

An Approach to Climate Adaptation



PROJECT:
De Groene Kaap



COMPANY:
Altera Management B.V.



LOCATION
Rotterdam, Netherlands

Challenge

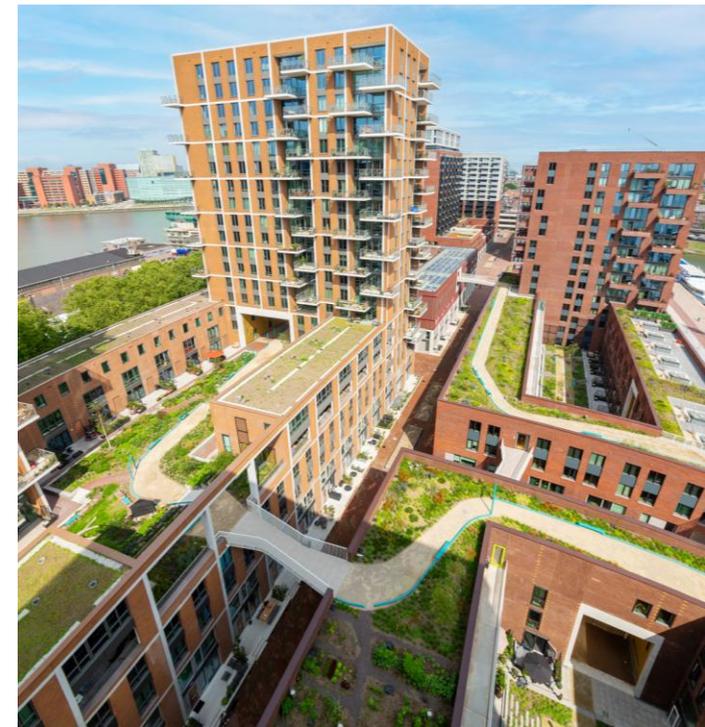
In the broader context of the real estate industry, the assessment of physical climate risk is still fragmented and comparison remains difficult. Regulatory requirements and investor expectations are increasing yet there is no standardised methodology that is transparent to translate climate hazards into building-level risks and actionable outcomes. Existing assessments are mostly carried out by service providers, and the results are experienced as a black box, where results are delivered without sufficient insights into underlying data sources or methodologies. This limits comparability across assets and portfolios and constrains integration into investment, asset management and valuation processes.

Within this broader context, Altera was faced with a challenge to embed physical climate risk in a way that is transparent, repeatable and comparable, while still aligning with the requirements for the Do No Significant Harm criteria for the EU Taxonomy.

Solution / Approach

To address these challenges, Altera adopted the Framework for Climate Adaptive Buildings (FCAB) as the backbone of its physical climate risk methodology. FCAB is a consortium-led, open-source framework developed under the leadership of the [Dutch Green Building Council](#), using high-quality, publicly available climate data from the *Klimaat-effectatlas* and aligned with the hazards identified in the Dutch Delta Plan on Spatial Adaptation (DPRA). The framework is designed to create a single, transparent methodology, ensuring that all stakeholders assess physical climate risks in a consistent and comparable manner. FCAB consists of three clearly defined steps: an environmental score assessing location-based climate hazards, a building score identifying the vulnerability of the specific asset, and an adaptation plan that defines concrete measures to adapt the asset.

In practice, Altera conducts regular portfolio-wide environmental scans, followed by detailed building scans in the case where assets show a high or very high environmental risk. Where both assessments indicate elevated risk levels, a targeted adaptation plan is developed.



Results

The FCAB framework was applied across Altera's entire portfolio, with De Groene Kaap, a 356-unit multifamily asset in Katendrecht, Rotterdam, which was completed in 2021, presented here as a representative case study.

The environmental assessment showed that across the assessed hazards – including heat stress, wildfire, differential settlement, heavy rainfall, groundwater and flooding – heavy rainfall was identified as the most material risk, with a high score. The building score was determined based on criteria such as door threshold heights, the presence of underground parking, other potential water ingress points, installations below street level and underground spaces, resulting in a medium risk classification. As the net risk remained below the threshold requiring intervention, an adaptation strategy was not applicable.

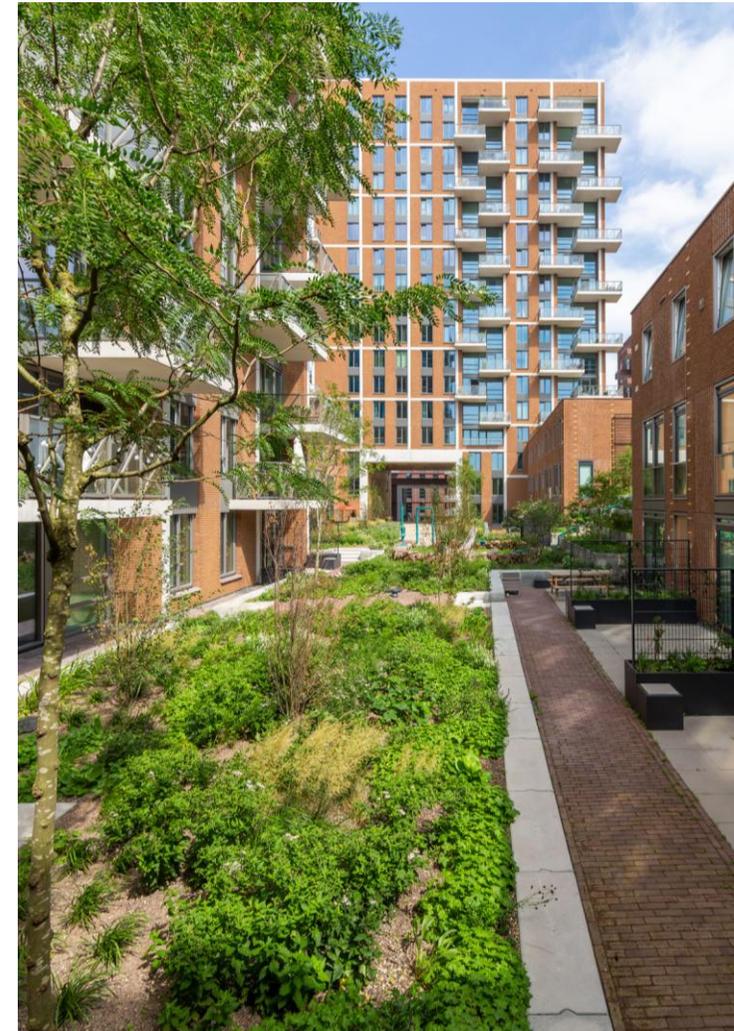
Outcome

The adoption of the FCAB framework enabled Altera to move towards a transparent, standardised and comparable approach to physical climate risk at both asset and corporate level. Physical climate risk and the FCAB methodology have been integrated into the overall company strategy, ensuring consistency in how risks are identified, assessed and managed across the organisation.

The FCAB framework has been embedded throughout the organisation, with physical climate risk considerations structurally integrated into acquisitions, due diligence, asset management processes and back-office reporting. This has strengthened internal decision-making by linking climate risk insights directly to building characteristics and long-term maintenance planning, rather than treating climate risk as a standalone or theoretical exercise.

At asset level, the application of FCAB at *De Groene Kaap* enabled Altera to distinguish clearly between location-based climate exposure and actual building vulnerability, allowing adaptation measures to be prioritised where they are most effective and proportionate. Where required, adaptation strategies are translated into concrete actions, strengthening the long-term climate resilience of assets.

More broadly, Altera has positively contributed to the progress within the industry by contributing to the FCAB framework. While challenges remain, the FCAB-based approach provides a holistic foundation for managing physical climate risk in line with regulatory requirements, investor expectations and evolving market standards.



Limitations and areas for further development

Despite the progress made by implementing the FCAB framework, several challenges remain that are relevant both for Altera and for the wider real estate industry. A key challenge is keeping the FCAB framework and underlying data up to date as climate scenarios, hazard maps and scientific insights continue to evolve. This requires ongoing governance and coordination to ensure continued relevance and credibility.

Another challenge relates to the acquisition of new-build assets, where requesting and assessing comparable climate adaptation information remains difficult due to a lack of standardised market practice. In addition, there is a discrepancy between desktop-based climate risk assessments and the practical reality of implementing adaptation measures on site, which can differ due to technical, financial or operational constraints.

Physical climate risk is still only marginally reflected in property valuations, limiting its influence on pricing, capital allocation and investment decisions. This is compounded by regulatory frameworks that are often unclear or inconsistently applied, creating uncertainty around expectations and compliance. Finally, insurers currently show little differentiation in premiums or coverage based on climate resilience measures, reducing financial incentives for proactive adaptation.

As physical climate risk gains prominence in financial and regulatory frameworks, continued market development and policy refinement are expected to progressively reduce these limitations.



Source: Altera

Altera Management B.V.

Altera provides institutional investors with access to core real estate investments through the Altera Residential Fund and the Altera Retail Fund. The funds consist of high-quality, sustainable assets with stable return expectations. Altera manages €3.6 billion in assets, does not use leverage, and operates with a low-cost structure.