



New England Facilities Development News

# For Multifamily Leaders, ESG Initiatives Can Bring Outsized Benefits

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by Nate Thomas

In today's business world, environmental, social, and governance (ESG) initiatives are quickly becoming an imperative for companies large and small, as leaders recognize the importance of prioritizing the well-being of people and the planet. And yet while many industries have a lot to offer in this movement, few are as well placed to take a leadership position on ESG, and to have as great an impact, as the multifamily housing sector.

Housing comprises a massive portion of the built world, and it touches and shapes people's everyday lives while doing the same for societies and the natural environment. Positive social and environmental impacts in this field can have massive impacts both globally and individually. But implementing ESG initiatives can seem like a daunting task. What do developers, owners, and operators of apartment and condominium properties need to know?

As architects and advisers working on environmentally and socially sustainable multifamily communities, The Architectural Team (TAT) is helping clients understand and apply ESG values and frameworks to their housing work across New England. Here are a few of the most important considerations to keep in mind.

## What Does an ESG Framework Look Like in Multifamily?

Housing is where environmental, social, and management/governance considerations all come together. True ESG frameworks in the multifamily world therefore require a focus on the E, the S, and the G, meaning clear environmental goals for individual buildings and an entire portfolio; a commitment to housing whose design, programming, and operations support stronger communities and foster other social benefits; and advocacy for these issues alongside responsive management strategies.

## Be Prepared for a Long-term Investment

It's important to understand that ESG initiatives bringing the greatest social or environmental impacts are rarely the cheapest or easiest to achieve. Developers and

owner/operators must be able to clearly state their values and goals and set measurable benchmarks. It's a process, and it won't happen overnight.

### The Benefits are Real, Diverse, and Worth the Effort

Housing built and operated with an ESG framework creates the bedrock for a sustainable, resilient and efficient built environment, and an opportunity for positive social, wellness, and community impacts. Not to be ignored, there are market benefits as well. Tenants and prospective tenants alike want to spend their money on apartment communities that embody their values, and increasingly they're looking for ESG commitments. Differentiation is key in the market today, and meaningful environmental, social, and governance initiatives will support leasing as well as retention.

### It's Critical to Continue Pushing the Envelope

One of the most important realities of an ESG framework is that to a certain extent, success will always be a moving target. As one benchmark is met, it's vital to keep setting the bar higher and pressing for innovation. We're always working with clients to push the envelope for the latest and most creative strategies, ranging from passive house retrofits on historic properties, to affordable and ultra-green senior living developments, to creative onsite community resource centers and cultural assets. As another example, LEED, passive house, and related third-party certifications are a useful benchmark for tracking ESG commitments, but we also recommend that developers explore newer programs such as Fitwel, WELL, and Living Building Challenge, which incorporate additional social and wellness criteria.

Taken as a whole, all of these considerations drive better overall ESG performance across the multifamily sector. And the benefits are far ranging, because housing influences people's lives in so many holistic ways. ESG initiatives in the multifamily sector can have a dramatic positive impact, contributing to the betterment of society and the future of our planet while improving business outcomes. From our perspective, that's a win-win.



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