



## Council on Finance, Insurance and Real Estate



It takes involvement from all sectors of the building industry and a holistic view of the construction process—from the original design concept on through to final demolition decades later—to achieve high-performance buildings. Banks, insurance companies, appraisers and real estate firms all play a significant role in how such buildings are procured, designed and constructed. How these different segments evaluate the risk associated with particular projects, technologies and practices can have an enormous impact on whether a specific idea gets the funding and insurance needed to move forward to fruition. However, banks, insurance companies, appraisers and real estate firms often lack the necessary data to support building industry efforts to go beyond “business-as-usual.” The Council on Finance, Insurance and Real Estate (CFIRE) works to address these challenges by promoting a cooperative process and open dialogue among the different parties to support the achievement of cost-effective high-performance buildings.

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Increasingly over the past decade, a number of different parties have required that buildings achieve a higher level of performance. However, regulators, building owners, financiers and other people requesting such improvements do not always understand the risks associated with these new practices and technologies.

One way to foster consensus is to establish a collaborative process with buy-in from all sectors of the building industry. By putting in place a way to measure building performance, building owners would be able to identify the financial benefits of improvements. Such metrics also would provide mortgage and insurance underwriters with the data they need to support funding these improvements. Overall, having performance metrics would encourage the development of high-performance buildings and assist in making them more affordable.

In order for the building sector to recover from the recession, it is crucial that capital be available for construction. High performance can only be achieved cost-effectively through the type of open dialogue and cooperative process that CFIRE provides, with the proper market incentives and with acceptable risk.

In its first full year of operation, the Council is working on a number of initial tasks. Two especially important ones include identifying the data needs related to the financial implications of high-performance attributes and educating building occupants, policymakers and the building community on their roles in achieving high-performance buildings.

CFIRE is also working to achieve a number of other tasks to improve building performance. The Council will be identifying potential resources to conduct, coordinate, promote and sponsor research and development activities related to information exchange, education and training, as well as funding to conduct forums and workshops, manage research-related projects and disseminate information related to improving building performance. The Council may develop and recommend standards, guidelines and conformity assessment programs; stimulate innovation in government and within the sectors of the economy; and promote increased understanding and communications among architects, engineers, contractors, owners, insurers, bankers, investors, appraisers, voluntary standards organizations, government agencies and other sectors of the economy. This Council also serves as a focal point for bringing the perspectives of the finance, insurance and real estate community into the Institute's other councils and programs.

Council participants include architects, engineers, contractors and owners; insurance representatives (including professional, property, life, casualty, environmental and surety); banking representatives (including construction and permanent); investment representatives (including real estate investment trusts, pensions and others); appraisal representatives; and testing and validation representatives. Participation in this Council's activities is open to any interested individual or organization. ■

**Contact:** Ryan M. Colker, J.D., Director of Consultative Council/Presidential Advisor

**Email:** rcolker@nibs.org

**Phone:** (202) 289-7800 x 133

**Website:** www.nibs.org