It Can Be Done: Multi-Tenant Net Zero Landlord-Tenant Collaboration
Net Zero Barriers for Multifamily
Real Estate Developers Worry About...

Increased Cost
Split Incentive

Occupant Pushback

Technology Challenges
Net Zero Motivations – Resident Interest

AMLI Residential 2020 Sustainability Survey polled 4,891 apartment residents asking how their opinions on environmentalism and green initiatives impact their choice on where to live

- 83% of residents believe living in a green apartment is beneficial to their health, +3% over last year
- Top 3 green features: fresh air initiatives, energy-efficiency savings on utilities, smoke-free living
- At AMLI communities with LEED certification, 11% more residents agreed that green features at their community impacted their decision to lease with AMLI versus residents at non-LEED communities, and 13% more residents reported financial savings from efficient features at their communities
- Climate change remains an important issue for AMLI residents, 89% saying they were concerned—75% said desire to find solutions to environmental issues increase over last 5 years, +4% over last year

“With a much larger percentage of residents working from home over the last five months, and into the foreseeable future, the healthy, green features inside and outside of their apartment homes are more important than ever.”
Survey covered 425 investors in 27 countries, US$25 trillion AUM - corporate and public pension plans, asset managers, endowments, foundations, wealth managers

COVID-19 crisis has not slowed investor demand for sustainable investing, with 20% even reporting the pandemic would result in accelerated sustainable investment allocations

Very strong investor interest globally in integrating ESG factors in the investment process. 75% of respondents reported that they either use or would consider using an integrated approach, to account for ESG risks in their portfolios, looking at ESG criteria across all holdings and informing future investment decisions through a holistic sustainability lens.

“Investors around the world are demanding continued focus from the industry on sustainability initiatives that will help them build better risk-adjusted portfolios for the future.”
Net Zero Motivations – City Regulatory Policy
Rise in Gas-Bans, Building Performance Standards, and Net Zero Codes
Net Zero Motivations – Corporate Net Zero Goals

Real estate firms understand their responsibility and opportunity to address the climate crisis.
Net Zero Motivations – Environmental, Health, Resilience

Altruism isn’t dead

- Carbon Emissions Reductions
- Healthy Indoor Air Quality
- Safer Living
- Better Indoor Comfort
- Resilient Operations
Lendlease – 30 Van Ness New Construction
San Francisco, CA

- 250KSF office, 330 condos (25% affordable), and 4KSF of retail space
- Aligns with Lendlease’s goal to be net zero carbon operations by 2025
- Efficient and Healthy LEED Platinum, WELL Silver:
  - Electrochromic glass
  - Induction cooktops
  - EV charging stations
  - Electric variable air volume with 100% OA capability
  - MERV 15 filters, Touch-free access systems
- Motivation for the “net zero ready” development:
  - Align with tenant aspirations
  - Environmental considerations, corporate ESG goals
  - Desire to be an Innovator in the space
East West Partners – Electric Pass Lodge New Construction
Snowmass, CO

- 52 condos for-sale, $1.4-3.2M > 100% sold out 18 months before construction completes
- 100% powered by renewable energy – onsite Roof PV 65kw and offsite for remaining 85%
- High performance building systems in the LEED Neighborhood Development:
  - Passive strategies – phase-change temperature retention blankets in ceilings, passive solar gain at southern glazing, enhanced insulation, triple-pane operable windows
  - Efficient systems – electric water-vapor fireplace units, earth-tube technology to cool and pre-condition fresh air, energy recovery ventilation, induction cooktops, ceiling fans
- Marketing leads with sustainability - in A/B testing the All-Electric Ads strongly outperformed the Ski/Lifestyle Ads
104KSF 100-year-old historic school adaptive reuse into 70 units of mixed-income Senior Housing

Partnership between WinnCompanies, city of East Haven, and CT Housing Finance Authority – state historic tax credits, low-income housing tax credits, EnergizeCT utility incentives

Technologies:
- VRF system for heating & cooling
- High-efficiency balanced ventilation with energy recovery
- Comprehensive exterior envelope insulation and air sealing
- ENERGY STAR appliances, LED lighting
- 90kw solar array
Sustainable MF Operations
Resident Turnover Fit-Outs, Green Leases, Data Transparency, Resident Engagement

10-step process with actionable steps for owners/operators to improve EE and achieve cost savings

Landlord/tenant green leasing recognition program to drive high-performance, healthy buildings

Sample resident engagement messaging and awareness campaigns around sustainability