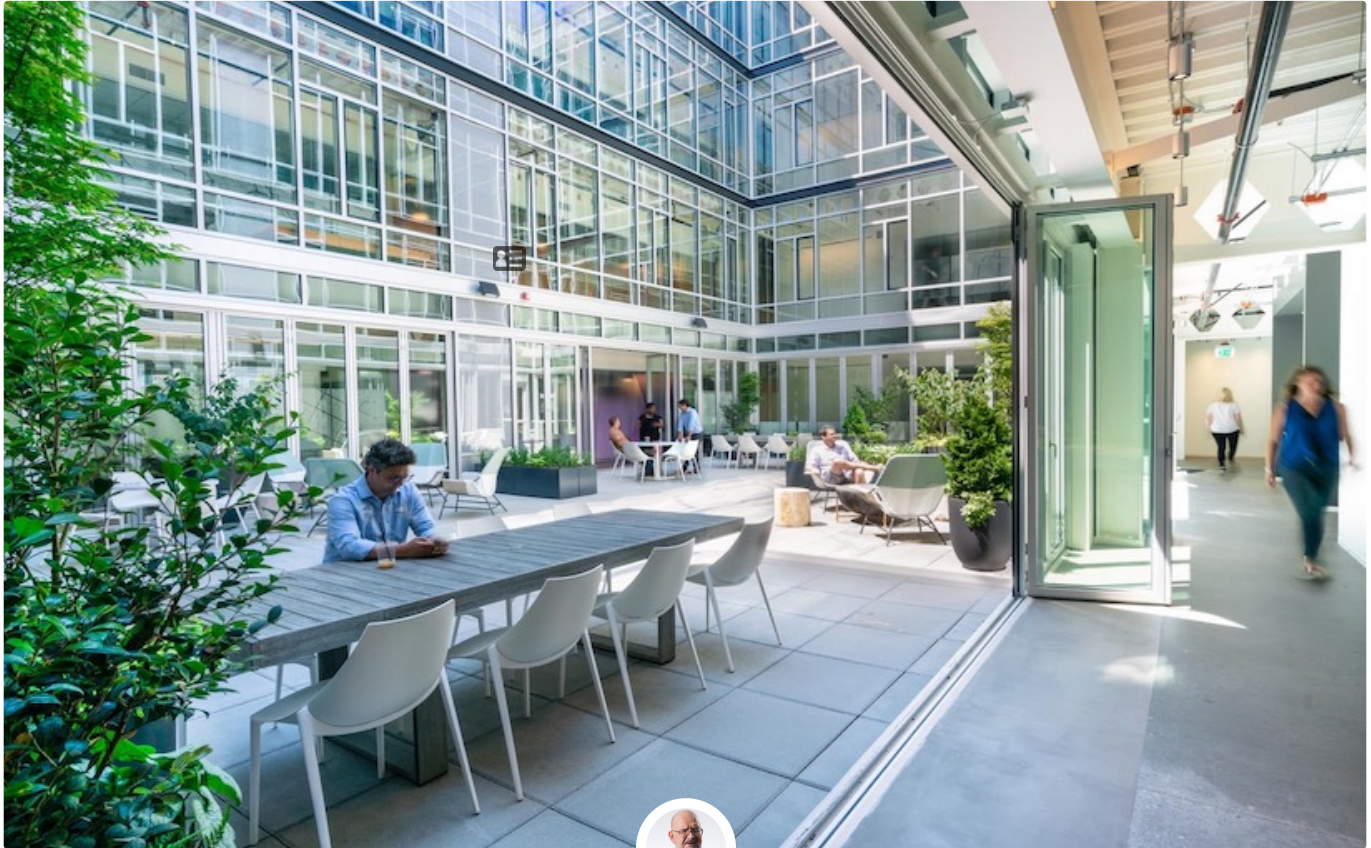




All Markets and Regions

Global + Office | April 2, 2021



By: Paul Bubny

Wellness Plays a Bigger Role in Investors' CRE Decisions

In a new survey of many of the world's leading real estate investors, 92% expect demand for healthy buildings to grow in the next three years. This finding, among others, is captured in a report titled "A New Investor Consensus: The Rising Demand for Healthy Buildings," coordinated by the United Nations Environment Programme Finance Initiative, the Center for Active Design and BentallGreenOak.

The report reveals that COVID-19 has elevated the importance of health in investment

decision-making, with 89.5% of respondents intending to enhance their wellness-related asset management strategies in the coming year. The need for healthy buildings has been steadily rising over the past decade, and nearly 70% of respondents said they'd seen increased demand prior to the pandemic.

Investors are increasingly aware of the importance of health and well-being to their environmental, social and governance (ESG) strategies and the link between building design and function, and personal and societal health and wellness, the report found. This has given rise to a more concerted focus on the "S," or social component of ESG, which has traditionally lagged the more well-defined environmental and governance pillars. Just 53% of respondents said they incorporate health and wellness into their ESG strategies to a great extent and 42% have begun to do so.

"Our collective experience with the first modern pandemic in our lifetimes is teaching us how closely tied investment performance is to operational excellence, tenant engagement and community relationships," said Amy Price, president of BentallGreenOak.

The study's key findings include:

- Against the backdrop of COVID-19, 100% of respondents in Asia, 90% respondents in North America and 85% of respondents in Europe expressed that current demand for healthy buildings is moderate or strong. Collectively, nearly 87% of respondents experienced increased demand over the past 12 to 24 months.
- Ninety-two percent of respondents agreed that demand for healthy buildings will grow in the next three years.
- Ninety-five percent of respondents identified tenants as the leading stakeholder group driving demand. Most of that strong or moderate demand comes from the office (87%) and residential sectors (61%), followed by retail (48%).
- Even as 89.5% of respondents plan to enhance their company's health and wellness strategies in the coming year, the motivations for doing so are diverse. Respondents cited COVID-19 response (100%), human health (86%), tenant satisfaction (71%), market differentiation (71%), enhancing reputation (57%) and compliance concerns (43%) as core reasons for investing in these strategies.
- Nearly three-fourths of respondents (74%) agree that tracking data is a key priority for implementing healthy buildings in their ESG strategies. The report says availability

of healthy building certification systems, which 61% of respondents reported using in some form, can offer a pathway for the industry to more consistently accomplish this.



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