# Global Property Linked Finance Initiative

Submission to the Belém Mission to 1.5

*Produced by: PLF Accelerator Pty Ltd. & the Green Finance Institute Ltd. for the GPLFI Co-Secretariat*

## A high-impact solution for mitigation and adaptation in the built environment

• **Improving access to capital to support building upgrades at scale.** Retrofit and green construction measures are commercially available and sufficient capital exists. However, traditional finance has struggled to mobilise investment at the pace and scale required, leaving many property owners without access to affordable retrofit and green construction solutions. Property Linked Finance (PLF) helps overcome investment barriers with an innovative financing mechanism designed to fund projects that improve the environmental performance and climate resilience of buildings. PLF addresses key challenges by covering up to 100% of building upgrade costs and offering repayment terms aligned with the useful life of the installed measures, thereby enabling longer-term financing options for property owners.

• **PLF aligns incentives for long-term high-impact investment.** PLF is structured to "run with the land," meaning repayment obligations transfer to subsequent property owners. As a result, property owners pay only when they benefit from the upgrade, ensuring that upgrades remain financially attractive for those planning to sell in the short- to medium-term. This structural innovation resolves multiple challenges simultaneously, including the payback period barrier, price transmission in new construction, and the landlord-tenant split incentive. The UNEP Global Status Report for Buildings and Construction 2025-2026 recognises this approach, profiling the GPLFI by name in the report's investment chapter [1].

• **PLF addresses the scale of the documented investment gap.** Global investment in building energy efficiency reached around USD 275 billion in 2024, and energy efficiency investment needs to reach an additional USD 3.6 trillion cumulatively by 2030 to align with a 2050 net-zero pathway. And over USD 400 billion is needed for adaptation infrastructure by 2035 [1].

• **PLF instruments serve both halves of this Mission's mandate.** The GPLFI supports financing efficiency and electrification for Nationally Determined Contributions (NDC) implementation, as well as flood mitigation, fire and heat hardening, and envelope resilience for National Adaptation Plan (NAP) implementation.

## The Global Property Linked Finance Initiative: catalyst for the built environment

• **The Global Property Linked Finance Initiative (GPLFI) aims to accelerate capital deployment to green buildings and infrastructure using PLF.** It promotes the development and scaling of PLF markets globally by building a pool of shared resources, securing political buy-in and deploying local delivery capacity through PLF Accelerators and capital market vehicles. The GPLFI is co-chaired by the Green Finance Institute and the Climate Bond Initiative (CBI) and is supported by an advisory group that acts as the strategic leadership body, comprising key industry participants from different PLF markets.

• **GPLFI helps overcome market fragmentation, reducing the time required to deploy capital.** The United States (US), Canada, and Australia pioneered early market adoption, however, these markets evolved in isolation over a 16 year timeframe, leading to fragmentation across geography, submarket and project type and no clear view on how to design, launch and scale these solutions, creating uncertainty for investors and limiting PLF's potential to mobilise substantial private capital into energy efficiency and climate resiliency.

• **The GPLFI delivers cascading cross sector impacts:**

- **Energy systems:** electrification, rooftop solar, and storage enhance system flexibility, support electric vehicle (EV) charging, and defer network investment.
- **Adaptation:** Financing extends to flood, fire, and structural resilience measures, strengthening the durability of the built environment.
- **Household and commercial economics:** Upgrades require no upfront cost; long-term financing translates into lower, more affordable periodic payments and obligations transfer to subsequent property owners, overcoming the payback period barrier.
- **Capital markets:** Each financed project strengthens the emerging asset class, lowering the cost of capital over time and enabling scale.

• **Positioned for the Global Implementation Accelerator (GIA).** The GIA is designed to accelerate the implementation of NDCs and NAPs. The GPLFI aligns directly with this mandate, as PLF's impact compounds through delivering cross-sector outcomes whilst its growth lowers the cost of capital over time, creating a positive tipping point in finance. Through this Mission, the GPLFI is positioned as a solution tailored to this mandate, with a legislated, operating market already demonstrating these cascading effects.

• **Aligned with the COP31 Action Agenda.** The GPLFI directly supports the delivery of the COP31 Presidency's targets, including increasing electrification to 35% of final energy demand and reducing building sector energy intensity by at least 25% by 2035 [4], by enabling capital to reach individual buildings at scale.

• **A clear plan to accelerate delivery.** The GPLFI's Plan to Accelerate Solutions (PAS) provides a structure delivery framework: globally applicable PLF Principles and PLF Pathways [5]; a Country Coalition convening finance ministers toward formal endorsement at COP31; and in-country PLF Accelerators with dedicated capital-market vehicles. The PAS is accepted into the COP30 Granary of Solutions under Axis 4, Objective 12 [6].

## The GPLFI's Accelerators: delivery in action

• **A suite of Accelerators deliver the GPLFI's in-country support.** They provide technical assistance, local toolkits, and policy support, and develop the capital-market structures that give each national market liquidity and pricing. The United Kingdom (UK) Accelerator and the Australia Accelerator are already operating today, in markets at opposite ends of the legal and market-maturity spectrum, demonstrating that PLF can adapt to any property-law system. Subsequently, GPLFI will launch regional accelerators to drive the development and scaling of subsequent PLF markets, including an Emerging Market Accelerator for EMDEs across Latin America, Africa, and Asia, and an European Union (EU) Accelerator focused on EU markets.

• **The UK Accelerator.** PLF has the ability to catalyse between £90 billion and £147 billion of investment in building decarbonisation across the UK. UK PLF can be enabled through either a Local Land Charge (LLC) linking mechanism, which requires enabling legislation, or a Restriction on Title (RoT) mechanism, which does not require legislative change. The UK PLF Greenprint [7] recommends using the RoT approach for early Commercial-PLF (C-PLF) demonstrator deals, whilst enabling legislation for an LLC-based approach is developed in parallel. The UK Accelerator focuses on both delivering these early demonstrator deals and advancing the required legislative framework, alongside the broader actions needed to support the scaling of PLF in the UK.

- **Demonstrator deals.** The Accelerator enables and highlights pioneer PLF transactions across commercial retrofit and green construction. These transactions establish the commercial case, generate audited performance data, and create the investor community whose capital demand motivates legislative action.
- **Primary legislation.** The Accelerator supports primary legislation to introduce a PLF LLC. GFI has previously led market development for sustainable real estate investments, including green mortgages and the Warm Homes Plan. Leveraging this policy experience, the Accelerator will support the institutional process of policy development at the Department of Net Zero and Energy Security as well as corollary entities responsible for financial regulation and consumer protection. PLF-enabling legislation is expected in 2028.
- **Public capital mobilisation.** The Accelerator is engaging with the UK Infrastructure Bank, the British Business Bank, and the National Wealth Fund to provide first-loss and guarantee instruments that enable private capital to price PLF obligations at commercial rates in pioneer transactions. It will develop a programme structure compatible with the UK Shared Prosperity Fund's place-based investment criteria and engages Homes England on PLF as a delivery mechanism for the government's affordable housing decarbonisation commitments. Public capital is structured to exit as private market volume scales, consistent with the Plan's capital formation logic.
- **Warehousing and securitisation.** The Accelerator is developing the capital-market infrastructure needed to give UK PLF institutional scale: a warehouse facility that aggregates pioneer transactions into a standardised portfolio. It is engaging the major UK clearing banks, institutional asset managers, and the Prudential Regulation Authority (PRA) on regulatory capital treatment of PLF assets, targeting a rated securitisation twenty-four months after the pioneer transaction launch.

• **The Australian Accelerator (PLF Accelerator Pty Ltd) operates in the mature market.** Australia has run PLF under statute since 2010 through Environmental Upgrade Agreements: four states, more than seventy-five local councils, USD 49 million mobilised, over USD 100 million in savings delivered [2], and collection through existing local-government rates infrastructure with a near-complete recovery profile. Its national climate architecture names the exact barriers PLF removes and calls for the public and private investment PLF mobilises [3]. The Australian Accelerator's action plan converts an operating base into institutional scale:

- **Demonstration across built-environment subsectors.** Four live workstreams demonstrate the mechanism's reach: new-build housing; grid-scale battery storage hosted on commercial property within existing urban electricity networks; conversion of large commercial upgrade costs into income-aligned repayments; and residential retrofit.

– **Capital formation strategy.** Sequence from new construction to retrofit: new-build volume creates a standardised, high-volume asset class whose certainty attracts institutional capital, and that capital base then underwrites the complexity of the retrofit market. A national 100,000-homes ambition is the on-ramp into a stock of more than 11 million homes and 1 million non-residential buildings [3], with dedicated capital-market vehicles, consistent with the Plan's third pillar, supplying liquidity and compressing pricing as volume builds. Each deal strengthens the asset class that finances the next.
– **Market and legislative modernisation.** Working with the lead state jurisdiction to modernise the enabling legislation for centralised, scalable administration, applying the operating lesson that a central administrator outperforms a council-by-council rollout, and engaging financial regulators on the treatment of the finance in lender serviceability assessment as a contingent obligation that runs with the land.
– **Evidence programme.** The UTS Institute for Sustainable Futures report on PLF for housing transformation is published [8], and a national consumer research programme with Monash University and RACE for 2030 reports in 2026, building the demand evidence base for the residential market.
– **Regional extension.** The Australian Accelerator is the operating template for our global network, with the Indo-Pacific as its extension path: New Zealand's rates-based system as the nearest counterpart market, and early work in the Philippines evidencing reach into emerging markets and developing economies.

• **Emerging Market Accelerator.** The GPLFI will establish an Emerging Market Accelerator focused on countries where the retrofit and resilience gap is largest and where conventional finance is least equipped to bridge it. Drawing on the GPLFI's country assessments across Latin America, sub-Saharan Africa, and Southeast Asia, the Emerging Market Accelerator will prioritise jurisdictions where retrofit need-to-investment ratios exceed 8× and where property finance markets are sufficiently developed to support the introduction of a legal ‘linking mechanism’ that ties the financing to the property.

Priority markets — based on property market features and predisposition to PLF structures — will include Brazil, Colombia, Mexico, South Africa, Kenya, Turkey, Indonesia, and the Philippines. Accelerators will produce country-level blueprints outlining how to implement PLF in each market, determine the concessional capital structures needed to de-risk first transactions and help prime market for early adoption, supported by the following cross-cutting activities:

The Accelerator will develop country-level consumer and commercial research, market sizing to estimate the addressable opportunity and financial modelling to demonstrate the commercial case for PLF to investors. It will engage key market participants including national and local government, central banks and build local technical capacity through training and toolkits delivered in partnership with national green building councils.

– **Legal and regulatory frameworks.** The Accelerator will develop model legislation, where required, adapted to each target jurisdiction's property law system, as well local and national governments and central banks, to ensure the linking mechanism and model design are aligned with local regulatory and market contexts.
– **Concessional and development capital.** Early transactions in emerging markets may require a concessional layer to absorb early-stage risk and compress interest rates to market-viable levels. The Accelerator will structure blended finance vehicles that pair development finance institution first-loss or guarantee instruments with private capital, creating a repeatable template that each country can scale once the initial transaction proves the mechanism. As transaction volume builds, the concessional layer thins and the commercial layer expands, consistent with the Plan's capital formation logic. The Accelerator will engage national and regional development finance institutions, including the International Finance Corporation (IFC), African Development Bank, Inter-American Development Bank, and Asian Infrastructure Investment Bank (AIIB), to integrate PLF solution into existing green finance facilities
– **Regional specialisation.** Latin America and Sub-Saharan Africa are primary focus regions, given the combination of large owner-occupied housing stocks, rapidly growing building sectors, high energy cost exposure, and active development finance ecosystems. Southeast Asia provides the Indo-Pacific corridor connecting to the Australian Accelerator's regional extension. Each regional cluster shares a common legal template, adapted to the dominant property law tradition—civil law in Latin America and Francophone Africa, common law in Anglophone Africa and Southeast Asia—reducing transaction costs as the Accelerator scales.

• **European Union (EU) Accelerator.** The GPLFI will establish an EU Accelerator to develop PLF within the EU's regulatory architecture, underpinned by the Energy Performance Building Directive’s (EPBD), that creates one of the strongest policy demand signal globally. With retrofit need-to-investment ratios of 2–4× across major European markets and documented green rent premiums of 8–20% in established certification markets, the EU offers the combination of regulatory urgency, institutional capital depth, and legal infrastructure that enables PLF to reach institutional scale.

The EU Accelerator will leverage these clear conditions to develop and scale standardised, market-wide PLF products compatible with EU taxonomy, covered bond. Key activities include:

- **Product design and legal and regulatory support.** The Accelerator will develop a suite of country-specific PLF products, aligned with the EU Taxonomy and adapted to member states' local context. These products will attach the financing obligation to the land under existing legal mechanisms in each member state, using specific in situ mechanisms such as a statutory charge, property lien, land based annuity, or property tax payment. Across both common law and civil law systems, the Accelerator will set out standardised legal pathways to streamline PLF deployment. It will also engage the European Banking Authority on mortgage consent requirements and consumer credit protections.
- **Regional specialisation.** The Netherlands, Spain, France, and Germany have been identified as lead jurisdictions, chosen for their combination of established green certification markets, promising linking mechanisms, and investment capital appetite. In each of these markets, there will be tailored marketing and communications strategies to accommodate unique real estate market dynamics.
- **Localised sandbox pilots.** The Accelerator will partner with local authorities, regulatory institutions, and public investors, to run PLF regulatory 'sandboxes' in three to five pilot jurisdictions in 2026-2027. These pilots will test charge registration, lender consent protocols, and servicer arrangements under live regulatory supervision before national legislation is finalised.

## Strengthening international cooperation through GPLFI

• **The cooperation model is a shared global standard delivered through locally adapted mechanisms.** Our Principles and Pathways set the standard; the Accelerators deliver it in-country; capital-market vehicles supply liquidity. A country joining this architecture starts with worked examples at both ends of the legal spectrum and a working market to learn from.

• **The multilateral foundations exist.** Our Plan sits in the COP30 Granary of Solutions [6], Türkiye, as COP31 co-president and Mission co-steward, has incorporated the initiative into the ICBC's implementation mechanisms, and PLF's asset-linked, purpose-bound design is compatible with Islamic finance principles, extending cooperation across participation finance markets. Global ABC and ICBC formulation have received acknowledgments from eight member countries, including France, Germany, Brazil, Luxembourg, New Zealand, Türkiye, Somalia and Kenya,

**The cooperation ask:** the request of the Mission is to name the GPLFI among the Mission's high-impact solutions and support our Country Coalition, which convenes finance ministers toward formal national commitments to develop PLF markets at COP31 in Antalya, and to support the institutionalisation of GPLFI Accelerators at the national level.

## References

[1] United Nations Environment Programme and GlobalABC (2026). Global Status Report for Buildings and Construction 2025-2026. Investment figures (USD 275 billion in 2024; additional USD 3.6 trillion cumulatively by 2030) appear in the executive summary and the investment chapter; the GPLFI profile appears in the investment chapter's review of finance initiatives.

[2] Global Property Linked Finance Initiative (2026). Proven Pathways. April 2026. Deployment footprint, capital mobilised, and savings delivered for the Australian Environmental Upgrade Agreement market.

[3] Australian Government, The Treasury and the Department of Climate Change, Energy, the Environment and Water (2025). Built Environment Sector Plan. September 2025. Available at: https://treasury.gov.au/sites/default/files/2025-09/p2025-698821.pdf

[4] UNFCCC (2026). COP31 Presidency announces new targets on global electrification, cutting waste, resilient cities. 9 June 2026. Available at: https://unfccc.int/news/cop31-presidency-announces-new-targets-on-global-electrification-cutting-waste-resilient-cities

[5] Global Property Linked Finance Initiative (2025). Property Linked Finance Principles. Available at: https://www.propertylinkedfinance.com/wp-content/uploads/2025/11/GFI-GPLFI-REPORT.pdf

[6] Global Property Linked Finance Initiative (2025). Plan to Accelerate Solutions. Accepted into the COP30 Granary of Solutions under Axis 4 (Building Resilience in Cities, Infrastructure and Water), Objective 12.

[7] Green Finance Institute (2024). A greenprint for Property Linked Finance in the UK. Available at: https://www.greenfinanceinstitute.com/wp-content/uploads/2024/11/A-Greenprint-for-Property-Linked-Finance-in-the-UK.pdf

[8] Noble, G. and Cheung, H. (2025). Property Linked Finance for Housing Transformation. Institute for Sustainable Futures, University of Technology Sydney, October 2025. DOI: doi.org/10.71741/4pyxmbnjaq.30451454