tax, whether of foreign or French origin.

The internal rate of return (IRR) measures the profitability of a unit purchased over a given period, accounting for variations in unit price (purchase price at the beginning of the period and withdrawal price at the end of the period) and all dividends received. It provides an indication of the investment's profitability over durations such as 5, 10, or 15 years. The IRR considers the unit's purchase and resale prices, as well as the returns received over the specified period, to assess the SCPI's performance in the medium to long term.

#3 ASSET COMPOSITION AND DIVERSIFICATION

As a result of the management strategy, the composition of the assets can be a criterion for decision-making. The management company's annual report provides a comprehensive listing of its assets, including pertinent information such as addresses, surface areas, construction and acquisition dates, etc. As a general rule, the management company ensures better returns if its

assets are diversified, whether in terms of properties or locations, since risks are mutualized through :

- *geographical distribution*: this is a pivotal aspect that enabling a SCPI to harness the dynamism of multiple markets characterized by unique attributes such as their economic landscape and tax systems. Some SCPIs are strategically positioned in specific regions like Paris, France, Europe, while others prioritize maximum diversification.
- *typological distribution*: It provides additional risk mitigation by ensuring that a SCPIs do not overexpose to a single business sector by diversifying their holdings across categories such as offices, logistics, healthcare, hotels, and others.
- *different tenants*: SCPIs seek to vary the size and type of companies to which they lease their buildings or properties. By spreading the risk associated with potential unpaid rent across multiple tenants, the SCPIs safeguard against concentrated financial vulnerabilities.

#4 PHYSICAL AND FINANCIAL OCCUPATION RATE

In order to evaluate the profitability of an investment product and its capacity to generate rental income for the management company, two indicators are essential: the physical occupancy rate and the financial occupancy rate.

The physical occupancy rate takes into account the occupied surface area of all the properties in the portfolio. Depending on the age of the company, the vacancy rate, i.e. the proportion of unoccupied assets, differs. For SCPIs that have been established for over ten years, the vacancy rate tends to be around 10%. As older SCPIs may possess assets that require renovation or modernization, the rate of vacancy is influenced by such improvement works. Consequently, younger companies that hold recently constructed or new properties tend to exhibit a physical occupancy rate close to 100%.

Conversely, the financial occupancy rate compares the actual rents collected to the potential rental income that the operator would receive if all properties were leased. This metric not only indicates rental vacancies and rent-free periods but also provides insight into the robustness of the SCPI. Typically ranging between 90% and 95%, the financial occupancy rate should be analyzed over a specific period to ensure its consistency and stability.

4.1.3. Regulatory Framework and Compliance Requirements for SCPIs

A SCPI is a unique hybrid entity that combines characteristics of both a company and an investment fund. It operates as a non-trading real estate company and enables the public offering of its shares. Additionally, it falls under the regulatory framework of an Alternative Investment Fund (AIF) as defined by the AIFM Directive (Directive 2011/61/EU on alternative investment fund managers), overseen by the AMF. In accordance with the French Monetary and Financial Code, the SCPI is classified as a fund accessible to non-professional investors.

SCPIs are subject to various regulations in France, which are enforced by the AMF. The AMF is an independent public body responsible for supervising and regulating the financial markets in France. Its primary objectives are to safeguard investors, ensure the financial transparency and promote market stability. The AMF ensures that SCPIs operate in accordance with laws and regulations by conducting reviews of their operations, prospectus, financial statements, and marketing materials. To ensure responsible and professional management, the AMF has established a set of regulations and processes for SCPIs. SCPIs must first obtain approval, or a visa issued by the AMF in the case of a public offering. Additionally, SCPIs must seek AMF approval for their information note and Key Investor Information Document (KIID) before launching or offering shares to the public. The KIID contains comprehensive information about the SCPI, including its investment strategy, risk factors, fees, financial statements, performance scenarios, and other relevant details. On the other hand, the information note provides details on subscription conditions, exit procedures, and the company's operations and status.

SCPIs are also subject to capital requirements and investment restrictions as specified by the AMF. Specifically, SCPI is obliged to maintain a minimum share capital of 760,000 euros. The minimum capital threshold ensures that SCPIs have adequate financial resources to effectively manage their operations and fulfill their obligations towards investors. Additionally, French SCPIs are subject to investment restrictions to safeguard investors and maintain portfolio diversification. They must primarily invest in real estate assets⁵, with a minimum requirement usually established for real estate exposure. Alternatively, they may invest in financial instruments related to real estate, such as real estate funds or shares of real estate companies.

⁵ Assets eligible for the portfolio of an SCPI (AMF, 2023): buildings integrated or acquired, with a view to leasing and real rights relating to such property (bare ownership/usufruct, bare land, servitude, etc.); shares in unlisted partnerships with a preponderance of real estate whose corporate purpose is identical to that of an SCPI; units/shares of SCPIs, OPCIs or bodies governed by foreign law having an equivalent purpose, whatever their form; interest rate and foreign exchange hedging financial contracts; deposits and cash; And current account advances.

Limitations may be imposed on investing in other asset classes, such as stocks or derivatives. Furthermore, SCPIs are subject to predetermined maximum thresholds for diversification to mitigate risks concentration, such as restrictions on investments in a single property or tenant (e.g., maximum threshold of 20% or 25%). They are also required to undergo regular valuations, provide regular financial reports, including audited annual financial statements and distribute a significant portion of their rental income to shareholders, often quarterly or semi-annually dividends.

4.1.4. Understanding the Tax Implications for SCPI Investments

The SCPI represents a semi-transparent taxation vehicle in the context of French real estate investment. Shareholders of SCPIs are required to declare their respective share of the SCPI's earnings. The taxation of SCPIs involves various aspects, including rental income, financial income, capital gains from asset sales, and the possibility of fund retention by the SCPI.

One significant aspect of SCPI taxation pertains to *rental income*. Investors receive rental income derived from the properties held by the SCPI. Taxation is based on the net rental income and is calculated by subtracting deductible property expenses and interest on loans from the gross rental income. The resulting net rental income is then subject to income tax, which varies based on different French income brackets (Appendix 2: French Income Brackets), ranging from 11% to 45%, and social security contributions at a rate of 17.2%. For SCPIs investing in properties abroad, the rental income is taxed in the respective countries where the properties are situated. However, these incomes must also be declared in France, but double taxation agreements are in place to eliminate the possibility of being taxed twice on the same income.

Financial income represents another category to be considered for taxation within the SCPI framework. Financial income arises from the SCPI's treasury investments, although it tends to be minimal due to the relatively small portion of cash holdings and the low interest rates in France. Investors are required to declare this financial income in the capital gains category. Since January 1st, 2018, investors, which fall within the marginal tax bracket of at least 30%, have the option to select the flat rate withholding tax regime, commonly referred as the "Prélèvement Forfaitaire Unique" (PFU), which stands at 30% (including both 17.2% for social security contributions and 12.8% for the unique tax rate). Alternatively, investors may choose to be taxed according to progressive income tax rates based on the global and irrevocable option selected by the taxpayer.

The SCPI's asset sales can give rise to potential *real estate capital gains*, subject to taxation. When the SCPI sells properties it owns, the associated capital gains are directly paid by the SCPI's management company to the “Trésor Public” (public treasury). The tax rate for these capital gains is typically 19%, with an additional 17.2% for social security contributions. Abatements for the holding period are available to reduce the taxable base of the capital gain. Similar to rental income, provisions are generally in place to prevent double taxation on real estate capital gains from foreign sources. It is the responsibility of the management company to pay the relevant taxes in such cases. Investors must declare these potential real estate capital gains. However, they will not directly pay the tax, as the SCPI will apply the appropriate abatement for the holding period on their behalf.

When shareholders sell their SCPI shares, any resulting capital gains or losses are treated similarly to those realized from the sale of properties by the SCPI. The tax on these capital gains or losses is paid directly by the SCPI's management company. Nonetheless, it remains necessary for the investor to report the capital gain or loss in their tax declaration, which will impact their taxable income. It is important to note that if SCPI shares are held within a life insurance policy, the applicable taxation rules are determined by the regulations governing life insurance, encompassing both income and capital gains.

When comparing European SCPIs to their French counterparts, variations in taxation become apparent. As previously mentioned, French investors are subject to taxation on both their marginal tax bracket and social security contributions. In contrast, European SCPIs follow a different taxation structure. In this context, this is the management company of the SCPI that pays the foreign corporate tax, resulting in the investor being liable for a tax calculated as the difference between their marginal tax rate and the average tax rate (the average tax rate is derived from dividing the investor's income tax by the investor's taxable income). One of the advantages of European SCPIs is the exoneration of social security contributions. In conclusion, when solely considering the aspect of taxation, European SCPIs are more attractive than French SCPIs. However, there are several strategies available to optimize the taxation of French SCPIs, including loan subscriptions, temporary dismemberments, life insurance, or partnerships.

Finally, it is crucial to emphasize the significance of distinguishing between the *micro foncier* regime and the actual regime. The comparison between the two regimes involves distinct approaches to the taxation of rental income. The *micro-foncier regime* is available to investors

whose annual rental income falls below the threshold of €15,000. Under this regime, investors can enjoy a 30% deduction on their gross rental income prior to the application of income tax and social security contributions. On the other hand, the *actual regime* is applied when rental income surpasses the aforementioned threshold. Consequently, investors are no longer eligible for the 30% deduction. However, they are allowed to deduct various expenses associated to their real estate investments, such as loan interest, management fees, co-ownership charges, and renovation costs. The net rental income, following the deduction of these expenses, is then subject to income tax and social security contributions. In summary, the choice between the two regime depends on the level of rental income earned. While the *micro-foncier regime* offers simplicity and a flat-rate deduction, the *actual regime* allows for the inclusion of various deductible expenses, providing an opportunity to minimize the taxable base. Investors should carefully assess their rental income and associated expenses to determine the most advantageous taxation regime for their specific circumstances.

4.1.5. Risk Assessment in SCPI Investments: Key Considerations

Investing in SCPIs can present an opportunity for substantial financial gains and rewarding investment outcomes. However, it is crucial to acknowledge that this vehicle entail inherent risks and are not devoid of uncertainties. Their performance can be affected by various factors, such as economic conditions, changes in interest rates, and regulatory changes.

In the context of real estate investment, it is essential to recognize the market's cyclical character, emphasizing the preference for long-term investment strategies. SCPIs, like direct real estate investment, are subject to the overall fluctuations of the market. Consequently, a downturn in the real estate sector can potentially result in reduced investment returns. Such variations are manifested through the positive or negative movements observed in the unit price of SCPI shares. Values can undergo significant corrections either on a national scale or within specific geographical regions. It is essential to note that SCPIs do not offer guarantees regarding capital preservation, income generation, or liquidity. Nevertheless, they are often regarded as secure investments due to their underlying asset, namely real estate, which is associated with stability and reliability.

The risk of capital is an intrinsic concern associated with SCPIs, as the invested capital is not guaranteed and can experience fluctuations in both positive and negative directions. The risk is closely connected to the volatility of the rental market. SCPIs generate rental income from their

tenants, which is subsequently distributed to investors in the form of potential dividends. However, if a tenant fails to meet their rental obligations by paying less or ceasing payment altogether, the SCPI may be unable to redistribute the income, consequently impacting the potential dividend amount. Nonetheless, SCPIs with a diverse portfolio of multiple tenants are able to mitigate this risk through risk dispersion. To assess this risk, it is important to consider not only the sector or location on which an SCPI specializes but also the quality of its tenants and their lease terms. SCPIs should thoroughly assess the financial capabilities of the tenants and optimize lease durations to minimize income fluctuations. Another inherent risk is the vacancy rate during periods of low demand, which directly affects the dividends received if not adequately anticipated by the management companies. Vacancy risks are prevalent in markets where supply surpasses demand. However, in the current French market, we observe a demand exceeding supply, rendering this risk nonexistent or extremely limited.

SCPIs are also exposed to liquidity risk. SCPI shares are long-term investments and are not as liquid as stocks or bonds. It should be noted, however, that listed Real Estate Investment Trusts (REITs) provide a more liquid investment option, although this topic will not be addressed in the present paper. While management companies cannot provide guarantees, they offer mechanisms to improve liquidity, such as programmed sales or dividend reinvestment options. Nonetheless, selling SCPI shares can be more challenging when there is an urgent need for liquidity. This is because the management company does not guarantee the redemption of shares, the company must find a potential buyer to repurchase the shares. The average time frame for selling SCPI shares can range from a few weeks to several months.

Other intrinsic risks exist in the SCPI and real estate market. Firstly, we need to consider the risk of management. The management company is not guaranteed, and, like any other company, it can face financial difficulties. Additionally, it is essential to consider the impact of legislative changes. SCPI investments rely on rental income generated by the management company. However, the amount of rent received is not fixed and may be subject to adjustments in response to evolving legislation. Lastly, there exists the potential for currency risk, applicable solely to SCPIs that have invested in countries outside the eurozone. This risk stems from the influence of currency markets on the assets and rental income of an SCPI, which can yield positive or negative implications for prospective earnings and property valuation. Consequently, these fluctuations can affect the share price, contingent upon currency exchange rate fluctuations.

In essence, it is important to understand the risks associated with this type of investment, like any other vehicle. As previously discussed, the mitigation of these risks necessitates the establishment of a well-diversified portfolio comprising various SCPIs alongside consistent investments. Diversification helps to spread risks without eliminating them entirely. Moreover, it is essential to recognize that past performance of SCPIs merely serves as an evaluative indicator for future performance. Consequently, it is crucial to acknowledge that an SCPI is never impervious to potential declines in its yield.

4.2. SCPI landscape overview

4.2.1. SCPIs: a popular real estate investment option in France

SCPIs are a type of collective investment vehicle that were first introduced in France in the 1970s and became since a popular investment option for French savers. These investment vehicles, under the supervision of the COB (formerly the AMF), were exclusively offered and marketed by private banks. Designed to cater to the investment aspirations of acquiring commercial real estate, SCPIs were distinct from traditional financial investments leading to their substantial popularity among savers. During the 1980s, several factors contributed to the growth of SCPIs. The real estate market experienced a robust expansion, and the COB's greater control made sure that subscribers were getting better information because of the increase of SCPI options. Legislative measures in 1986 further reinforced the disclosure requirements for SCPI unit-holders. Alongside the mainstream SCPIs, which primarily invested in commercial properties, there was a proliferation of specialized SCPIs focused on residential real estate. This diversification within the sector underscored the growing enthusiasm among investors for SCPIs, and later, capital gain-oriented SCPIs gained traction. However, the sector underwent an extensive restructuring in the 1990s due to the growth of the real estate market and the development of new regulations governing SCPIs. Since the 2000s, SCPIs have continued to grow in popularity. They have now become a mainstream investment option for French savers and they offer a variety of different investment strategies. There are a number of factors that have contributed to the popularity of SCPIs such as attractive yields, the liquidity level, the diversification benefits and the professional management. For example, SCPIs reach record levels in terms of net inflows by collecting €10.2 billion in 2022 (ASPIM, 2023). Overall, SCPIs have garnered substantial popularity in France over the years as investors seek avenues for real estate exposure without the responsibilities of property management.

4.2.2. SCPIs in France: Types, Performance, and Inflows

As outlined in Section 4.1.1., there are different types of SCPIs available for investors in France depending on their investment preferences: Yield SCPIs, Tax efficient SCPIs and Capital Appreciation SCPIs. The performance of SCPIs has exhibited a gradual increase over the years, with a recorded 4.53% in 2022, compared to 4.45% in 2021 and 4.18% in 2020 (ASPIM, 2023). Furthermore, there has been a significant surge in net inflows for SCPIs, reaching €10.2 billion in 2022, marking a substantial 37% increase compared to 2021 and surpassing the previous record set at €8.6 billion in 2019. At the geographical level, half of the properties are located in Paris and its surrounding, and there has been a 10% rise in real estate acquisitions abroad (mainly in Europe), compared to figures from 2021.

The present study focuses exclusively on “*Yield SCPI*” aiming to generate rental income. The dataset encompasses 79 SCPIs across 28 management companies, of which 20 are classified as SRI SCPIs. Within the category of “Yield SCPIs,” a range of subtypes exists, including offices, commerce, health, thematic, diversified, European, and regional SCPIs. Examination of returns from 2018 to 2022 reveals notable similarities between traditional and SRI-labeled SCPIs, yielding 4.58% and 4.38%, respectively (Appendix 3: Returns of traditional and labeled French SCPIs). It should be noted, however, that the SRI label is a relatively recent, with eight SCPIs within the panel receiving their label in 2022. Additionally, in terms of physical and financial occupancy rates and fees level, similar patterns are observed between the two groups (Appendix 4: Occupancy Rate and Fees of traditional and labeled French SCPIs). From an initial assessment, there appear to be no significant financial advantages evident for sustainable SCPIs at this time.

4.2.3. Shift towards Sustainable Investments and Impact Investing

In recent times, a noticeable shift towards sustainable investments has been observed. In addition, the concept of impact investing has emerged as a strategy in the minds of investors, and SCPIs are increasingly acknowledged as vehicles with the potential to generate both financial returns and impact. Some management companies are strategically utilizing their SCPIs to integrate ESG factors into their investment decisions, by pursuing for example the prestigious SRI label and reporting on sustainability performance to stakeholders using frameworks like SFDR. The interviews conducted with the management companies panel of the study revealed a clear emphasis on specific themes that are gaining prominence with a strong focus on investments in green buildings, social housing, and sustainable infrastructure.

A clear commitment to reducing greenhouse gas emissions and enhancing the quality of the built environment is evident. For instance, Norma Capital has implemented specific processes dedicated to energy optimization and biodiversity preservation when acquiring properties, including the installation of photovoltaic panels, waterproofing of parking lots, and replanting of fruit trees to encourage pollination, among other. Norma Capital's actions and initiatives will be detailed in the next stages of this paper.

The relationship between SCPIs and impact investing in France has given rise to distinct trends and patterns. The real estate sector is observing a rising demand for sustainable investments, driven by a growing number of investors who are now mindful of the environmental and social consequences of their investments. This increasing awareness has fueled the quest for sustainable investment opportunities, particularly those aligned with positive environmental and social outcomes. As mentioned before, some SCPIs are dedicated and focused on sustainable themes, and encompass objectives like providing affordable housing, investing in renewable energy, and promoting sustainable development. The "Kyaneos Pierre" SCPI, launched in 2018, reflects Kyanos AM's commitment to renovating France's housing stock while contributing to the country's energy transition. The SCPI's investment strategy consists of buying residential buildings and carrying out renovation work, with the aim of improving the energy efficiency and quality of the accommodation. This commitment improves living condition for residents and reduces the overall environmental footprint of the built environment. In essence, the "Kyaneos Pierre" SCPI serves as a tangible manifestation of Kyanos AM's mission to combine financial viability with environmental and societal benefits. Through its investments, the SCPI reflects the company's commitment to revitalizing housing, reducing carbon footprints, and aligning with France's broader sustainability objectives.

Furthermore, there is an ongoing effort to develop and improve ESG standards. The French government supports initiatives such as the SRI label and OID's Responsible Real Estate Barometer (BIR). In summary, the relationship between impact investing and SCPIs in France is still in its early stages, but it is evident that there is a growing interest in this domain. As the demand for sustainable investments continues to rise, it is foreseeable that more SCPIs will emerge with a dedicated focus on impact investing, aligning financial goals with positive environmental and social contributions.

4.3. Assessment of social and environmental impact

Management companies of SCPIs have the power to have a significant social and environmental impact. Recent documentation and interviews showed 4 major criteria/metrics indicators: energy efficiency ratings, green building certifications, social housing supported and community engagement initiatives. By investing in such properties, investors can help to reduce greenhouse gas emissions, improve the built environment, and promote affordable housing.

4.3.1. Energy efficiency ratings

Energy efficiency ratings are a way of measuring how efficiently a building uses energy. There are a number of energy efficiency ratings systems around the world, but the most common adopted by French SCPI are the “DPE” (energy performance diagnosis) and the “BBC” (low-energy building).

#DPE (energy performance diagnosis)

The DPE provides information on the energy and climate performance of a home or building, assessing its energy consumption and impact in terms of greenhouse gas emissions. It is part of the energy policy defined at European level to reduce the energy consumption of buildings, limit greenhouse gas emissions and identify energy wastes. Its aim is to inform of the "green value" of the property, recommend work to be carried out to improve it and estimate energy costs. The DPE is mandatory for all property put up for sale or rent since January 1, 2013. The DPE is divided into two parts:

- The first part presents the property's energy characteristics, such as insulation, heating and cooling equipment, windows, etc.
- The second part gives the property an energy label, ranging from A to G, with A being the best and G the worst.

The DPE is a useful indicator for SCPIs as it helps to evaluate the energy performance of a property owned by these latter. Properties with a good energy performance are more profitable than properties with a bad energy performance, as they use less energy and therefore require less functioning fees. Moreover, properties with a good energy performance are more attractive for tenants as they offer a better comfort and quality of life. SCPIs that invest in buildings with good energy performance are therefore more likely to find tenants and generate higher rental income.

Some SCPIs adopt a specific DPE threshold in the acquisition of properties. The SCPI Primovie distributed by Primonial REIM is a leader in health and education real estate and has a clear environmental objective. The latter invests only in properties with a DPE greater or equal to B. The SCPI is aligned on a trajectory that will enable it to contribute to achieving the national objective of carbon neutrality by 2050 in line with the 2015 Paris Agreements. On the other hand, some SCPIs do not have specific criteria on DPE but is committed to investing in energy-efficient buildings. For example, buildings invested by Norma Capital are generally tertiary real estate located in urban areas and in good general condition with high-quality amenities. The management company is also committed to improving the energy performance of its buildings, carrying out energy renovation work where necessary. During the pre-acquisition phase of the investment process, Norma Capital set up an extra-financial rating grid comprising around 30 indicators spread across the 3 ESG pillars, including a criterion on DPE.

#BBC (low-energy building)

The BBC label is awarded to buildings that must meet certain standards for energy efficiency. BBC buildings are generally more energy-efficient than conventional buildings as they are designed to limit heating, cooling, and lighting requirements. This is a French energy efficiency rating system that was introduced in 2007 by “Effinergie”. There are two types of BBC label requirements, depending on the age of the property:

- new properties must not exceed the target consumption of 50 kWh/m².year.
- Existing properties must consume less than 50% of conventional energy consumption.

For existing properties, the target is 80 kWh/m².year.

The BBC label is mandatory for all new properties except for properties with a building permit issued before January 2013.

SCPIs that invest in low-energy buildings can be more profitable than SCPIs that do not invest in. This is due to the fact that BBC buildings consume less energy and therefore incur lower operating costs. Moreover, BBC buildings, like buildings with good DPE ratings, are more attractive to tenants and therefore SCPI can potentially generate higher rental income.

The Real estate asset management company AEW is specialized in commercial real estate and invests in office, retail, and hotel properties. AEW has developed a particular expertise in low-energy buildings. The company has invested in over 1,000 low-energy buildings, representing

a total of over 3 million square meters. These buildings consume less energy than conventional buildings, enabling AEW to reduce its operating costs and generate higher returns for its customers. AEW is also committed to the fight against climate change. The company has developed a strategy to reduce its greenhouse gas emissions and has reached its goal of carbon neutrality by 2020. The company has been recognized for its expertise in low-energy building and its commitment to sustainable development.

4.3.2. Green building certifications

Today, there are three main certifications for construction and renovation projects: the French HQE (High Environmental Quality), the British BREEAM (BRE Environmental Assessment Method) and the North American LEED (Leadership in Energy and Environmental Design). Broadly similar, they rate a building's environmental performance according to a number of criteria of their own, and then award it a level of certification.

HQE stands for « Haute Qualité Environnementale », which stands for « High Environmental Quality ». It is a green building certification system that was developed in France in 1996. The HQE certification is based on a multi-criteria approach that assesses the environmental performance of buildings across a range of engagements, including energy efficiency, water conservation, indoor air quality and sustainable site development. Buildings that meet the standards for the HQE certification are awarded one of four levels of certification: HQE-Excellence (the highest level of certification), HQE-Performance, HQE-Renovation and HQE-Aspirant. This certification is a valuable tool for promoting sustainable development in the built environment. For example, in the second quarter of 2022, Perial AM acquired the emblematic "La Marseillaise" tower in Marseille's Euroméditerranée district. This acquisition is intended for its SCPI PFO2. The 33-storey building covers almost 38,000 sq.m., with a majority of offices, retail space and archives (215 sq.m.). The building has been awarded various certifications, including HQE Excellent. By acquiring a tower with HQE Excellent certifications, Perial AM positions itself as a leader in sustainable real estate investment. This move showcases the company's innovation in identifying and acquiring properties that not only provide financial returns but also align with environmental and societal values.

BREEAM stands for Building Research Establishment Environmental Assessment Method. It is a green building certification system that was developed in the United Kingdom in 1990. BREEAM is the most widely used green building certification system in the world and is used

to assess the environmental performance of buildings across a range of areas. Buildings that meet the standards for the BREEAM certification are awarded one of nine levels of certification: Outstanding (the highest level of certification), Excellent, Very Good, Good, Pass, Aspirant, Refurbished and New Construction. For example, in 2022, the SCPI Primopierre, managed by Primonial REIM made a major acquisition. This is an office property on avenue Gambetta in the 20th arrondissement of Paris. The building offers excellent property fundamentals and a wide range of services (restaurant, cafeteria, accessible terraces, training rooms, etc.) totaling some 20,000 m². Completely restructured and due for delivery in 2019, it has been awarded HQE Excellent and BREEAM Very Good. Moreover, SCPI Allianz Pierre has announced the acquisition of the "Le Passage" office building in 2022. The building also boasts a number of certifications including HQE sustainable building and BREEAM Excellent level. In essence, acquiring such buildings aligns with the SCPI's commitment to responsible and sustainable real estate investments, ensuring that the properties adhere to high environmental standards and demonstrating the commitment to contribute positively to the built environment.

LEED (Leadership in Energy and Environmental Design) certification was created in the USA in 1998 by the US Green Building Council. It is an ecological certification that promotes ecological architecture and buildings of high environmental quality. The certification concerns the entire building and not just the materials used in its construction and can be awarded to both new buildings and renovation projects. This certification covers tertiary sector, residential, logistics and institutional buildings. There are four levels of LEED certification, depending on the ecological performance of the building. Each level corresponds to a score out of 100, expressed in points: LEED Certified (minimum score of 40 points); LEED Silver (minimum score of 50 points); LEED Gold (minimum score of 60 points); and LEED Platinum, which requires (minimum score of 80 points). To award points to each building analyzed, seven major criteria are considered: site selection, transport accessibility, water management, energy efficiency, choice of materials, quality of life and innovation. For example, management company AEW acquired a property complex in Brussels in 2021. This property was renovated between 2017 and 2020 and now boasts LEED Platinum certification. The property is leased to Axa, Uniqlo and Basic Fit. In addition, in 2022, Perial AM also acquired the "Urban Cube" office building in Milan. The asset has obtained LEED Gold certification for the efficient use of its energy and water resources. Acquiring buildings with LEED certification holds significant implications for SCPIs. These include the improvement of environmental performance, the

alignment with investor values, the tenant attraction, and long-term value preservation. This strategic move not only distinguishes the SCPI in the market, but also secures its investments in the face of rising sustainability demands.

4.3.3. Social housing units supported and community engagement initiatives

SCPIs can play a significant role towards social housing and community engagement initiatives. Investing in social housing units can have a significant positive impact on the availability and quality of affordable housing for low-income households. The SCPI Patrimmo Croissance Impact is defined as an impact fund by Primonial REIM. The SCPI invests in social housing in large and medium-sized cities, and focuses on different types of social housing, such as apartment buildings, single-family homes, and student residences. The SCPI is the first social housing SCPI in France. In addition to promoting access to housing for all, in French cities where housing is becoming increasingly expensive, the rental of Patrimmo Croissance Impact properties at capped rents contributes to restoring purchasing power to the French and reducing inequalities for a more inclusive city. The SCPI mainly targets social and intermediate housing in cities with high rental demand, facilitating access and the residential career of residents and developing urban diversity. This impact-oriented approach is combined with a long-term capital gains objective. As a result, the share price of Patrimmo Croissance Impact has risen by nearly 44% between the fund's inception and the 1st quarter of 2022.

Besides, SCPIs can support community engagement initiatives, such as programs that provide education and training to residents. This can help to build stronger communities and improve the quality of life for everyone. The Fair Invest SCPI, managed by Norma Capital, invests in commercial real estate and systematically takes into account ESG criteria in its investment policy. The SCPI is committing itself to improving these criteria in the management of its assets. Fair Invest mainly invests in the fields of health and education and makes social issues a key part of its strategy, by supporting associations. According to the feedback from the professionals interviewed in this study, in real estate, when you are an association, you are charged a higher rent than the market rate because there is a risk that you won't be able to stay very long. At Fair Invest, the management team has decided to not apply this kind of practice and apply the same rents for everyone. The SCPI owns real estate that is used by associations such as the Association Against Violence Against Women.

On the other hand, some management companies have decided to give their savings to a socially responsible and philanthropic dimension. This is the case of the management company Foncière Magellan and its SCPI Foncière des Practiciens, which adopted the status of sharing fund in November 2020. This move is in line with the spirit that has prevailed since its creation: to offer a socially oriented savings vehicle in the healthcare sector. This offers current and future SCPI members the opportunity to strengthen their and the company's commitment to healthcare, medical research, and dependency. Unitholders can choose to donate at the desired rate (between 10% and 30%), which will be deducted from their quarterly income. This donation is tax-deductible and benefits to the ARSEP Foundation (up to 30%), France Tutelle (up to 40%) and Institut Vivalto Santé (up to 30%). Foncière Magellan is also committed to donating 20% of its annual management fee to these 3 associations and foundations.

4.4. Case study: Norma capital

In order to approach the research question of the study, it is interesting to deal with a case study on Norma Capital. Norma Capital is a French asset management company founded in 2016. The company is headquartered in Paris and regulated by the AMF. Norma Capital specializes in the management of commercial real estate investment funds, including SCPIs and OPCIs. The company's investment strategy focuses on socially responsible investment (SRI) and the company is a signatory of the Principles for Responsible Investment (PRI). It is currently the only management company in France to offer an entire range of SCPI label-approved funds. In 2022, the funds managed by Norma Capital reached a capitalization of over one billion euros. This amount is split between the public offer via the SCPI Vendôme Régions and the SCPI Fair Invest (€700 million), and the offer aimed at professionals (€300 million). Norma Capital has an experienced team of professionals based in Paris, including a small but dedicated SRI team. SRI considerations are integrated into various positions company-wide, encouraging collaboration and alignment. All employees work on the same platform to facilitate exchanges between departments. The management team is committed to providing high-quality investment products and services to its customers.

4.4.1. Norma Capital's SCPIs overview

As mentioned earlier, Norma Capital has two main product lines: SCPIs and OPCIs. For the purpose of the study, the analysis will be limited to the SCPIs managed by the company. Specifically, Norma Capital is managing three SCPIs: Vendôme Régions, Fair Invest and Ncap

Continent. These SCPIs invest in a diversified portfolio of commercial real estate assets in France with each SCPI focusing on one or more pillars of ESG criteria.

The Vendôme Région SCPI was established in 2015 with the goal of investing in France's major current and future metropolises. Its investment portfolio mainly consists of office, business, and retail premises. The SCPI concentrates its investments in the major conurbations of the French provinces and in the Île-de-France region. Its investment process is articulated around the environmental pillar and is focusing on two criteria: energy and biodiversity. For instance, with respect to energy considerations, the management company seeks to optimize space in order to create greener energy practices. This involves initiatives such as installing photovoltaic panels on building rooftops or parking lots, setting up charging stations for electric vehicles and implementing green roof technologies. An illustration of relevant environmental regulations that influence the SCPI's operations is the French "Energy and Climate" law (Loi Energie et Climat - LEC) of 2019, which mandates new commercial facilities or warehouses exceeding 1,000 m² to incorporate photovoltaic solar panels or green roofs covering at least 30% of their surface area. Moreover, regarding biodiversity considerations, the management company will seek to de-vegetate parking lots or even replant trees. Notably, in response to a situation in the Strasbourg area where trees were required to be cut down, Norma Capital commits to replanting trees, with a focus on fruit trees that provide flowers and nectar for pollinators. The second SCPI, Fair Invest, was created in 2018 and focuses mainly on the healthcare and education sectors. The strategic direction of this SCPI aims to address societal needs by tackling mainly the shortage of doctors' surgeries and childcare facilities. The most recent addition to Norma Capital's portfolio is the Ncap Continent SCPI, created in 2023. Its vocation is diversification, with the aim of investing in European tertiary properties. It prioritizes governance issues while also integrating environmental and societal concerns within its investment strategy.

In conclusion, each of Norma Capital's SCPIs is thoughtfully designed to complement one another and avoid potential cannibalization. They adopt distinct strategies and approaches with a shared commitment to ESG principles.

4.4.2. Socially Responsible Investment at Norma Capital

Norma Capital demonstrates a strong commitment to socially responsible investing, focusing its investment strategy on real estate assets with positive societal and environmental impacts. The company's dedication to SRI was not influenced by market constraints. The SRI label,

initially introduced for equity funds in 2016, was later extended to real estate funds in 2020, thanks to the efforts of ASPIM, PWC, and AFG. Norma Capital's SCPI Fair Invest became the first in France to receive the SRI label on November 1, 2020. Robin Godet, the management company's SRI manager, points out that from the outset of its creation in 2018, it was intended to be an SRI-oriented SCPI.

It is important to note that Norma Capital has implemented and developed its SRI Policy in place since 2022. This strategic initiative aims to enhance transparency with investors by fostering a strong commitment to public disclosure of pertinent information. Their SRI policy is built around ESG considerations:

- **ENVIRONMENT:** Norma Capital places great emphasis on mitigating its environmental impact. To achieve this, they focus on reducing fluid consumption encompassing energy, water, and carbon emissions. To achieve energy efficiency and sustainability, they concentrate on enhancing buildings and advocating for changes in tenant behavior. For instance, the company has developed an exclusion policy where the assets dealing with petrochemicals, alcohol, gambling, tobacco, arms, deforestation are excluded.
- **SOCIAL:** The SRI Policy incorporates efforts to enhance the well-being and comfort of occupants. This includes facilitating accessibility to public transport and supporting soft mobility alternatives. Moreover, they actively strive to provide access and accommodations for individuals with reduced mobility, thereby promoting inclusivity within their real estate offerings. For instance, certain commercial spaces serve as host venues for diverse entities, including the Association Against Abuse of Women, as well as medical practices, dental centers, and other similar establishments.
- **GOVERNANCE:** Norma Capital is committed to promoting transparency and awareness among all stakeholders involved in the real estate value chain. They achieve this by disseminating relevant information and engaging with stakeholders. Furthermore, the company actively participates in industry bodies that promote and uphold best practices in real estate governance. To go further in their efforts, Norma capital decided to have debt-free SCPIs. This is because the carbon footprint of the major French banks represents almost 8 times the greenhouse gas emissions of the whole of France. The idea behind was not to have an SRI SCPI that would be used to finance climate change.

Generally speaking, the label guides management company’s approach. At Norma Capital, each fund has its own ESG rating, but always from a best-in-progress⁶ perspective. This strategy is particularly interesting in a context where improving environmental performance is a major concern. Since its creation, Norma Capital has developed a methodology for analyzing and selecting ESG real estate assets on behalf of its investment funds. The methodology is reviewed at least once a year by a dedicated SRI Committee. Each fund managed by Norma Capital has its own investment and management strategy. The main themes included in the ESG grids produced by Norma Capital on behalf of these funds cover a broad spectrum of SRI and are presented in the table below:

Figure 5: ESG criteria of Norma Capital



SOURCE: NORMA CAPITAL (2022)

In the acquisition phase, all new assets are subject to an ESG rating according to the rating grid specific to each fund. ESG rating grid of the three SPCI is composed generally of 30 indicators spread across the three ESG pillars. If the rating is higher than the minimum, the company intends to keep it that way over time. If, on the other hand, the rating falls below the fund's minimum, the company intends to implement site-specific actions to improve its rating over time. As an illustration, they may evaluate the site's feasibility for establishing a photovoltaic

⁶ The best-in-progress approach is a type of ESG approach which consists in selecting assets with a relatively low ESG rating and with a high potential improvement over time. The fund then commits to improve the asset over time according to an established long-term plan of action, aimed at improving the asset's ESG rating

zone or whether it has undergone an assessment of the surface biotope coefficient. Subsequently, based on these evaluations, they can make informed decisions regarding the implementation of specific processes. All properties in the funds are subject to an annual ESG rating update to reflect the progress of the asset in relation to the target set at the time of acquisition. This also demonstrates the specific management of a site and/or the involvement of tenants. ESG rating of buildings is performed at the time of acquisition and during management to allow observation of the achievement of the objectives set and presented annually in the SRI reports of labelled funds.

In terms of transparency and risk management, a control plan is in place to ensure that the SRI strategy of each fund is properly applied. For assets to be acquired, an evaluation of each potential acquisition can be carried out by a specialized service provider, with the completion of the fund's ESG grid and the submission of a summary report on the asset. These elements, validated by the SRI Manager, are presented at Investment Committee meetings. For assets under management, monitoring indicators are updated annually by the rental management teams, based on the various discussions held with stakeholders during the year. Second-level controls are carried out by the Management Company's Legal and Compliance Department. In particular, the ESG analysis grid and summary tables are checked. In addition, an external audit is carried out every year to ensure compliance with SRI Real Estate label requirements. At the end of the audit and control cycle, the Management Company is audited by AFNOR for the annual audits of the SRI label.

4.4.3. Identified issues and potential future practices

The implementation of Social Responsibility and the introduction of SRI label raised some difficulties for Norma Capital. For all funds of the management, the process began at the fund's inception. However, a challenge faced by the company was the regulatory requirement to ensure the authenticity of the approach. Companies are prohibited from promoting the labeling process in their statutes or websites during the pre-acquisition phase and this latter can affect the commercialization of fund. The AMF mandates companies to be labeled before disclosing such information to safeguard investors from any potential misconduct. SCPIs are subject to strict regulations and must comply with all applicable laws, rules, and standards to ensure transparency and investor protection. Regular reporting can be seen as a complex and time-consuming task for SCPIs. One of the main problems is that regulations and reporting standards frequently evolve, requiring SCPIs to adapt quickly to these changes and update their

procedures accordingly. In addition, reports must be increasingly detailed, and include complex financial and operational information.

One prevailing observation concerning the real estate sector, according to Mr. Godet, is the issue of generalization with an abundance of rules and regulations. Many texts or reporting requirements demand essentially the same information but in different formats, leading to the production of multiple reports with the same objectives for various stakeholders. For instance, asset management companies must navigate both French regulations (e.g., Loi LEC) and European regulations (e.g., SFDR, taxonomy), which ultimately adds complexity to their daily operations. For example, the SFDR requires asset managers to provide more and more information on sustainability risk and impact of their investment products sold in EU. While the essence of these regulations is beneficial, streamlining the process could be considered by establishing a unified entity capable of consolidating these thematic and regulatory aspects. One potential solution would be the establishment of an organization that takes the initiative to consolidate all regulatory requirements into a standardized reporting framework. Moreover, as interpretations of regulations often differ among actors, the comparability of publications becomes challenging for the public. While the AMF tries to harmonize regulations, this process is time-consuming. Therefore, there is a change in the duties of asset management organizations from practical to more technical-legal aspects, forcing them to strengthen their legal departments.

Another factor to consider is the disparity in ratings and the need for standardization efforts. Today, each management company has its own rating system. As a result, it presents a difficulty to individual savers and professionals delivering these services because there is no meaningful comparability. The current label allows management companies to pursue their strategies, leading to a proliferation of diverse rating grids. This issue extends not only at the national level but also on a European scale. Efforts toward standardizing ESG grids are underway, exemplified by initiatives like AFREXIM's development of a standardized ESG grid to evaluate the impact on property values. However, it is important to note that the current French SRI label does not impose a mandatory adoption of this grid. The variety of tactics used by different funds makes it difficult to create a thorough, universally applicable standard grid for ESG evaluation in the real estate sector.

4.4.4. SCPIs' Path to Sustainability

In a way, real estate holds a pivotal role as it encompasses various activities across France, including housing, offices, commercial spaces, and industries. Consequently, the impact of real estate is consequent and it concerns the buildings but also the activities of their occupants. Regarding environmental impacts, if a management company decides to make its SCPIs environmentally friendly, it can invest in improving parking facilities, lighting, heating, and air conditioning systems within the buildings. They can have a meaningful impact according to Mr. Godet. Additionally, management companies can raise awareness among occupants, encouraging energy-saving practices and promoting biodiversity. This dialogue with stakeholders extends beyond mere lease agreements, forming a crucial aspect of the SCPIs' role in the real estate landscape. There is a real democratization of responsible investment practices concerning savers, with an increasing embrace of this approach supported by most management companies today. These companies enjoy the advantage of reaching both individual investors and professionals, thereby offering a broad spectrum of awareness and engagement.

From a pure real estate perspective, there is a growing trend towards the labeling of funds. In recent years, several key issues have emerged. Firstly, carbon-related concerns become significant, affecting various sectors and activities. Secondly, there is a focus on biodiversity where the real estate sector can have a positive impact by implementing various preservation measures. Lastly, the need for adaptation and resilience to climate change is increasingly recognized. These trends are further reinforced by regulatory developments.

Looking ahead, the emergence of new labels seems unlikely, and obtaining the current label is expected to become more challenging according to Mr. Godet. Instead, he believes that existing regulatory obligations will strengthen in the coming years. For instance, Article 29-LEC (Energy and Climate Law) requires reporting by all investment companies/real estate funds with assets under management exceeding 500 million euros. This reporting includes general questions about the funds and a series of inquiries regarding environmental, biodiversity, and climate change adaptation issues. The inclusion of these non-financial questions is a response to the strong demand from lawmakers for such disclosures.

5. General discussion

5.1. Main conclusion:

5.1.1. Leveraging Sustainable Real Estate Investment for Positive Social and Environmental Impact

In an era marked by the urgent need for change to combat the climate crisis, nations seek to implement comprehensive solutions. Additionally, the growing social awareness among people has fostered an environment where sustainability is a priority. Although the international community has taken notable steps like the COP21 agreement, the pressing nature of the climate crisis necessitates more substantial and immediate efforts. Simultaneously, the commitment made towards the SDGs has introduced a framework that provide for both individuals and professional investors a common language for accountability and transparency. The introduction of a Taxonomy at the European level, such as the SFDR led to a significant stride towards a unified classification system and put pressure on the disclosure of sustainability risk and impact of investments.

The real estate sector is decisive area in the sustainability wheel and can plays a pivotal role in the improvement of critical environmental and social factors. By acknowledging that buildings in Europe account for approximately 40% of global energy consumption and 33% of greenhouse gas emissions, the sector bears a tremendous responsibility and presents opportunities for emission reduction. As mentioned in the study, from an environmental perspective, this sector holds the potential to develop and to standardize green modernization, energy efficiency practices and the use of sustainable materials. The sector can also be an important actor in the management of resources and can minimize the environmental impact through water saving measures, waste reduction strategy, etc. From a social perspective, the real estate sector has implications for in the social stratification of cities. Sustainable real estate development can address housing inequalities, enhance living conditions, contribute to community well-being and therefore foster a more inclusive urban environment. Sustainable real estate projects can encourage the use of public transportation, cycling and walking, reducing the use of private cars and therefore the gas emissions.

The evolution of the financial sector is not an isolated phenomenon. Within this evolution, concepts like SRI and Impact Investing have risen at the same time. A primary driver of these trends is the growing demand from the investors (Roberts and al., 2007; Déjan and al., 2011). While SRI is widely understood, Impact Investing introduces a nuanced approach where generate positive and measurable social environmental effect alongside financial return is a

priority. Unlike conventional strategies, this approach emphasizes on the real-world outcomes that an investment can create. The convergence of these concepts highlights the mutual goal of aligning investments with beneficial outcomes. Furthermore, the adoption of labels such as the French SRI label, represents an important initial step in driving investments towards sustainability and can be seen as a subsequent stage for the integration of future tools for impact investing (Arjaliès et al, 2018) and supporting the achievement of the SDGs (Noureddine, 2022). Nonetheless, it is the Impact Investing approach that recently offered an alternative that embody the capacity to catalyze significant social and environmental transformations. Within the realm of real estate, the latter approach denotes investments that not only yield monetary gains but also positive shifts. This approach demonstrates the capacity to address concerns like environmentally and socially conscious modernization (Höchstädter and Scheck, 2015).

Shifting our attention to the French real estate landscape, the real estate sector's energy-intensive nature has led to commitments towards environmental practices and certifications (DPE, BBC, etc). Government regulations reinforce this determination by emphasizing the government's firm commitment to aligning the sector with long-term sustainable principles. The accessibility of SCPIs distinguishes them. Their structure democratizes real estate investment, enabling a wider spectrum of investors (such as individuals and smaller stakeholders) to actively participate in projects that align with their sustainability values. Therefore, it nurtures a culture of positive change and encourages a broader adoption of sustainable and impact investing practices.

5.1.2. SCPIs: Catalyzing Sustainable Development and Impact Investing

SCPIs are a dynamic vehicle that exhibit qualities that contribute to sustainable development due to their inherent characteristics and investment strategies. SCPIs are gradually becoming a reliable alternative for realizing impactful environmental and social change. Along this paper we have seen the ways through which SCPIs contribute to advancing sustainability goals and embracing an impact-driven investing philosophy.

Their long-term investment horizon and risk diversification make them conducive to supporting environmentally and socially impactful projects. The robustness of their investment strategies deriving from their diverse real estate assets, has increasingly incorporate properties with pronounced ESG attributes. On the other hand, for some of French management companies, the diversification criteria of their SCPIs is not only about reducing risk, but also about trying to make a positive impact on society and the environment.

The SCPI's capacity to have a direct impact on communities is perhaps one of its most compelling features. Through targeted investments, management companies can invest in real estate projects that resonate with the immediate needs of communities such as the support of green building projects (by the obtention of food energy efficiency ratings or green building certifications) or the contribution to the societal well-being (SCPI Patrimmo Croissance Impact and its strategy to promote housing access for all). Indeed, SCPIs are pivotal in fostering the momentum of green modernization. Their involvement in financing and promoting energy-efficient building upgrades not only enhances the energy efficiency of structures but also substantially reduces their carbon footprint. This contribution is crucial in the ongoing global pursuit of sustainability and environmental stewardship. Beyond the individual projects they engage in, management companies and their SCPIs exercise a diffused influence on the real estate market. Their reputation enables them to prioritize sustainable projects and ventures, setting a standard for the industry and encouraging other property developers and owners to adopt environmentally conscious and socially responsible practices. This inevitably leads to the real estate sector becoming more sustainable.

A remarkable facet of SCPIs is their ability to bridge the gap between financial and impact returns. By providing investors with the opportunity to achieve both financial gains and tangible societal and environmental contributions, SCPIs create a harmonious synthesis that appeals to a diverse range of investors. The structured nature of SCPIs and the regulatory oversight fosters a culture of accountability. Investors and managers are inclined to diligently manage and comprehensively report on the nature of their investments. The regulatory oversight (by the AMF) and government initiatives around the SCPI cultivates responsible management practices that reinforce transparency and ethical standards. Even we focused on Yield SCPI in this study, it can be important to mention that the French government has implemented specific tax incentives which encourages Tax-efficient SCPIs to move towards sustainable practices. For example, Malraux's SCPIs allows to deduct from taxes the property deficit resulting from eligible renovation work within the limit of €100,000 per tax household. In return, there is a commitment to retain the shares for a period of 15 years. Tax incentives targeting green real estate and affordable housing underscore the government's commitment to incentivize environmentally conscious investments, providing a fiscal framework that reinforces sustainability.

In essence, SCPIs represent a powerful confluence of factors that converge to facilitate sustainable development and embrace impact investing principles. Their long-term horizon, diversification, direct community impact, green modernization endeavors, industry influence, regulatory oversight, accessibility, accountability, and dual financial-impact returns collectively position them as instrumental players in the transition towards a more sustainable and socially responsible real estate landscape. Through SCPIs, financial prosperity and positive societal and environmental outcomes come together, offering a powerful means of driving change and foster a future defined by both financial gains and social progress.

5.2.Limitations

The impact investing approach within the French real estate sector, particularly through the SCPIs universe, is promising for promoting sustainable development and generating positive impact. However, through this paper, we have discussed of a wide range of topics, and some very clear limits emerged. There are several limitations and challenges that need to be acknowledged and addressed to fully realize these potential benefits.

One of the major limitations is the confusion towards the impact definition and the lack of clarity around this concept (Höchstädter and Scheck, 2015; Clarkin and Cangioni, 2015). The concept of impact investing has gained prominence in recent years, but a clear and universally accepted definition is yet to emerge. Defining this concept is crucial and while frameworks like the SDGs or certification schemes like GRESB are emerging and provide a starting point, they may not capture the full spectrum of impacts and give rise to a lack of accountability and consistency in assessing the impact. This can lead to confusion and differing interpretations among investors, limiting the ability to accurately measure and compare impact. In this study, it was difficult to find a common definition and recognized frameworks. This had a direct impact on the analysis of the actions implemented by certain management companies. The question that keeps coming up is: can we call this action as an impact or not? Despite this, certain organizations are trying to demystify this environment, and it must be recognized that this kind of framework implementation takes time. Moreover, it is important to recontextualize that all the sustainability frameworks in the financial sectors are from most of them very recent and took time to emerged, driven mainly by the climate change and the increasingly sustainable consciousness of investors in general.

In line with what mentioned just before, the lack of definition is in pairs with the lack of standardized metrics for measuring impact and reporting progress. In the financial sector, various sustainability indices like the DJSI and FTSE4Good have emerged. This can be seen as a positive first step, but each indices include its criteria leading to inconsistent evaluations of a company's sustainability performance. At the level of the French real estate sector, metrics dedicated to measuring impact are very limited. This only reliable framework for the management companies and investors is the French SRI Label. However, while the SRI label is a step towards integrating impact into investment decisions, its effectiveness remains limited by one more time unclear criterion, lack of standardized data, and methodologies (Arjaliès and al., 2020). As mentioned earlier, the French SRI label provides a framework, but management companies are free to choose the criteria that they want (Lavaine, 2020). There are no mandatory and clear criteria where we can rely on, and this impact the consistency of this label. All this vagueness around the standardization has the potential to bring an “impact washing” or/and a “social washing”. This is a significant concern that may overstate their positive effects on social and environmental issues. It could become challenging to verify the authenticity of the impact claims made by SCPIs and this could therefore undermine the investor confidence and the credibility of impact investments. Without improvements in communication and transparency, the SRI label's potential to guide impact investing practices is constrained.

Another limitation of this study is around the emergence of new sustainable SCPI which integrate in majority ESG criterion. The first obstacle to this study concerns the competitive returns and the risk Perception. For example, traditional investment vehicles have established track records for generating returns, while sustainable SCPI remains relatively new and cannot exhibit a track record as complete and reliable as the traditional investment vehicles. The limited long-term performance data available makes it challenging to evaluate their true impact on sustainable development and social equity over extended periods. This is why most of the analysis was qualitative rather than quantitative, due to the lack of data and vision. The comparison between sustainable SCPIs, despite the SRI label, is difficult as they do not have the same structure, the same risks, etc. A generalization has therefore been carried out, and the actions taken by these management companies have been prioritized.

In conclusion, while impact investing through SCPIs in the French real estate sector offers potential benefits for sustainable development, it is vital to address the limitations discussed above. Overcoming these challenges requires greater transparency, standardized measurement

methods, clear impact definitions, and a commitment to accountability. By addressing these dilemmas, the positive potential of impact investing can be better harnessed to drive real social and environmental change.

5.3.Future research

There are some directions and openings in the field of impact investing in the French real estate sector that have been not detailed as much or simply not addressed in this study. Along the research of this study, we proved that SCPI can provide valuable insights and contribute to the ongoing development of sustainable investment practices, but future research and areas of exploration must be pursued.

The field of impact investing is evolving rapidly, and therefore, there is a need for frequent future overviews of the landscape like realized in this study in the French real estate sector. It could be interesting to extend the research beyond national boundaries to explore the impact of similar vehicle of SCPIs on sustainable development in other European countries, to understand how they could promote positive impact across their jurisdictions and assess the potential for global collaboration.

The collaboration between industry stakeholders (including investors, SCPI managers) and regulatory bodies may lead to the establishment of universally accepted measurement tools that accurately capture the social, environmental, and economic dimensions of impact. This is a field that needs to be monitored very closely. Additionally, it is worth exploring the technological advancements such as smart buildings or energy efficient technologies and how they can enhance the sustainability performance of SCPIs. The investigation of the potential innovative solutions integration into SCPI investments could maybe in the future maximize positive environmental outcomes and improve investor returns.

Lastly, this thesis is based on qualitative data, but it would be interesting to examine impact investing from a quantitative perspective when sufficient time investment horizon and reliable data will be available. This could involve analyzing the evolution of key indicators (such as energy efficiency improvements and carbon emissions reduction) or how the impact investors performed financially compared to investors investing in traditional approach.

6. Appendices

Appendix 1: SCPIs characteristics

Management Company	SCPI	Capitalisation (in M€)	Performance of 2022	Share Price in 2022	Geographical distribution	Typological distribution	Financial occupation rate	Physical occupation rate
PRIMONIAL REIM France	SCPI Primovie	4200	4,50%	€203,00	France	Health	96,80%	96,80%
	SCPI Primopierre	3600	4,21%	€208,00	France	Offices	87%	87%
	SCPI Patrimmo Croissance	156	N/A	€723,00	France	Thematic	100%	100%
PERIAL AM	SCPI PFO2	2911	4,32%	€196,00	France & Europe	Offices	92%	92%
IMMOVALOR GESTION	SCPI Allianz Pierre	1581	4,01%	€340,00	France	Offices	98,36%	90,36%
FONCIERE MAGELLAN	SCPI Foncière des praticiens	50	5,10%	€1 100,00	France	Health	97,21%	97,21%
	SCPI Vendôme régions	350	5,71%	€670,00	France	Diversifiante	97%	98,00%
NORMA CAPITAL	SCPI Fair Invest	33,5	4,73%	€200,00	France	Diversifiante	100%	100%
	SCPI Ncap Continent	N/A	N/A	€210,00	Europe	European	N/A	N/A

Appendix 2: French Income Brackets

Income brackets	Income tax bracket rate
From €10,778 to €27,478	11%
From €27,479 to €78,570	30%
From €78,571 to €168,994	41%
More than €168,994	45%

Appendix 3: Returns of traditional and labeled French SCPIs

Traditional SCPI								Labeled ISR SCPI							
NAME	TYPE	2018	2019	2020	2021	2022	AVERAGE	NAME	TYPE	2018	2019	2020	2021	2022	AVERAGE
SCPI GROUPAMA GAN REIM	diversifiante	5,15%	5,24%	4,32%	4,14%	4,90%	4,75%	SCPI INTERPIERRE	thematics	5,26%	5%	4,70%	5,20%	5,40%	5,11%
SCPI ALLIANZ PIERRE	offices	4,25%	4,20%	4,04%	4,01%	4,01%	4,10%	SCPI ATREAM HOTELS	thematics	4,60%	4,75%	2,81%	2,64%	5,05%	3,97%
SCPI CFCOCOMA	commerces	3,16%	4,22%	5,56%	-	-	4,31%	SCPI PIERRE EXPANSION SANTE	diversifiante	5,02%	5%	4,31%	4,02%	4,42%	4,55%
SCPI CFCOCOMA 2	commerces	5,35%	4,09%	3,70%	-	-	4,38%	SCPI LF GRAND PARIS PATRIMOINE	offices	4,00%	4,28%	4,41%	4,53%	4,53%	4,35%
SCPI NOVAPIERRE	commerces	3,95%	4,21%	3,70%	4,80%	-	4,17%	SCPI EDISSIMMO	offices	4,13%	4,00%	3,90%	3,67%	3,65%	3,87%
SCPI NOVAPIERRE Allemagne	europeans	4,99%	4,45%	4,51%	4,84%	4,80%	4,72%	SCPI GENEPIERRE	offices	4,32%	4,22%	3,78%	3,84%	3,82%	4,00%
SCPI NOVAPIERRE RESIDENTIEL	thematics	1,98%	1,97%	2,07%	2%	2%	2,06%	SCPI RIVOLI AVENIR PATRIMOINE	offices	3,73%	3,65%	3,48%	3,80%	3,40%	3,61%
SCPI CARAC PERSPECTIVES IMMO	diversifiante	4,15%	4,14%	4,05%	4,15%	4,22%	4,14%	SCPI ELYSEES PIERRE	offices	3,75%	3,70%	-	3,63%	3,77%	3,71%
SCPI ATLANTIQUE PIERRE 1	diversifiante	5,90%	6,12%	6,62%	6,16%	6,96%	6,35%	SCPI EPARGNE PIERRE	diversifiante	5,97%	5,85%	5,36%	5,36%	5,28%	5,56%
SCPI BUROBOUITIC	diversifiante	4,34%	4,42%	4,27%	4,08%	4,31%	4,28%	SCPI EUROVALYS	offices	4,50%	4,50%	4,50%	4,74%	4,57%	4,56%
SCPI CAPFORCE PIERRE	diversifiante	5,17%	5,95%	5,50%	6,06%	8,93%	6,32%	SCPI PF GRAND PARIS	offices	4,40%	4,38%	4,53%	4,42%	4,32%	4,41%
SCPI FCOMMERCE	commerces	4,61%	4,57%	4,13%	4,14%	4,57%	4,40%	SCPI PFO2	offices	4,51%	4,66%	4,50%	4,59%	4,32%	4,52%
SCPI LOGIPIERRE 3	thematics	4,71%	5,03%	1,81%	3%	5,31%	3,97%	SCPI PRIMOPIERRE	offices	4,50%	5,92%	5,04%	4,77%	4,21%	4,89%
SCPI SELECTPIERRE 2	diversifiante	3,68%	3,56%	4,07%	4,03%	4,04%	3,88%	SCPI PRIMOVIE	health	4,50%	4,51%	4,50%	4,60%	4,51%	4,52%
SCPI EFIMMO 1	offices	5,06%	4,97%	4,80%	4,91%	4,98%	4,94%	SCPI ESG PIERRE CAPITALE	diversifiante	4,50%	4,50%	4,05%	4,84%	5,05%	4,59%
SCPI IMMORENTE	diversifiante	4,70%	4,64%	4,42%	4,64%	4,82%	4,64%	SCPI ACCES VALEUR PIERRE	offices	4,44%	4,02%	3,72%	3,86%	4,45%	4,10%
SCPI IMMORENTE 2	commerces	2,90%	2,95%	2,96%	3,59%	4,62%	3,40%	SCPI ACCIMMO PIERRE	offices	4,02%	4,01%	3,81%	4,61%	3,80%	4,05%
SCPI SOFIERRE	diversifiante	4,71%	4,51%	4,39%	4,80%	5,10%	4,70%	SCPI OPUIS REAL	diversifiante	1,59%	2,88%	2,25%	2,79%	3%	2,50%
SCPI CM OC PIERRE INVESTISSEMENT	offices	4,27%	4,30%	4,60%	4,78%	4,93%	4,58%	SCPI VENDOME REGIONS	diversifiante	6,03%	6,10%	6,02%	5,91%	5,71%	5,95%
SCPI CREDIT MUTUEL PIERRE 1	offices	4%	4%	4%	4%	4,20%	4,04%	SCPI ATLANTIQUE MUR REGIONS	offices	5%	4,87%	4,71%	4,61%	4,61%	4,76%
SCPI EPARGNE FONCIERE	offices	4,46%	4,40%	4,40%	4,40%	4,38%	4,41%								
SCPI EUROFONCIERE 2	offices	4,50%	4,43%	4,34%	-	-	4,42%								
SCPI LF EUROPIMMO	europeans	4,18%	4,05%	4,02%	4,02%	4,32%	4,12%								
SCPI LF OPPORTUNITE IMMO	diversifiante	4,65%	5,04%	4,52%	5,21%	5,40%	4,96%								
SCPI MULTIMOBILIER 2	offices	4,30%	4,21%	4,00%	4,00%	-	4,13%								
SCPI PIERRE PRIVILEGE	diversifiante	4,55%	4,36%	4,05%	-	-	4,32%								
SCPI SELECTINVEST 1	offices	4,01%	4,10%	4,10%	4,10%	4,17%	4,10%								
SCPI CRISTAL RENTE	commerces	5,11%	5,08%	4,84%	5,09%	5,05%	5,03%								
SCPI L'OUSTAL DES AVEYRONNAIS	diversifiante	3,52%	3,37%	3,21%	2,84%	2,93%	3,17%								
SCPI FONCIERE REMUSAT	commerces	5,45%	5,31%	4,40%	4,85%	5,78%	5,16%								
SCPI IMMO PLACEMENT	offices	5,48%	5,51%	5,50%	5,53%	5,54%	5,51%								
SCPI CAP HEBERGIMMO	thematics	4,72%	4,71%	1,46%	3,50%	5%	3,88%								
SCPI AESTIAN PIERRE RENDEMENT	commerces	4,59%	4,59%	3,43%	4,16%	4,61%	4,28%								
SCPI LE PATRIMOINE FONCIER	offices	3,99%	4,71%	4,86%	5,48%	5,99%	5,01%								
SCPI PLACEMENT PIERRE	offices	4,73%	4,92%	4,77%	5,01%	5,01%	4,89%								
SCPI PIERREVENUS	diversifiante	4,88%	4,69%	3,54%	3,84%	4,38%	4,27%								
SCPI CAP FONCIERES ET TERRITOIRES	regionals	5,40%	5,33%	5,63%	5,61%	5,92%	5,58%								
SCPI NOTAPIERRE	offices	4%	4%	4%	3,62%	3,63%	3,85%								
SCPI PARTICIPATION FONCIERE OPPORTUNITE	offices	4,87%	4,92%	4,24%	4,82%	5,57%	4,88%								
SCPI PATRIMMO COMMERCE	commerces	4,60%	4,60%	3,41%	3,19%	3,86%	3,93%								
SCPI UFIFRANCE IMMOBILIER	offices	4,87%	4,95%	5,52%	5,52%	4,83%	5,14%								
SCPI PRIMOFAMILY	thematics	4%	5,7%	3,50%	3,03%	3%	3,82%								
SCPI PIERVAL SANTE	health	5,05%	5,05%	4,95%	5,33%	5,35%	5,15%								
SCPI CŒUR DE VILLE	commerces	5,13%	5,30%	5,30%	5,30%	5,30%	5,27%								
SCPI CŒUR DE REGIONS	diversifiante	6,25%	6,25%	6,30%	6,43%	6,40%	6,33%								
SCPI AEW PARIS COMMERCE	commerces	5,11%	5,15%	5,24%	5,46%	6,04%	5,40%								
SCPI ACTAPIERRE EUROPE	commerces	3,60%	4%	3,43%	3,83%	4,05%	3,78%								
SCPI ATOUT PIERRE DIVERSIFICATION	diversifiante	4,12%	4,14%	4,11%	4,14%	4,07%	4,12%								
SCPI FRUCTUPIERRE	offices	4,06%	4,25%	3,36%	3,77%	4%	3,89%								
SCPI FRUCTIREGIONS EUROPE	offices	4,62%	4,39%	4,88%	4,33%	4,35%	4,51%								
SCPI LAFFITTE PIERRE	offices	3,85%	4,03%	3,49%	3,53%	4%	3,78%								
SCPI PIERRE PLUS	commerces	4%	4,10%	3,44%	4,03%	4,06%	3,93%								
SCPI FRANCE INVESTIPIERRE	offices	4,72%	4,06%	3,80%	3,95%	4,67%	4,24%								
SCPI PIERRE SELECTION	commerces	4,25%	3,75%	4,86%	3,88%	5,58%	4,37%								
SCPI SUDORIENTE	offices	4,29%	4,10%	4,08%	4,19%	4,77%	4,29%								
SCPI CORUM XL	europeans	8,03%	6,26%	5,66%	5,84%	5,97%	6,35%								
SCPI CORUM ORIGIN	europeans	7,33%	6,28%	6%	7,03%	6,88%	6,70%								
SCPI KYANEOIS PIERRE	thematics	7,05%	6,81%	6,10%	5,83%	5,37%	6,23%								
SCPI UNIDELTA	offices	5,10%	4,85%	4,48%	5,71%	4,68%	4,96%								

Appendix 4: Occupancy Rate and Fees of traditional and labeled French SCPIs

Traditional SCPI			
NAME	TYPE	Financial occupation	Physical occupation
SCPI GROUPE GAN REIM	diversifiate	98,20%	98,20%
SCPI ALLIANZ PIERRE	offices	98,90%	90,90%
SCPI OFCOMA	commerces	96,50%	96,50%
SCPI OFCOMA 2	commerces	86,70%	86,70%
SCPI NOVAPIERRE	commerces	87,90%	87,90%
SCPI NOVAPIERRE Allemagne	europeans	97,10%	97,10%
SCPI NIVAPIERRE RESIDENTIEL	thematics	86,00%	86,00%
SCPI CARAC PERSPECTIVES IMMO	diversifiate	93,20%	94,90%
SCPI ATLANTIQUE PIERRE 1	diversifiate	88,20%	88,20%
SCPI BUROBOUTIC	diversifiate	91,05%	91,05%
SCPI CAPIFORCE PIERRE	diversifiate	94,60%	94,60%
SCPI FICOMMERCE	commerces	90,71%	90,71%
SCPI LOGIPIERRE 3	thematics	98,16%	98,16%
SCPI SELECTPIERRE 2	diversifiate	93,18%	93,18%
SCPI EFIMMO 1	offices	98,71%	98,71%
SCPI IMMORRENTE	diversifiate	93,13%	93,13%
SCPI IMMORRENTE 2	commerces	97,06%	97,06%
SCPI SOFIPIERRE	diversifiate	94,58%	94,58%
SCPI CM CIC PIERRE INVESTISSEMENT	offices	91,44%	91,44%
SCPI CREDIT MUTUEL PIERRE 1	offices	83,30%	86,20%
SCPI EPARGNE FONCIERE	offices	94,90%	91,60%
SCPI EUROFONCIERE 2	offices	90,70%	90,70%
SCPI LF EUROPIMMO	europeans	96,00%	94,60%
SCPI LF OPPORTUNITE IMMO	diversifiate	97,00%	97,50%
SCPI MULTIMOBILIER 2	offices	88,70%	88,70%
SCPI PIERRE PRIVILEGE	diversifiate	90,10%	90,10%
SCPI SELECTINVEST 1	offices	89,30%	90,70%
SCPI CRISTAL RENTE	commerces	97,80%	97,80%
SCPI L'OUSTAL DES AVEYRONNAIS	diversifiate	99,46%	99,46%
SCPI FONCIERE REMUSAT	commerces	94,08%	94,08%
SCPI IMMO PLACEMENT	offices	96,20%	96,20%
SCPI CAP HEBERGIMMO	thematics	100,00%	100,00%
SCPI AESTIAM PIERRE RENDEMENT	commerces	95,60%	95,60%
SCPI LE PATRIMOINE FONCIER	offices	97,30%	97,30%
SCPI PLACEMENT PIERRE	offices	92,40%	92,40%
SCPI PIERREVENUS	diversifiate	91,80%	91,80%
SCPI CAP FONCIERES ET TERRITOIRES	regionals	97,85%	97,85%
SCPI NOTAPIERRE	offices	83,87%	83,87%
SCPI PARTICIPATION FONCIERE OPPORTUNITE	offices	94,50%	94,50%
SCPI PATRIMMO COMMERCE	commerces	89,50%	89,50%
SCPI LUFIFRANCE IMMOBILIER	offices	98%	98%
SCPI PRIMOFAMILY	thematics	91,40%	91,40%
SCPI PIERVAL SANTE	health	98,82%	98,82%
SCPI CŒUR DE VILLE	commerces	95,20%	92,70%
SCPI CŒUR DE REGIONS	thematics	92,10%	94%
SCPI AEW PARIS COMMERCE	commerces	95,62%	95,62%
SCPI ACTIPIERRE EUROPE	commerces	94,81%	94,81%
SCPI ATOUT PIERRE DIVERSIFICATION	diversifiate	86,54%	86,43%
SCPI FRUCTIPIERRE	offices	81,78%	87,69%
SCPI FRUCTIREGIONS EUROPE	offices	87,99%	90,46%
SCPI LAFFITTE PIERRE	offices	91,18%	89,27%
SCPI PIERRE PLUS	commerces	91,36%	93,35%
SCPI France INVESTIPIERRE	offices	93,40%	93,40%
SCPI PIERRE SELECTION	commerces	89,70%	89,70%
SCPI SOPRORENTE	offices	93,20%	93,20%
SCPI CORUM XL	europeans	96,12%	96,12%
SCPI CORUM ORIGIN	europeans	95,51%	95,51%
SCPI KYANOS PIERRE	thematics	73,60%	73,60%
SCPI UNIDELTA	offices	90,33%	90,33%

Traditional SCPI			
NAME	TYPE	Management fees	Subscription fees
SCPI GROUPE GAN REIM	diversifiate	12,00%	12,00%
SCPI ALLIANZ PIERRE	offices	12,00%	12,00%
SCPI OFCOMA	commerces	8,85%	8,00%
SCPI OFCOMA 2	commerces	10,00%	10,00%
SCPI NOVAPIERRE	commerces	9,60%	9,60%
SCPI NOVAPIERRE Allemagne	europeans	12,00%	12,00%
SCPI NIVAPIERRE RESIDENTIEL	thematics	8,00%	8,29%
SCPI CARAC PERSPECTIVES IMMO	diversifiate	14,00%	2,00%
SCPI ATLANTIQUE PIERRE 1	diversifiate	8,50%	10,00%
SCPI BUROBOUTIC	diversifiate	10,80%	12,00%
SCPI CAPIFORCE PIERRE	diversifiate	10,80%	12,00%
SCPI FICOMMERCE	commerces	12,00%	11,16%
SCPI LOGIPIERRE 3	thematics	8,00%	10,00%
SCPI SELECTPIERRE 2	diversifiate	9,60%	7,99%
SCPI EFIMMO 1	offices	12,00%	12,00%
SCPI IMMORRENTE	diversifiate	12,00%	12,00%
SCPI IMMORRENTE 2	commerces	12,00%	12,00%
SCPI SOFIPIERRE	diversifiate	12,00%	12,00%
SCPI CM CIC PIERRE INVESTISSEMENT	offices	9,60%	7,20%
SCPI CREDIT MUTUEL PIERRE 1	offices	12,00%	9,60%
SCPI EPARGNE FONCIERE	offices	12,00%	9,00%
SCPI EUROFONCIERE 2	offices	9,60%	12,00%
SCPI LF EUROPIMMO	europeans	12,00%	9,60%
SCPI LF OPPORTUNITE IMMO	diversifiate	14,40%	10,80%
SCPI MULTIMOBILIER 2	offices	12,00%	9,60%
SCPI PIERRE PRIVILEGE	diversifiate	12,00%	10,80%
SCPI SELECTINVEST 1	offices	10,80%	7,50%
SCPI CRISTAL RENTE	commerces	13,20%	10,00%
SCPI L'OUSTAL DES AVEYRONNAIS	diversifiate	12,00%	6,00%
SCPI FONCIERE REMUSAT	commerces	10,80%	9,60%
SCPI IMMO PLACEMENT	offices	9,60%	10,80%
SCPI CAP HEBERGIMMO	thematics	7,20%	8,00%
SCPI AESTIAM PIERRE RENDEMENT	commerces	12,00%	9,60%
SCPI LE PATRIMOINE FONCIER	offices	7,78%	4,81%
SCPI PLACEMENT PIERRE	offices	11,40%	9,60%
SCPI PIERREVENUS	diversifiate	7,20%	7,20%
SCPI CAP FONCIERES ET TERRITOIRES	regionals	8,00%	10,00%
SCPI NOTAPIERRE	offices	11,40%	9,60%
SCPI PARTICIPATION FONCIERE OPPORTUNITE	offices	12,00%	12,00%
SCPI PATRIMMO COMMERCE	commerces	12,00%	9,15%
SCPI LUFIFRANCE IMMOBILIER	offices	12,00%	12,00%
SCPI PRIMOFAMILY	thematics	10,00%	11,96%
SCPI PIERVAL SANTE	health	8,40%	10,51%
SCPI CŒUR DE VILLE	commerces	9,57%	11,06%
SCPI CŒUR DE REGIONS	diversifiate	10,00%	12,00%
SCPI AEW PARIS COMMERCE	commerces	11,04%	10,80%
SCPI ACTIPIERRE EUROPE	commerces	11,04%	10,80%
SCPI ATOUT PIERRE DIVERSIFICATION	diversifiate	9,60%	9,30%
SCPI FRUCTIPIERRE	offices	10,80%	7,80%
SCPI FRUCTIREGIONS EUROPE	offices	10,80%	7,80%
SCPI LAFFITTE PIERRE	offices	10,80%	10,17%
SCPI PIERRE PLUS	commerces	11,04%	10,80%
SCPI France INVESTIPIERRE	offices	10,20%	9,60%
SCPI PIERRE SELECTION	commerces	12,00%	12,00%
SCPI SOPRORENTE	offices	12,00%	9,00%
SCPI CORUM XL	europeans	13,20%	12,00%
SCPI CORUM ORIGIN	europeans	13,00%	11,96%
SCPI KYANOS PIERRE	thematics	8,00%	11,00%
SCPI UNIDELTA	offices	8,00%	5,20%

Labeled ISR SCPI			
NAME	TYPE	Financial occupation	Physical occupation
SCPI INTERPIERRE	thematics		87,80%
SCPI ATREAM HOTELS	thematics		100,00%
SCPI PIERRE EXPANSION SANTE	diversifiate		93,03%
SCPI LF GRAND PARIS PATRIMOINE	offices		95,40%
SCPI EDISSIMMO	offices		81,68%
SCPI GENEPIERRE	offices		84,04%
SCPI RIVOLI AVENIR PATRIMOINE	offices		83,14%
SCPI ELYSEES PIERRE	offices		89,38%
SCPI EPARGNE PIERRE	diversifiate		95,86%
SCPI EUROVALYS	offices		92,93%
SCPI PF GRAND PARIS	offices		93,40%
SCPI PFO2	offices		92%
SCPI PRIMOPIERRE	offices		87%
SCPI PRIMOVIE	health		96,80%
SCPI ESG PIERRE CAPITALE	diversifiate		97,47%
SCPI ACCES VALEUR PIERRE	offices		90,80%
SCPI ACCIMMO PIERRE	offices		92,20%
SCPI OPIUS REAL	diversifiate		100,00%
SCPI VENDOME REGIONS	diversifiate		97%
SCPI ATLANTIQUE MUR REGIONS	offices		87,23%

Occupancy Rate		
	Past 5 years share financial occupation (2018 - 2022)	Past 5 years share physical occupation (2018 - 2022)
Traditional SCPI	92,60%	92,60%
Labeled ISR SCPI	91,86%	91,71%

Labeled ISR SCPI			
NAME	TYPE	Management fees	Subscription fees
SCPI INTERPIERRE	thematics	10,00%	10,00%
SCPI ATREAM HOTELS	thematics	12,00%	12,00%
SCPI PIERRE EXPANSION SANTE	diversifiate	10,20%	12,00%
SCPI LF GRAND PARIS PATRIMOINE	offices	10,00%	9,60%
SCPI EDISSIMMO	offices	11,96%	8,39%
SCPI GENEPIERRE	offices	9,90%	11,90%
SCPI RIVOLI AVENIR PATRIMOINE	offices	9,60%	9,60%
SCPI ELYSEES PIERRE	offices	10,20%	6,00%
SCPI EPARGNE PIERRE	diversifiate	11,96%	11,96%
SCPI EUROVALYS	offices	12,00%	11,40%
SCPI PF GRAND PARIS	offices	12,00%	10,00%
SCPI PFO2	offices	13,80%	10,00%
SCPI PRIMOPIERRE	offices	12,00%	10,76%
SCPI PRIMOVIE	health	12,00%	9,15%
SCPI ESG PIERRE CAPITALE	diversifiate	12,00%	10,40%
SCPI ACCES VALEUR PIERRE	offices	10,80%	12,00%
SCPI ACCIMMO PIERRE	offices	10,80%	12,00%
SCPI OPIUS REAL	diversifiate	12,00%	12,00%
SCPI VENDOME REGIONS	diversifiate	12,00%	12,00%
SCPI ATLANTIQUE MUR REGIONS	offices	12,00%	12,00%

Fees		
	Management fees	Subscription fees
Traditional SCPI	10,76%	9,89%
Labeled ISR SCPI	11,36%	10,66%

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