

Built to Last

A climate risk assessment of European real estate
and the case for resilience.

In partnership with



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Physical climate risk is increasingly affecting the performance, value, and long-term investability of real estate assets. More frequent and severe climate events are contributing to higher operating and capital costs, tightening insurance conditions, and creating the potential for assets exposed to higher risks to become less liquid or significantly devalued.

Against this backdrop, [Zurich Resilience Solutions](#) and the [European Public Real Estate Association \(EPRA\)](#) have partnered to develop a data-driven assessment of physical climate risk across the region's real estate sector. The objective is to move beyond high-level exposure reporting and establish a clearer connection between climate hazards, portfolio vulnerability and their potential financial implications. For listed real estate companies in particular, these financial implications flow directly into asset valuations, financing conditions and mandatory sustainability disclosures, making resilience a driver of value rather than a reporting exercise.

Using anonymised, asset-level insights from Zurich Insurance and EPRA members, along with our

proprietary climate data, financial impact models and risk assessment methodology, we assessed how risk is distributed across different countries, property sectors and future climate scenarios. Importantly, the study is intended to support action.

By identifying where risks are most concentrated and examining the potential benefits of adaptation, our aim is to help companies prioritise resilience investments, strengthen risk management practices, and protect the long-term value of their portfolios.

We hope this work contributes to a more consistent understanding of physical climate risk across the listed real estate sector – all while building resilience in the face of an evolving climate landscape.



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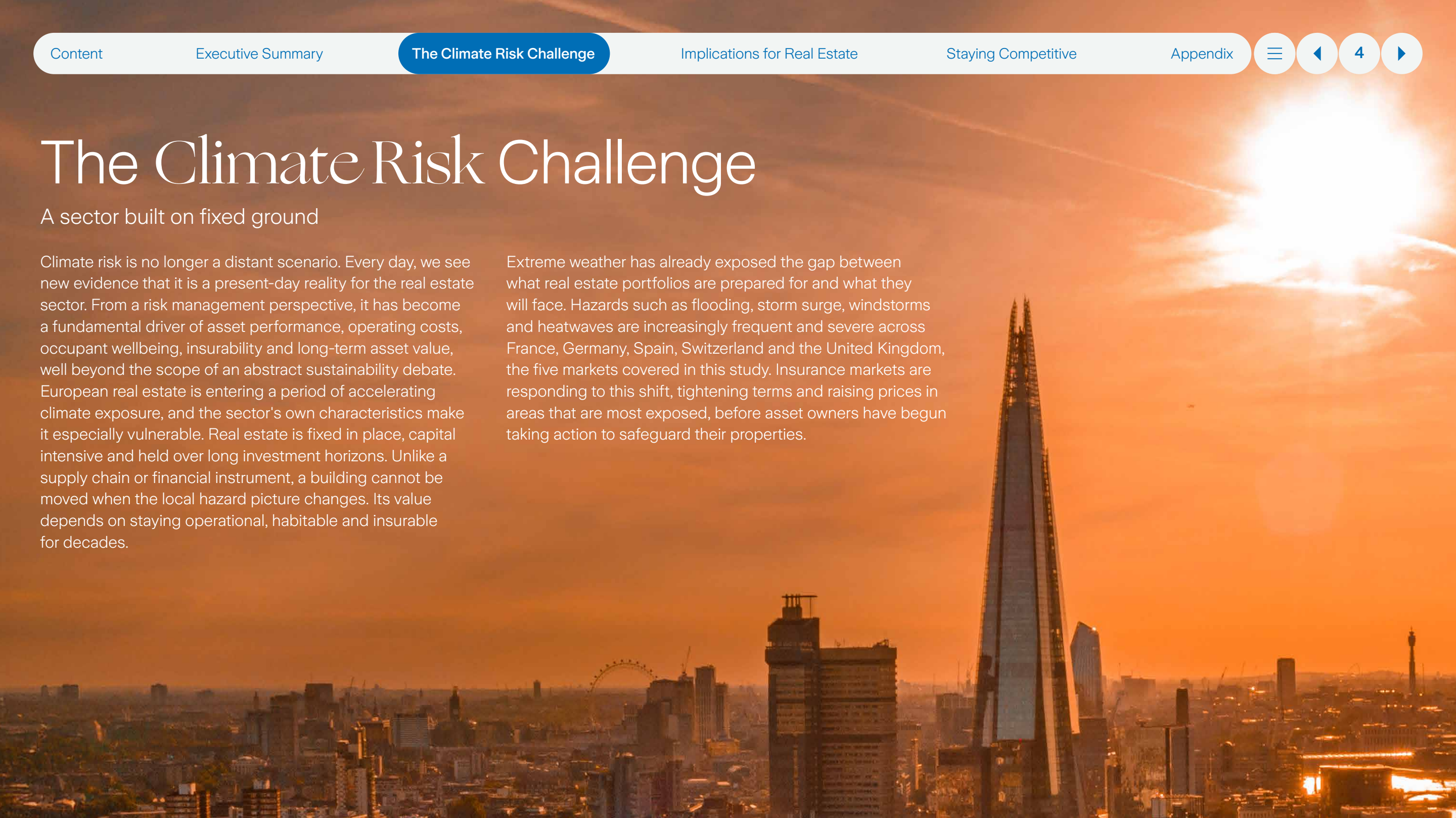
EPRA: Lourdes Calderon, Sissi Li

The Climate Risk Challenge

A sector built on fixed ground

Climate risk is no longer a distant scenario. Every day, we see new evidence that it is a present-day reality for the real estate sector. From a risk management perspective, it has become a fundamental driver of asset performance, operating costs, occupant wellbeing, insurability and long-term asset value, well beyond the scope of an abstract sustainability debate. European real estate is entering a period of accelerating climate exposure, and the sector's own characteristics make it especially vulnerable. Real estate is fixed in place, capital intensive and held over long investment horizons. Unlike a supply chain or financial instrument, a building cannot be moved when the local hazard picture changes. Its value depends on staying operational, habitable and insurable for decades.

Extreme weather has already exposed the gap between what real estate portfolios are prepared for and what they will face. Hazards such as flooding, storm surge, windstorms and heatwaves are increasingly frequent and severe across France, Germany, Spain, Switzerland and the United Kingdom, the five markets covered in this study. Insurance markets are responding to this shift, tightening terms and raising prices in areas that are most exposed, before asset owners have begun taking action to safeguard their properties.



The basis for this analysis

To understand these risks and where they might be headed, Zurich Resilience Solutions – in partnership with EPRA – analysed a portfolio of approximately 21,000 real estate assets. This sample represents around €363 billion in combined asset value across the five countries, incorporating buildings in commercial, residential, industrial, logistics, hospitality and specialised sectors.

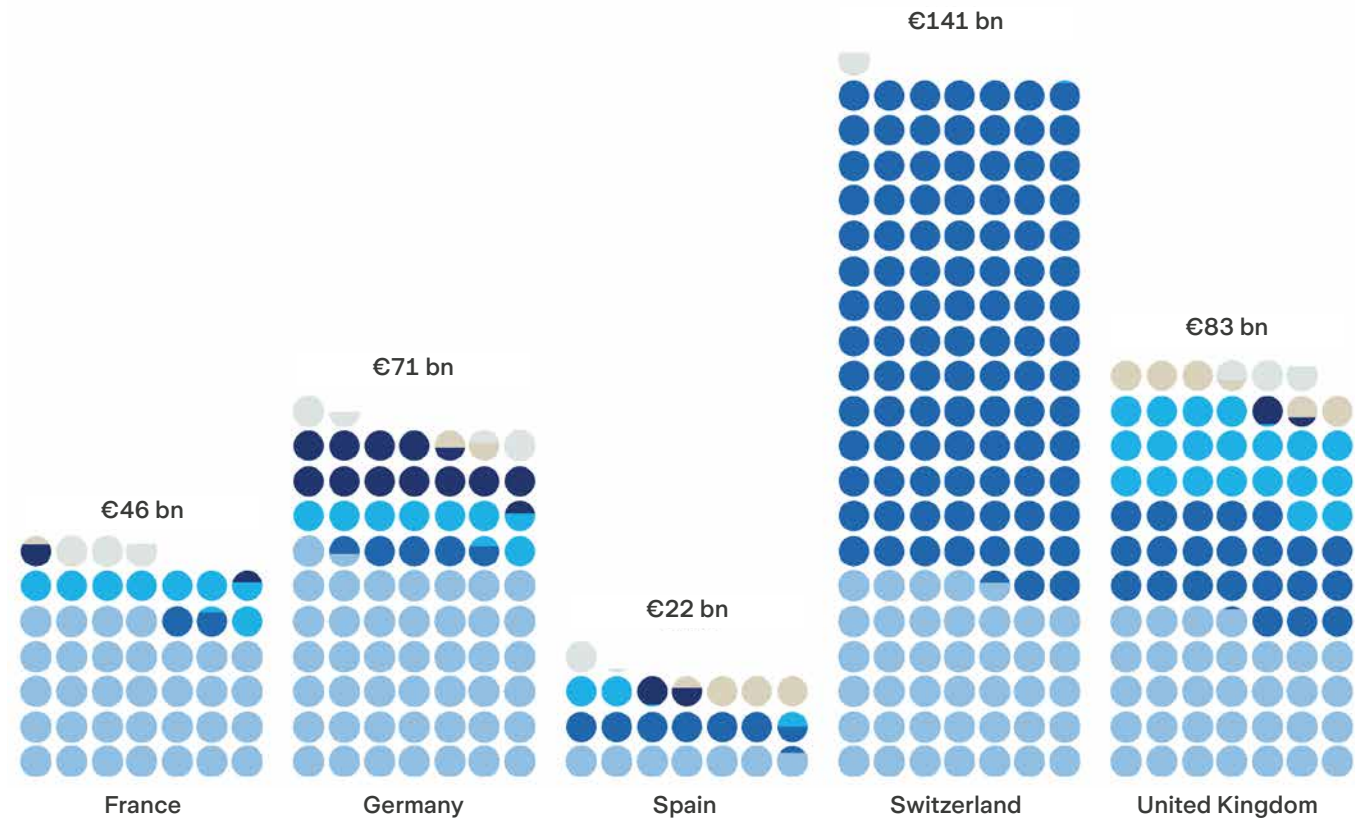
A note on our sample: Some countries and asset types are more heavily represented than others. Where appropriate, we have weighted the sample to show results relative to the total value of assets, allowing risk levels to be compared on a consistent basis despite differences in sample size and composition.

We have taken anonymised asset data from EPRA members and Zurich Insurance systems, and combined our own forward-looking climate models with risk engineering insights, to provide asset owners with a unique view into potential losses and scope for mitigation.

Asset value by country and asset type

○ = €1 bn

● Commercial ● Residential ● Industrial ● Logistics ● Hospitality ● Specialised



Source: Zurich-held asset data, participating EPRA members, Zurich Resilience Solutions analysis.

Methodology and Scope

The assessment uses location-level climate hazard data combined with asset-specific characteristics to evaluate future climate risk. It considers physical risks arising from twelve hazards (windstorm, flood, storm surge, sea level rise, drought severity, wildfire, hail, extreme precipitation, tornado, cold wave, heatwave, and landslide). A deep-dive analysis on potential economic implications has been carried out for four of them (windstorm, flood, storm surge and heatwave). Future climate projections are assessed under the IPCC SSP2-4.5 scenario, a middle-of-the-road pathway broadly aligned with current global policy trajectories, reflecting a global mean surface temperature rise of between 1.6°C and 2.5°C, approximated at 2.0°C by mid-century, against the pre-industrial baseline of 1850 to 1900.

Each asset is evaluated against this multi-hazard framework and assigned a Climate Risk Score using Zurich Resilience Solutions' Vulnerability Matrix. Assets are then placed into one of five risk categories, based on the probability of a major climate-related event by 2050 and the number of material hazards affecting that asset. In practice, this is what each category means for an asset owner:

Category 1	Assets face a very low likelihood of being exposed to a major climate-related event by 2050.
Category 2	Assets face around a 65% probability of experiencing a major climate-related event by 2050, with exposure to one or two material hazards. Active management and routine planning required.
Category 3	Assets face around a 70% probability of experiencing a major climate-related event by 2050, with exposure to two or three material hazards. This is where climate risk starts to influence maintenance and capital planning.
Category 4	Assets face around an 80% probability of experiencing a major climate-related event by 2050, with exposure to three or four material hazards. Physical damage, business disruption and insurability pressure become materially more likely.
Category 5	Assets face around an 85% probability of experiencing a major climate-related event by 2050, with exposure to four or more material hazards at once. These assets face the highest chance of disruption and damage, often from more than one direction at the same time.

What this report delivers

This report is designed to help real estate owners answer four key questions:



Where is climate risk concentrated in a typical European portfolio today?



How much worse will it get by 2050?



What does that mean financially?



What can be done about it now?

It draws on one of the largest datasets of its kind assembled for the sector: just over 21,000 operational locations, six asset classes and five markets, assessed consistently against the same forward-looking hazard data.

The findings are clear: under current climate conditions, approximately 48% of the portfolio's value already sits in the two highest risk categories. By 2050, under the SSP2-4.5 scenario, that rises to between 65% and 70%.

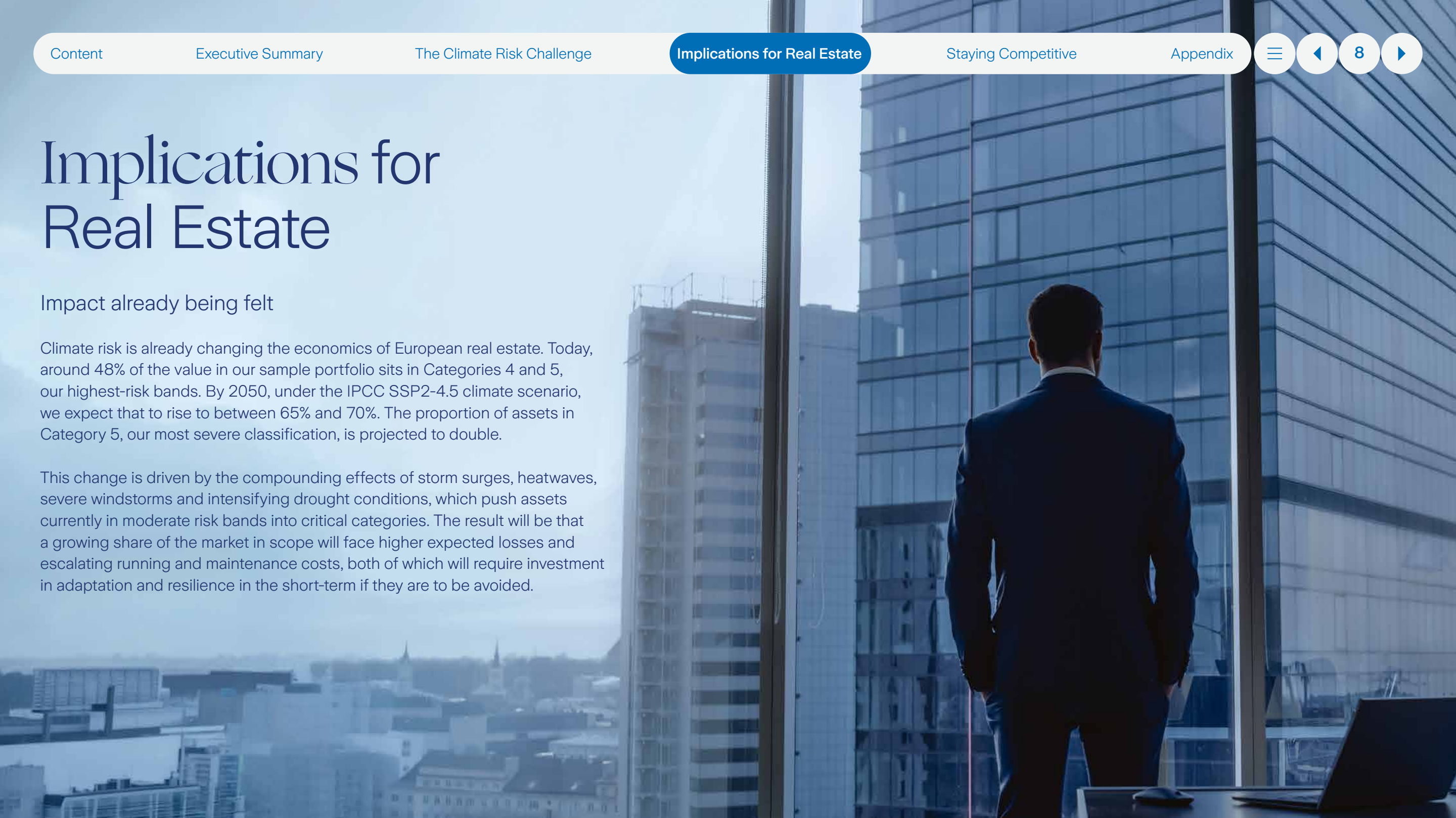
It marks a structural shift in the risk landscape rather than a gradual drift, and the rest of this report sets out what drives it, where it concentrates and what asset owners can do about it.

Implications for Real Estate

Impact already being felt

Climate risk is already changing the economics of European real estate. Today, around 48% of the value in our sample portfolio sits in Categories 4 and 5, our highest-risk bands. By 2050, under the IPCC SSP2-4.5 climate scenario, we expect that to rise to between 65% and 70%. The proportion of assets in Category 5, our most severe classification, is projected to double.

This change is driven by the compounding effects of storm surges, heatwaves, severe windstorms and intensifying drought conditions, which push assets currently in moderate risk bands into critical categories. The result will be that a growing share of the market in scope will face higher expected losses and escalating running and maintenance costs, both of which will require investment in adaptation and resilience in the short-term if they are to be avoided.



Where losses hit hardest depends heavily on asset type. The interaction between local climate hazards and specific building vulnerabilities dictates where the most severe financial and day-to-day impacts occur. Understanding that concentration is the essential first step in deciding where capital, engineering resources and management attention should focus.

Industrial and specialised assets will remain the highest-risk categories, with almost all their value already concentrated in critical categories today, leaving little headroom by 2050. **Specialised assets**, such as healthcare and education facilities, face disproportionate consequences when disruption occurs, given their vulnerable occupants and their requirement to deliver uninterrupted services.

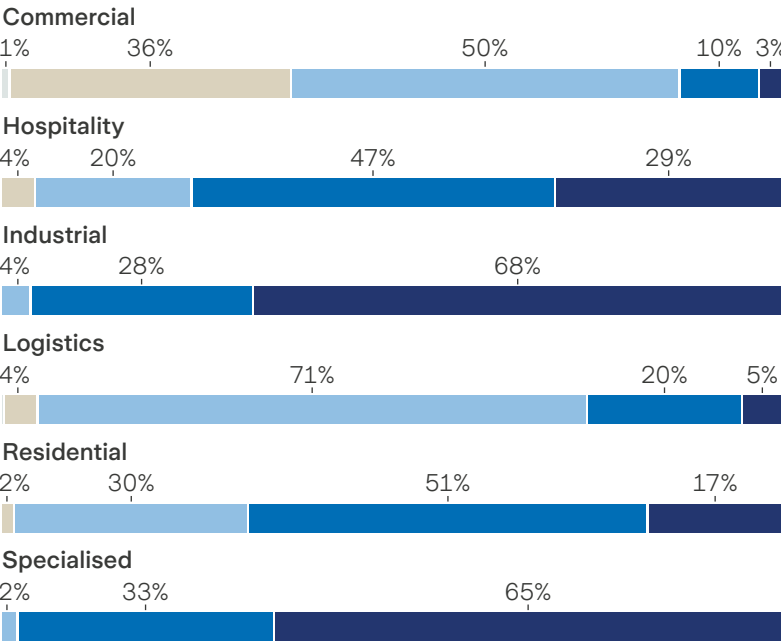
Residential and hospitality assets show similar patterns, both already carrying a large proportion of assets in critical categories. For residential property, this is driven primarily by flood exposure and the growing strain that heat places on habitability. Continuous occupancy, critical services often sited in basements or lower floors, and high tenant retention sensitivity all amplify the financial consequences of a climate event. Hospitality's vulnerability comes from its reliance on continuous occupancy, pristine service environments and the impact on reputation of a major weather-related incident.

Risk categories by asset type

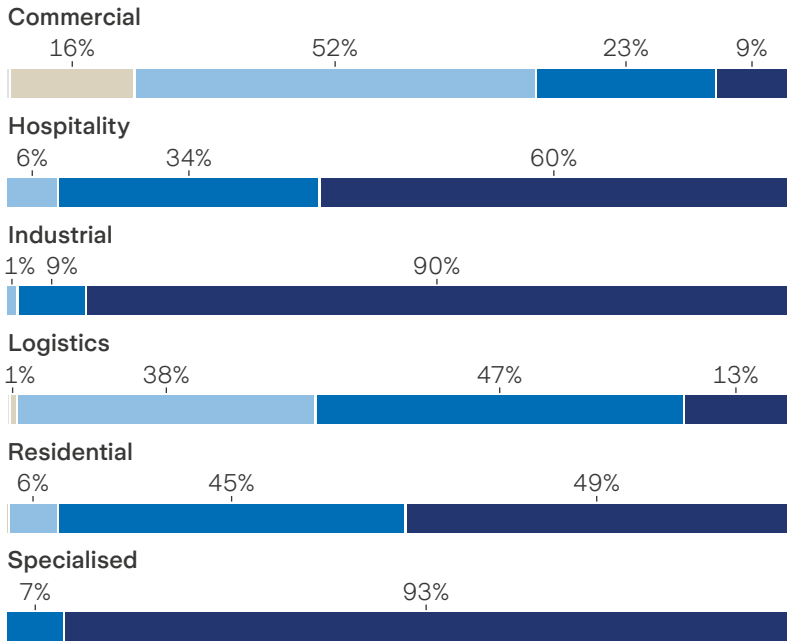
Share of asset value in each risk category (%)

Risk Category 1Risk Category 2Risk Category 3Risk Category 4Risk Category 5

Current



2050



Asset Types

- **Commercial:** Offices, mixed-use developments and retail properties
- **Hospitality:** Hotels and similar accommodation services
- **Industrial:** Warehouses, manufacturing facilities and other industrial-use property
- **Logistics:** Distribution centres, storage facilities and data centres
- **Residential:** Single-family and multi-family homes
- **Specialised:** Healthcare facilities, senior housing, schools and other special-purpose properties

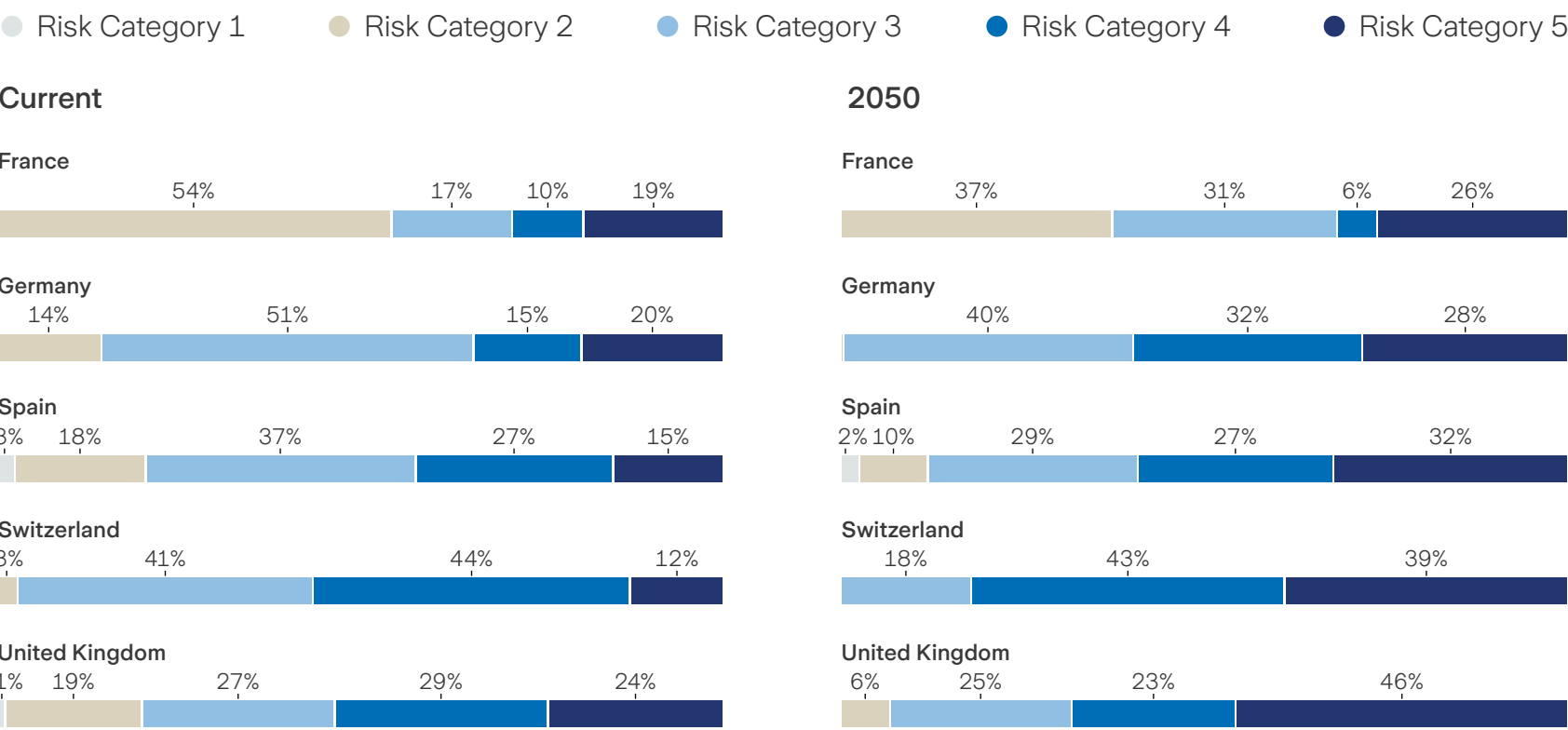
Source: Zurich-held asset data, participating EPRA members; Zurich Resilience Solutions analysis.

Logistics assets show the biggest shift into critical categories between now and 2050. Expansive, lightweight roof structures, large building envelopes and dependence on continuous, just-in-time operations make logistics assets highly susceptible to disruption from severe weather, particularly wind. **Commercial assets** sit in the lowest-risk classes but still see a significant increase in risk concentration by 2050, with vulnerabilities centred on business continuity, tenant access and the protection of critical building systems from flood and storm surge.

Looking at the issue on a country basis, Switzerland shows the largest concentration of asset value in our critical risk categories, both today and in 2050. The United Kingdom carries the second largest concentration, with a large share of assets migrating directly into Category 5, driven by rising flood and storm surge risk, windstorms, and the emerging threat of heat.

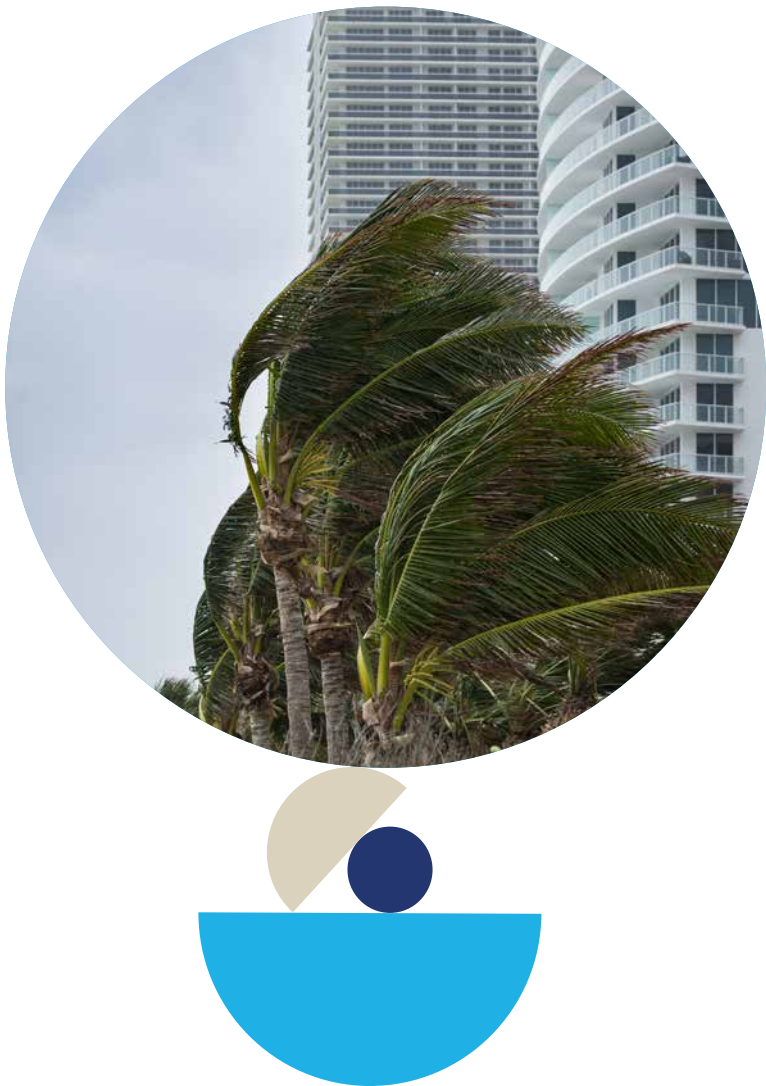
Risk categories by country

Share of asset value in each risk category (%), current and 2050

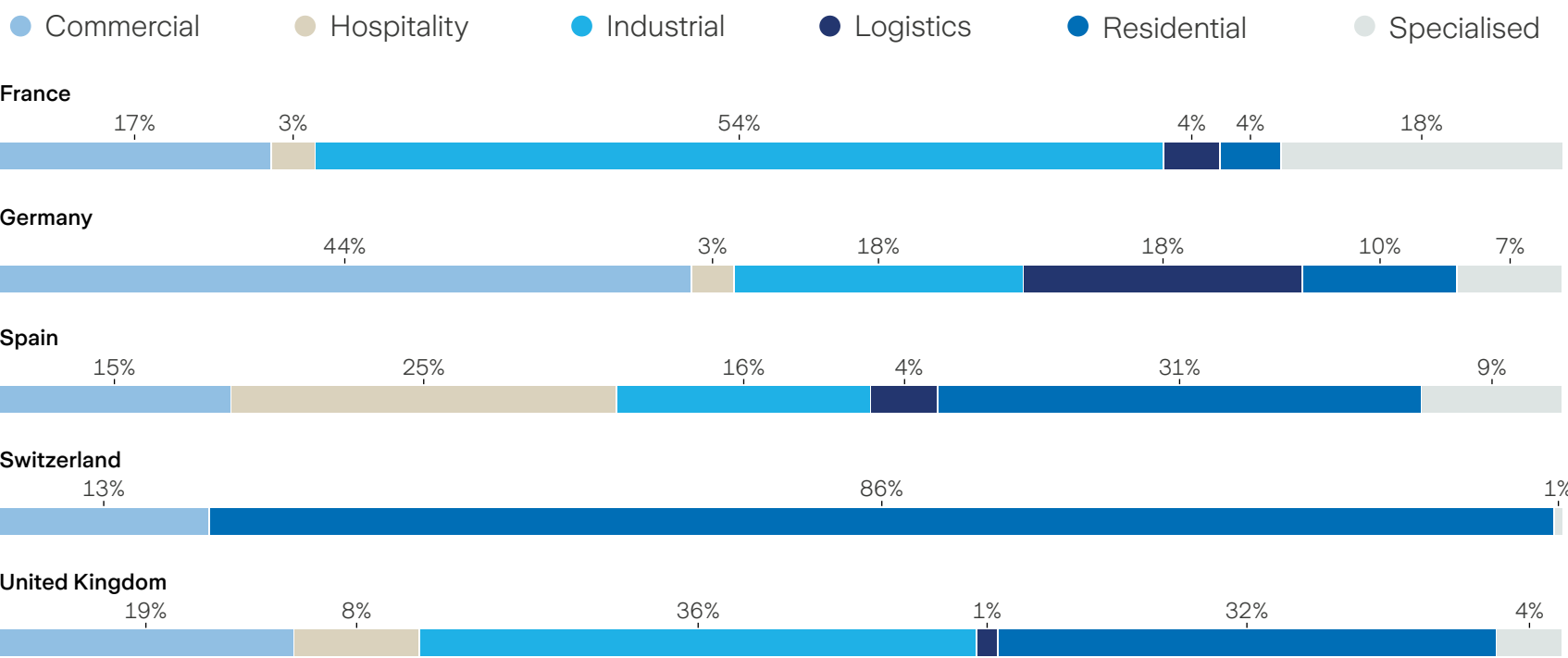


Source: Zurich-held asset data, participating EPRA members; Zurich Resilience Solutions analysis.

Germany will see a major redistribution of assets into critical categories between now and 2050, with wind the dominant hazard. In Spain and France, prolonged drought and the accompanying escalation of wildfires, as we have seen this summer, will push assets into critical categories.



Distribution of asset value in categories 4 and 5 in 2050
Breakdown by asset type and country



Source: Zurich-held asset data, participating EPRA members; Zurich Resilience Solutions analysis.

Economic impact of physical damage

Translating risk exposure into economic impacts, we recommend considering two distinct but compounding forces:

- 1. **Acute** physical risk, such as a roof destroyed by wind or a basement inundated by flood, creates sudden, high-severity repair costs and business interruption.
- 2. **Chronic** operational risk, such as the persistent drag of extreme heat, which creates compounding, year-on-year increases in operating expenditure and maintenance needs.

These two elements need to be managed separately, but understood together, to see the true cost of climate exposure.

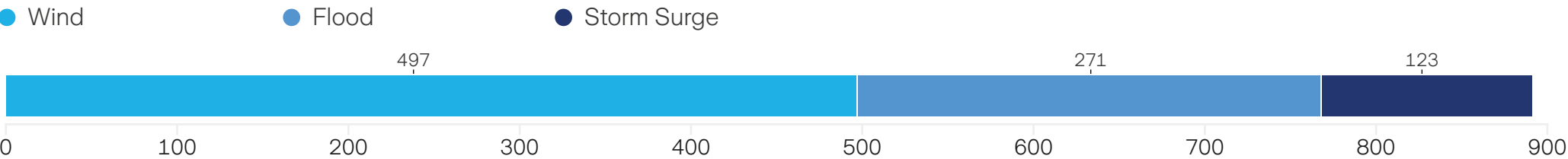
Physical climate risk often translates directly into financial loss, with impact extending well beyond repair costs after an extreme weather event. It covers business interruption, tenant dislocation, tightening insurance conditions including premiums and deductibles, and ultimately a recalibration of long-term asset value.

Under current climate conditions, the assets we analysed face expected losses of approximately €792 million every year, driven by wind, which accounts for 58% of total annual expected losses, followed by flood at 32% and storm surge at 10%.

Looking ahead to 2050, though, we anticipate expected losses to rise to €891 million annually, a 12% increase from the conditions we see today.

The composition of these hazards stays broadly stable, with wind accounting for around 56% of losses, flood for 30% and storm surge for 14%. These losses are driven by increasing severity and the persistent, recurring nature of climate-related events, rather than by rare, tail-risk events alone. As a result, they are becoming an ongoing drag on asset value, operating costs and insurability.

Annual expected loss by hazard in 2050
Contribution of each hazard to the total annual expected loss, EUR m



Source: Zurich-held asset data, participating EPRA members, Zurich Resilience Solutions analysis.

Economic impact of chronic operational risk

While wind and flood cause sudden, acute physical damage and one-off losses, heat affects assets differently. Given its direct impact on occupant wellbeing and comfort, and its compounding costs, heat needs to be actively managed immediately rather than treated as a future tail risk or sporadic event.

We assess heat through the lens of energy demand, using it as a practical, quantifiable indicator of how extreme temperatures affect building performance. We evaluated the additional energy required to maintain baseline building performance and occupant comfort during a severe heatwave, defined as a 50-year event. Under current climate conditions, severe heatwaves already generate substantial increases in energy demand across the portfolio, with commercial assets showing the highest average increase, closely followed by specialised assets.

By 2050, the running cost burden of heat escalates materially. Average energy demand increases during severe heat events are projected to rise to 15.8% for commercial assets and 15.3% for specialised assets, a 50% to 60% relative increase compared with current conditions. Extreme events also become more likely to occur than in the past. Assets will increasingly experience heatwaves causing energy demand increases of 15% to 25%, with the most exposed assets seeing increases of between 20% and 25%, particularly in commercial, specialised and hospitality portfolios. The highest average increases will be in Spanish

and French commercial and specialised assets and are likely to exceed 22% to 26%. Extreme heat is evolving from a short-duration stress event into a recurring challenge, increasing cooling requirements, electricity consumption and strain on building systems over time.

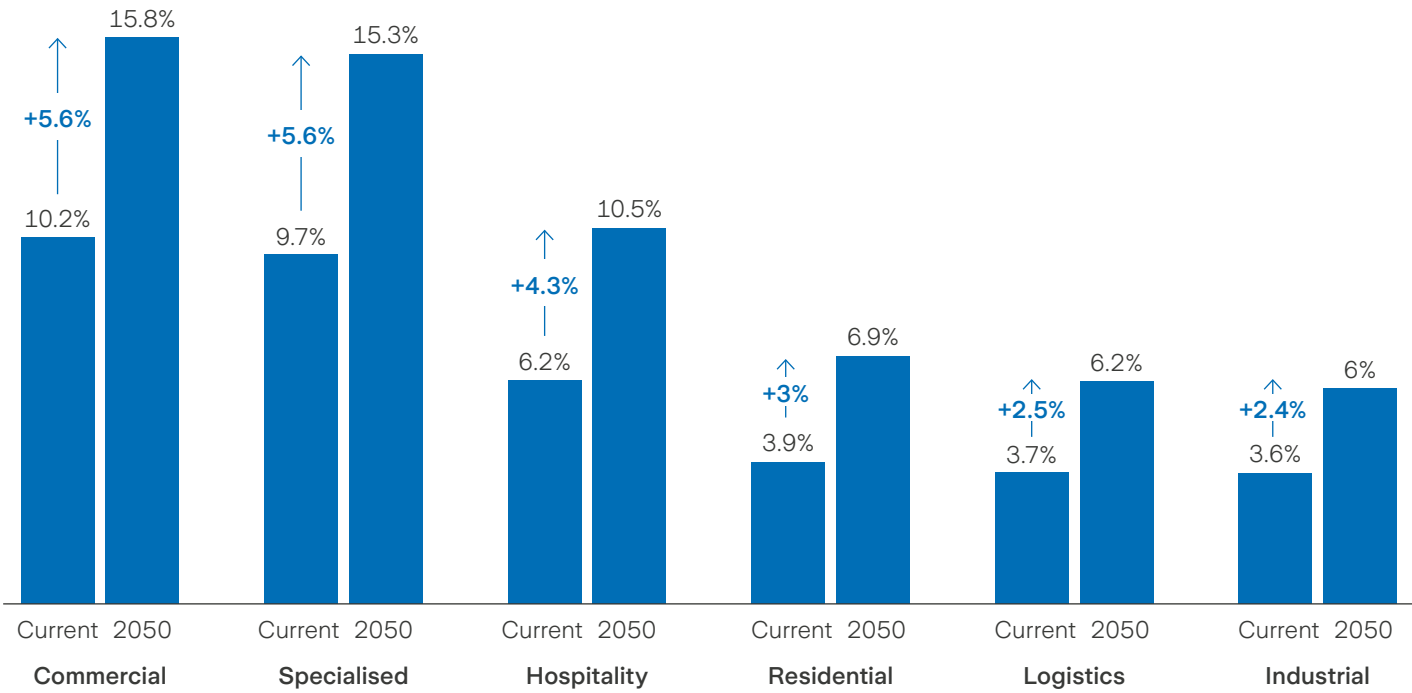
France currently experiences the highest average energy demand spikes during extreme heat, followed by Germany and Spain. By 2050, these three countries are likely to see further increases as longer heatwaves push up operating costs. The relatively low increases noted for the UK assume current cooling infrastructure stays unchanged, capturing only the rise in cooling demand using currently installed equipment. This potentially understates energy requirements in a scenario where new infrastructure is rolled out to address overheating risks.

Increased cooling demand inflates monthly utility bills and brings forward capital expenditure needed to upgrade undersized HVAC systems, improve insulation and retrofit shading solutions. Assets that fail to manage these costs will see deteriorating net operating income, compressed margins and reduced appeal to high-quality tenants, all of which ultimately affect long-term valuation stability. Resilience strategies need to treat heat as a recurring efficiency challenge that compounds every year it goes unaddressed, rather than just as a one-off damage risk.



Energy demand heatwaves by asset type

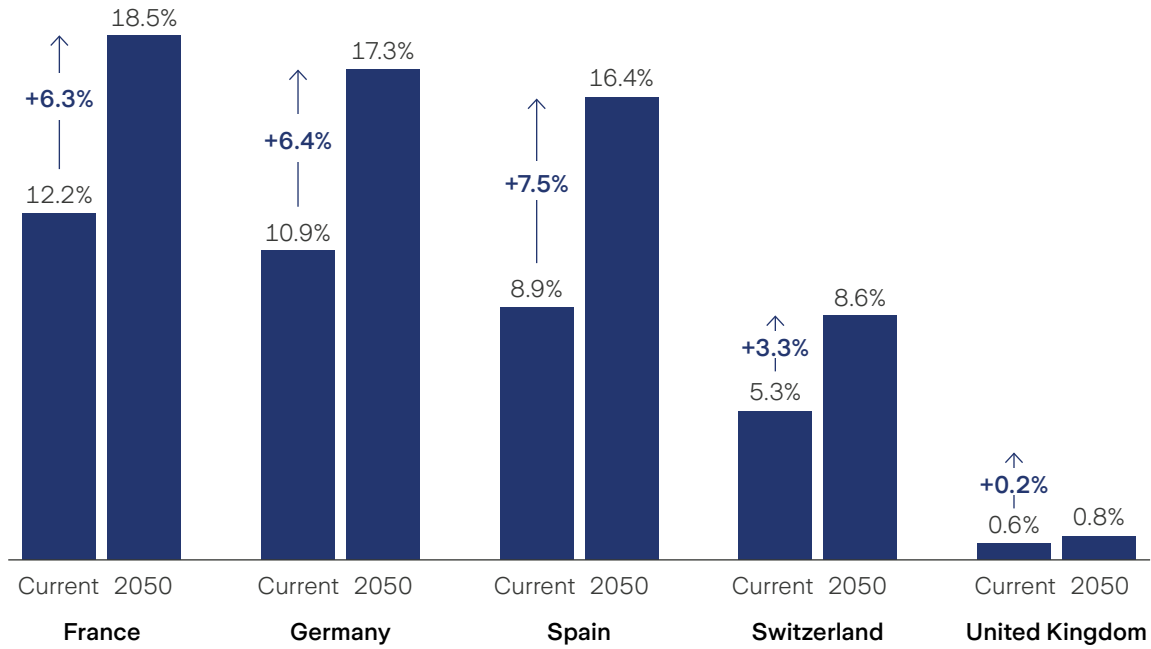
Average increase in energy demand during severe heatwave events, by asset type, current versus 2050, %



Source: Zurich-held asset data, participating EPRA members, Zurich Resilience Solutions analysis.

Energy demand heatwaves by country

Average increase in energy demand during severe heatwave events, by country, current versus 2050, %



Source: Zurich-held asset data, participating EPRA members, Zurich Resilience Solutions analysis.

The risk of delaying

The data points to a more complex reality than a simple probability calculation for a once-in-a-century storm. Climate risk has become a compounding financial burden that affects different assets in profoundly different ways. For logistics assets in Germany, the primary threat is the acute disruption of a severe windstorm. For a commercial office in France, it is the chronic margin compression of rising cooling costs. Both are climate risks and both erode value if left unmanaged.

This means that relying solely on historical loss data or broad market averages is no longer sufficient. As the frequency and severity of major climate-related events increase, the true cost of ownership will bifurcate, and unprepared assets will face a cascade of financial consequences: recurring repair costs, tenant dissatisfaction, accelerated equipment depreciation and, ultimately, a tightening of insurance capacity.

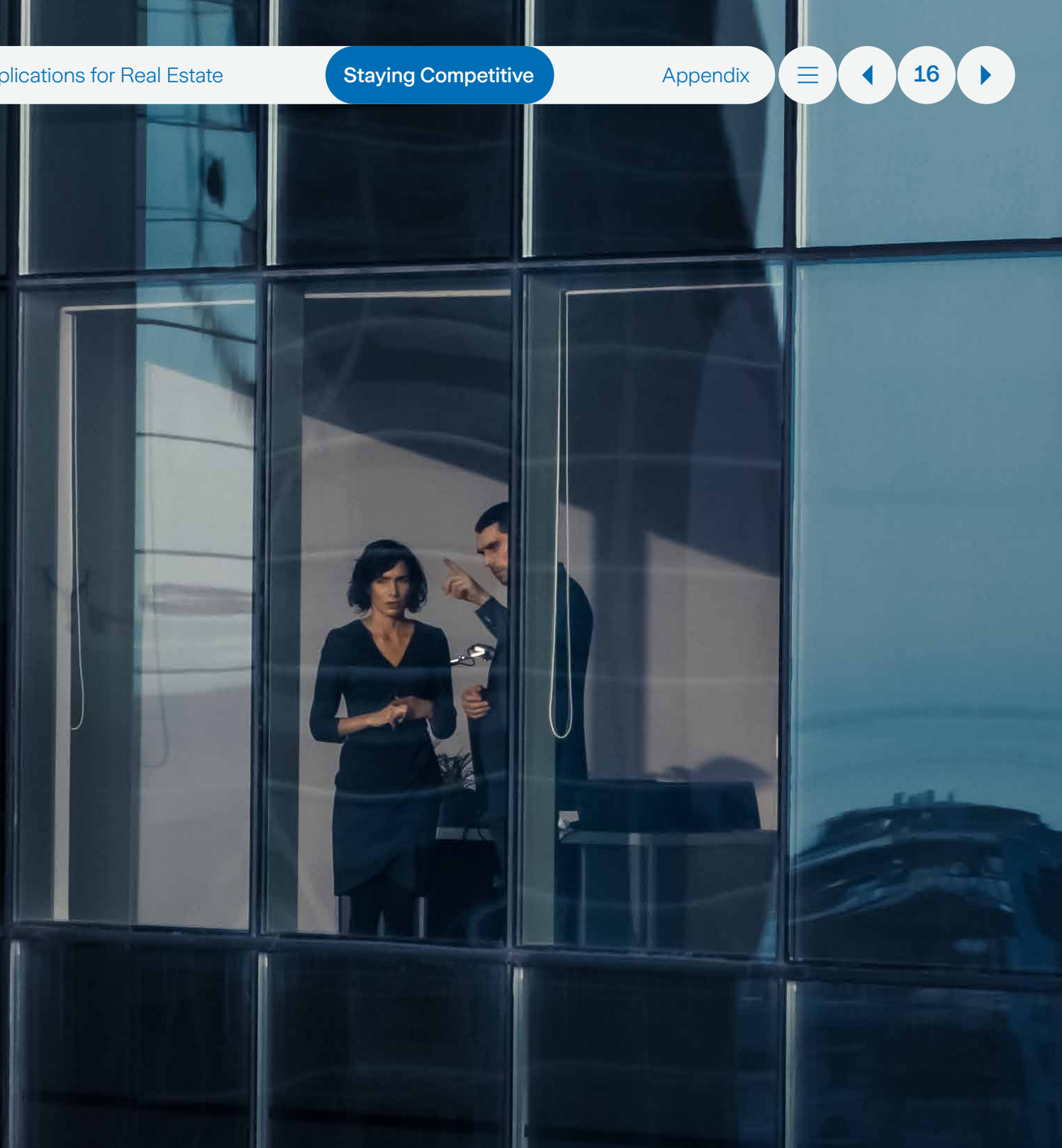
Insurance is often one of the earliest financial signals that climate risk is increasing. Rising premiums, larger deductibles and more restrictive coverage terms can affect net operating income, financing conditions and asset liquidity long before physical losses materially threaten the balance sheet. Asset owners need to recognise that unmanaged physical risk inevitably becomes an insurability risk, which in turn becomes a valuation risk. Understanding that chain of consequences is a necessary precursor to effective adaptation, which is where we turn next.



Staying Competitive

Climate resilience is a fundamental dimension of portfolio performance and fiduciary duty, and should not be reduced to a sustainability initiative or an ESG reporting line. Taking action has become a financial necessity for real estate owners who want to protect the value of their assets rather than a discretionary extra. Targeted adaptation investment can deliver significant financial returns by avoiding losses and protecting asset liquidity as well as securing long-term value, protecting occupant wellbeing and maintaining insurability.

For listed real estate companies, these dynamics flow through the metrics on which public property companies are assessed and map directly onto the physical risk and adaptation disclosures required under European Sustainability Reporting Standards (ESRS E1).



A four-step framework for action

Adaptation is the process of translating climate risk data into specific, value-protecting interventions at the asset level.

Climate impact is rarely distributed evenly across a portfolio, and our analysis helps identify the countries, asset classes, sub-portfolios and individual assets that contribute disproportionately to climate risk and where they are expected to be greatest. These hotspots experience significantly higher impact than the portfolio average and therefore represent priority areas for resilience planning, adaptation measures and further investigation.

We estimate that climate-related impacts from flood, wind and storm surge account for approximately 0.22% of portfolio value today, and will increase to 0.24% by 2050. While the change appears modest in percentage terms, it represents a 12% increase in annual climate-related effects, with annual loss rising from approximately €792m today to €891m. This underlines our point that even small changes in annual impact can translate into extremely large – and meaningful – financial consequences for large and long-lived real estate portfolios.

Climate-related impacts from flood, wind and storm surge will represent a 12% increase in annual climate related losses.

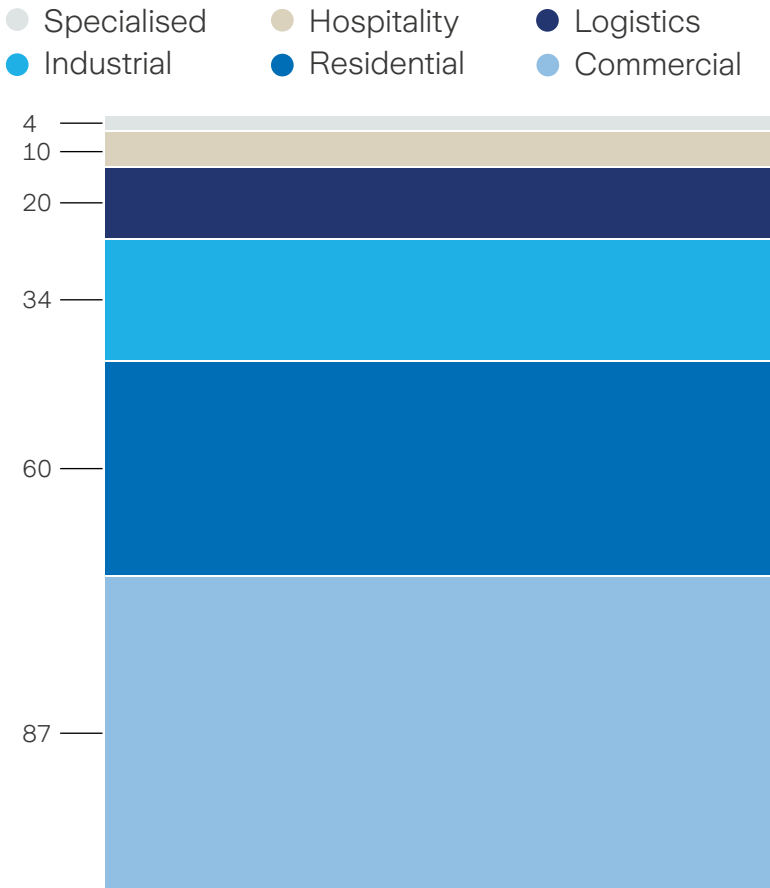


Adaptation investments should be viewed as long-term value protection against recurring future impacts. Compared with today, climate change could generate an additional €1.1bn of losses¹ every year between 2020 and 2050, adding up to more than €25bn by 2050. The rationale for adaptation is therefore not about additional losses in a single year but the opportunity to reduce long-term recurring impact as well as protecting asset value, enhancing insurability and creating resilience in the most exposed locations and asset classes.

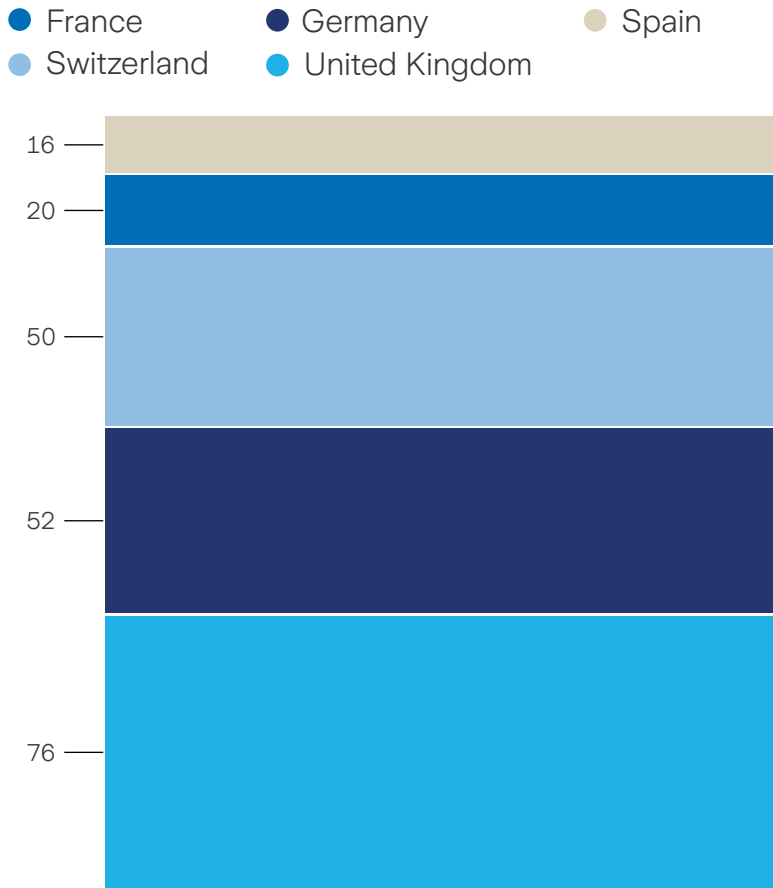
Our estimate is that an additional €214 million will need to be invested² in measures to mitigate the expected increase of annual expected losses related to climate change effects. That is a significant sum, but studies from around the world consistently show that the long-term benefits of adaptation measures outweigh their costs by a substantial margin. Our analysis suggests a fivefold reduction in risk for every euro invested over a 30-year period, a clear business case for proactive investment.

By asset type, commercial properties require the largest share of the total adaptation investment³, at €87 million, reflecting their complexity. Residential assets follow at €60 million, and industrial assets at €34 million. Geographically, the United Kingdom carries the highest adaptation burden, at €76 million, due to its disproportionate exposure to storm surge. Climate change is projected to increase storm surge losses by around 60%, making this the primary driver of future adaptation needs for the UK portfolio. The UK is followed by Germany at €52 million and Switzerland at €50 million.

Adaptation investment by asset type
Estimated adaptation investment required by asset type, EUR m



Adaptation investment by country
Estimated adaptation investment required by country, EUR m



Source: Zurich-held asset data, participating EPRA members, Zurich Resilience Solutions analysis.

1. Calculated using modelled expected annual losses from flood, wind and storm surge under current and future climate conditions. Additional impacts represent the cumulative increase in expected losses attributable to climate change over the assessment period.

2. Adaptation investment represents the additional capital required to offset the increase in flood, wind and storm surge expected annual losses and maintain the portfolio's current resilience profile. Estimates are based on the projected reduction in future losses achieved through adaptation measures using benefit-cost ratios.

3. Adaptation investment results reflect the size, geographic distribution and asset mix of the sample portfolio analysed and should not be considered representative of the wider European real estate market.

The sheer scale of a multi-national real estate portfolio means adaptation requires rigorous, commercially driven prioritisation. Climate risk is affecting assets, and by 2050 the performance gap between adapted and non-adapted portfolios will be substantial: divergent net operating incomes, unequal access to insurance, different financing rates and different exit valuations. The practical starting point is absolute clarity on your own portfolio. Where is value concentrated? Which assets are at highest risk? How does the expected loss profile break down by country and asset class? Where is operational resilience most threatened by rising heat?

We recommend prioritising action through four distinct lenses.





1. Identify the intersection of risk, value and operational dependency

Isolate assets that combine critical climate risk scores, (e.g., Categories 4 and 5) with high financial value and extreme sensitivity to downtime. These are the properties where localised hazard events are likely to translate into a major loss of income, severe tenant disruption or an immediate liquidity squeeze. Under current climate scenarios, insurability constraints are likely to rise – meaning that a portfolio that is broadly insurable today could face higher insurance costs, stricter underwriting scrutiny, higher deductibles and greater requirements for insureds to implement risk improvement measures.

Adaptation and resilience investments today can serve as a hedge against future climate disruption. Targeted interventions, from enhanced flood protection to reinforced roofing and the relocation of critical equipment, can materially improve a building's risk profile, reduce expected losses and help maintain favourable insurance conditions over the years ahead.



2. Align with existing capital expenditure cycles

The most cost-effective adaptation measures are integrated into planned refurbishments, lifecycle equipment replacements or ongoing energy-efficiency upgrades. Retrofitting a roof to better withstand high winds, for example, is drastically cheaper when scheduled as part of a maintenance programme than as an emergency repair after a storm. These upgrades often compete for the same budget as the energy retrofits that real estate companies must fund to meet EPBD standards and net-zero commitments, so resilience and decarbonisation should be planned together, ideally so a single intervention delivers both.



3. Prioritise maximum loss reduction potential

Investment should go toward interventions that eliminate the largest percentage of expected losses and declines in insurability. Zurich Resilience Solutions can support this analysis through our tools and consultants.

Our experience tells us that flood defences often deliver highly concentrated, immediate financial returns by neutralising high-severity damage scenarios. Heat adaptation, such as upgrading shading, enhancing insulation and optimising HVAC systems, should be prioritised in commercial and specialised assets, where it generates continuous, year-on-year savings rather than a one-off gain.



4. Build for resilience

While this study focuses on adapting existing assets, the same rigorous assessment approach must be applied during due diligence for new acquisitions, and during the planning and design phase of assets under construction.

It is far cheaper to specify flood resistant plant rooms at the drawing board stage than to retrofit them once operational. Physical climate risk needs to be permanently embedded into core business processes: underwriting standards, annual valuation reviews and investor reporting.

Expertise and tools to drive adaptation and build resilience

We use this four-step framework to run portfolio-specific analyses, identify high-risk assets and design adaptation pathways aligned with an owner's capital expenditure cycles and insurance strategy. Two capabilities sit behind this work and are available today.

Climate Spotlight, our interactive climate risk platform, offers data-driven risk analysis across various IPCC climate scenarios, while allowing a customer to assess site-level assets as well as their entire portfolio. In addition, our risk quantification capabilities calculate financial losses from extreme weather events to contextualise impacts, while measuring the financial benefit of applying risk reduction measures. We also analyse impact to operational expenditure through increases in energy demand for cooling. Each of these capabilities offer rich insights to help leaders with their strategic planning and to make the business case for adaptation and resilience investments.

This is a proven approach, and its practical value can be seen across industry sectors, illustrated by these two examples reflecting different types of asset owners.



Example:

Camden Council, protecting people and property from heat

Camden Council in London has used granular, site-level climate risk data from Zurich Resilience Solutions to identify precisely which care homes, schools and social housing sites face the highest heat risk. Rather than treating heat as a borough-wide generalisation, Camden can concentrate investment and outreach on the most exposed buildings and residents, from care homes with vulnerable occupants to social housing stock with limited passive cooling.

The council has described the approach as giving it clear, communicable facts that make it easier to prioritise investment and engage stakeholders. This is the logic of starting your analysis with a deep dive into the data to find the intersection of risk, value and business dependency. Asset owners can then act where it matters most, whether they are a local authority protecting residents or a REIT protecting a portfolio of specialised and residential property.



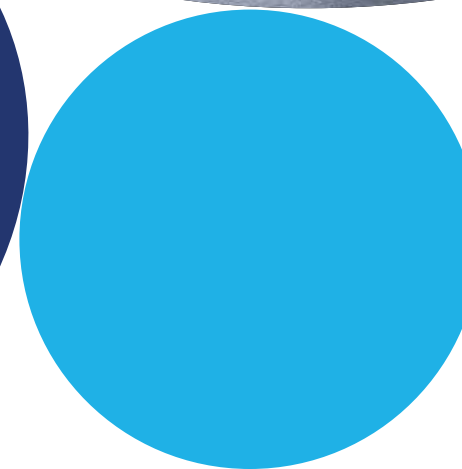
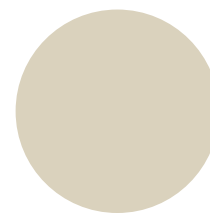
Example:

Maersk, engineering resilience into critical infrastructure

A.P. Moller-Maersk faced a similar challenge, albeit on a larger scale. Having identified climate change as the single biggest threat to its business through an enterprise risk management exercise, Maersk found the average cost of physical damage and business interruption from climate hazards was on track to increase by 130% by 2050 against a 2020 baseline, across its port terminals, inland warehouses and data centres. Our engineers carried out on-site assessments at five critical port terminals, from Rotterdam to Los Angeles, combining site visits with climate data modelling to produce mitigation recommendations tailored to each location, feeding those recommendations directly into each terminal's maintenance schedules and capital plans.

Climate resilience has become a fundamental dimension of portfolio performance and fiduciary duty rather than a sustainability add-on. Future performance depends on identifying high-risk assets and implementing targeted adaptation measures as well as recognising that asset value is intrinsically linked to the wellbeing of the surrounding community. High-quality infrastructure, reliable utilities, accessible services and healthy, liveable neighbourhoods support both occupant wellbeing and property value.

Effective climate risk management must extend beyond the asset itself, providing a foundation for collaboration with local stakeholders and authorities across the wider ecosystem in which assets operate. Climate risk should be viewed as a financial variable that needs to be actively managed, not simply as a disclosure requirement.



Appendix: Methodology, Data Notes, Market Context



Risk framework

Risk scores are derived by combining localised hazard intensity metrics, such as flood depth and wind speed, with asset-specific vulnerability criteria, culminating in an aggregated categorisation from Category 1 (low) to Category 5 (critical). It should be noted that roof-mounted equipment, or equipment sited in basements, was not considered in the risk assessment. Both are likely to increase risk exposure in practice.

Asset Type	Windstorm	Flood	Storm Surge	Sea Level Rise	Drought Severity	Wildfire	Hail	Extreme Precipitation	Tornado	Coldwave	Heatwave	Landslide
Residential	M	VH	VH	VH	M	VH	M	M	VH	H	H	M
Commercial	M	VH	H	H	M	H	M	M	H	M	M	H
Industrial	H	VH	H	H	H	VH	H	H	H	VH	M	VH
Hospitality	H	H	VH	VH	H	VH	L	VH	M	M	H	H
Specialised	H	VH	H	H	VH	M	M	M	VH	VH	VH	VH
Student Housing	M	H	H	H	M	M	L	M	VH	M	VH	M
Logistics	M	VH	VH	VH	L	VH	H	H	VH	M	M	M

Sensitivity levels (from Very Low to Very High) represent how susceptible a building is to climate-related damage or operational disruption based on its physical characteristics, design, condition, construction, and intended use.

Financial loss and investment in adaptation

Financial analysis translates physical hazards into indicative annual expected losses. This metric captures direct physical damage and associated repair costs, aggregating asset-level data into a portfolio-wide view. These figures represent portfolio-level indicators for strategic planning, rather than precise, site-specific engineering cost forecasts. Investment in Adaptation is defined strictly as the incremental capital investment required to mitigate the additional risk generated by climate change, aiming to maintain the portfolio's current baseline resilience profile.

Portfolio bias and generalisation

The dataset used in this report comprises approximately 21,000 specific real estate locations across five countries, weighted heavily toward commercial and residential assets. Given this is a sample portfolio rather than a comprehensive census of the European market, absolute financial figures, such as total exposure value and aggregate losses, reflect the specific composition of this dataset. The relative trends, damage ratios and hazard dynamics are highly indicative of broader market conditions, but the absolute numbers should not be extrapolated wholesale to the entire European real estate sector.



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