# A NOTE FROM OUR PRESIDENT AND CEO | JOANNA FRANK

# FROM TRANSLATION TO TRANSFORMATION: REFLECTIONS ON THE INTERSECTION OF PUBLIC HEALTH AND HEALTHY BUILDING IN 2021 AND BEYOND

A global pandemic has revealed our vulnerabilities, interconnectivity, and the need for an integrated approach to building health for all. Which begs the question — what's next?



In the summer of 2020, writer Sara Hendren published a book titled *What Can a Body Do?: How We Meet the Built World*. As the galleys went to press, the COVID-19 pandemic ignited a global shutdown and with it, a chance to reassess conventional wisdom in a variety of societal sectors, including and especially building, real estate, and design.

Hendren was quick to point this opportunity out, penning a thoughtful question that was added in just prior to the book's release:

"Is a desirable future one that only restores what was lost? Or is a new set of possibilities asking to be imagined, or reimagined?"

I found Sara's blunt inquiry both profound and deeply relevant to our road ahead. We are not here to merely restore the physical, mental, or social conditions we were accustomed to as recently as early 2020. We are here to reimagine what happens when a future is built by preparing for — instead of reacting to — a complex, seismic shift in the intersection of public health and healthy building.

In two weeks, we will mark the beginning of the third year of the pandemic. If 2020 was the year we naively opined about getting back to normal, then 2021 has been the year we've only just begun emotionally and physically reckoning with our changing world. And it is my sincere hope that in 2022, we meet the moment not only with renewed optimism, but with a detailed plan for pursuing the possibilities that come with more human-centric design.

Next year should be about building on our success as an organization known for its translation of public health research into practical design and operation. And perhaps most importantly, it should be focused on taking greater strides in building a people-focused movement behind total market transformation.

#### A YEAR OF RISK REALIZATION: THE VALUE OF PEOPLE-DRIVEN PORTFOLIOS

Before the pandemic, real estate investors and developers were making decisions based on their portfolio assets more so than the people impacted by their portfolio. COVID-19 has helped bring forth a dramatic priority shift in this sector — finally to the forefront comes the prerequisite that projects be executed first through the lens of, "How will people experience this space?"

For more than a decade, the <u>Center for Active Design</u> (CfAD) has worked to educate the healthy building community on the connection between the health and happiness of the occupants of their buildings and the financial stability of their real estate portfolio. But even given the growing commitment to ESG over the last five years, human health and well-being was often perceived as a 'nice to have' but not quite a necessity.

Not anymore. With an airborne respiratory virus threatening global economic and social welfare, ignoring health is now widely recognized for what it has always been: **a risk**.

And because risk management and mitigation are essential to the real estate sector, developers and investors are entering 2022 with the distinct understanding that they must use human health as a baseline for business decisions.

## DRAMATIC GROWTH FOR FITWEL + PEOPLE IMPACTED

Fitwel, our flagship offering and the world's leading healthy building certification, has given the real estate community a tangible way to navigate this new priority, address risk, and prioritize its people. And by providing a platform for real estate professionals to evaluate health impacts within assets, we have a projected 248% total growth in certifications for 2021.

In accordance with growing awareness and demand, we just reached our 3,000th Fitwel Ambassador milestone and have updated our Fitwel Ambassador course offerings to introduce detailed evidence for better supporting these individuals advancing health and well-being in their local communities.

When we talk about Fitwel, we often hear of the number of projects — currently in 40 countries, with nearly 3,000 registrations around the globe, and 6,500 users. But the number we are most proud of is 1.5 million and climbing — Fitwel-certified and Fitwel-approved projects, 2017-21 800 600 500 400 300 200 100 2018 2019 2020 2021\* \*Based on projected Q4 numbers

PERE ESG Report, December 2021 / January 2022, Real estate's race to net zero is picking up pace

the number of people our certification system has impacted thus far.

#### THE LAUNCH OF ADAI + KEY NEW APPOINTMENTS

In an effort to increase awareness and implementation, in March of this year, we <u>launched</u> Active Design Advisors, Inc. (Adai) — a new business unit designed to help grow and drive Fitwel certifications in response to market demand. A subsidiary of CfAD, Adai is responsible for promoting and administering the Fitwel certification as it expands across key markets, and adding capacity as we accelerate the healthy building movement. Our goal in 2022 is to leverage our technology platform to support the real estate industry in realizing their enterprise wide commitments to healthy buildings.

But this exceptional tool requires an exceptional team at its helm. So, we've made key appointments. Joining Nadine Rachid, Senior Vice President of Standard and Product Development, is Lauren Brust Moss, serving as Senior Vice President of Marketing and Business Development. Lauren will be responsible for overseeing Fitwel's multifaceted marketing and business development strategies. Supporting Moss will be Sonja Trierweiler, Vice President of Marketing and Communications, who will spearhead CfAD's public relations and marketing initiatives. Additionally, Zachary Flora has been promoted to Vice President of Market Growth, where he is focused on executing Fitwel's growth plan with a particular emphasis on user acquisition and retention.

This year also brought integral additions to CfAD's board of directors, including Kevin Davis, who serves as Senior Managing Director of JLL's Hotels and Hospitality Group and Head of Debt Capital Markets for Hotels in New York. Davis is the latest addition to CfAD's diverse and highly experienced board of commercial real estate and public health experts. In the last year, the organization has also welcomed Dr. Bon Ku — Director of the Health Design Lab at Thomas Jefferson University — and Bob Simpson — a celebrated expert in affordable workforce housing who spent more than 20 years with Fannie Mae — to the board.

## INVESTMENTS + INCENTIVE = INTERCONNECTIVITY

When it comes to public health measures, individual well-being versus collective good is the age old battle. After all, public health, at its core, is about doing the greatest good for the greatest amount of people. This includes physical health challenges such as diabetes and heart disease, and mental health struggles with depression, anxiety, and more. But it also includes social health — meaning trust, interaction of communities and interconnectivity of policy, and design decisions that positively impact a wide variety of human beings.

This flashpoint — the intersection of public health (physical, mental, social wellbeing) and building health — is where our organization can lead the way, not only at the height of a pandemic, but in the years and decades to come.

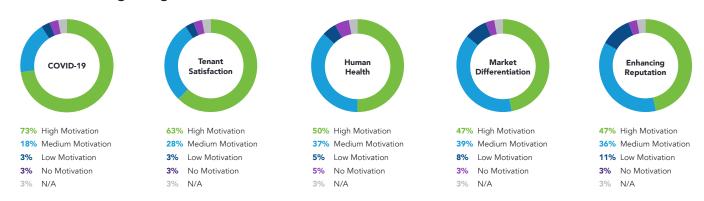
With the onset of the Omicron variant, vaccine inequity, a lack of access to testing and pandemic fatigue, professionals in the building sector and beyond are, perhaps for the first time, experiencing for themselves the extraordinary interconnectivity of the global community.

If building is an inherently dynamic and evolving profession, then *healthy building* must offer an integrated approach where we can, to a measurable degree, futureproof the physical, mental, and social aspects of the human experience.

More than ever before, this year has highlighted our unique ability to do just that — to prioritize these three pillars of public health and capitalize on the demand for optimum design decisions that will service all of them.

And our 2021 report, "A New Investor Consensus: The Rising Demand for Healthy Buildings," coordinated by BentallGreenOak (BGO), the United Nations Environment Programme Finance Initiative (UNEP FI), and the Center for Active Design, further affirmed the time is now. The study found that 92% of the world's leading real estate investors expect demand for healthy buildings to grow in the next three years. And while 92% of respondents also said they plan to enhance their company's health and wellness strategies in the coming year, the motivations for doing so were diverse.

#### **Motivations Driving Rising Demand**



Health and Real Estate Investment Survey Results, 2021, A New Investor Consensus: The Rising Demand for Healthy Buildings

## AN INTEGRATED, HOLISTIC PATH FORWARD

We believe this is the largest survey of its kind to explore real estate investor attitudes about health and wellness related to ESG strategy — which means that investors are acutely aware that occupants now understand, and often expect, that the buildings they reside in and work in must offer a leg up and not a liability when it comes to their quality of life.

As a result of this mainstreaming, we no longer have to have conversations about the financial and health benefits of caring for people or places beyond our bubbles. We no longer have to spend a large portion of our time translating evidence-based research before we even begin getting to the long-term benefits of healthy building. People now have their own firsthand experiences to demonstrate the profound cost of ignoring risk mitigation when it comes to human health and well-being.

# That leaves us more time to take some critical next steps in 2022:

**Meet people where they're at.** Even before COVID-19, the World Health Organization (WHO) recognized depression and anxiety as the first and sixth leading contributors to global disability, respectively. Today, with growing feelings of endlessness and fatalism, and almost a quarter of COVID-19 survivors struggling with long haul symptoms, we are facing what disability rights activist Jennifer Brea calls "the largest mass disabling event in our history." But even and especially in a global public health crisis with what can often feel like moving goal posts, ours is an organization equipped to provide physical and mental health improvements that mitigate and reduce stress and that endeavor to provide building health for all. And because of that, I am confident that we are more than prepared to answer despair and disillusionment with design and resilience.

**Encourage incremental improvements.** An 'all or nothing' mentality will result in a stagnant market unable to adapt to the changes ahead. As an organization, we must move from binary thinking to a broader understanding of what's at stake when it comes to healthy building. Our certification system is not only the leading healthy building certification, it's also the most accessible. Whereas with other platforms, incremental steps and forward progress do not necessarily meet the threshold for upward certification movement, CfAD **embraces the idea that scaling starts somewhere**. The

way we include as many people as possible in this movement is to acknowledge that there isn't a single solution across the board. A person can optimize any environment and our motto is "Building Health for All," which means we must continue to embrace incremental improvements, double down on inclusivity, and underscore these commitments with the actionable ideology that everybody can do something.

**Distinguish our differences.** While we are a health-focused organization, we also recognize the direct connection of health and the environment and are working on further integrating evolving ESG trends. We will continue to effectively distinguish ourselves when it comes to cost, access points, and implementation.

Move from translation to transformation. While known for our work translating public health research to practical design and operations, this next year and beyond must be about shifting from a focus on translation to transformation. Fitwel is a certification tool to validate our integrated approach to healthy building. But we are much more than a certification body. We are a broad-based coalition dedicated to building health for all — and we are determined to not only meet demand but deliver total market transformation. And we will deliver on that scaled mission 'to make every building a healthy building' with renewed focus on being a core solution to ESG investment opportunities, which are estimated to exceed 53 trillion next year.

Before we close out 2021, I want to make one last announcement. We have officially confirmed our annual Best in Building Health conference for March 24, 2022!

You may recall that our <u>2021 Best in Building Health winners</u> brought some of our most innovative and remarkable achievements to date — including for the outstanding thought leadership of the <u>Academic Advisory Group</u> for Fitwel's <u>Virus Response Module</u>, composed of industry-leading companies and a roster of elite public health and policy experts.

Don't miss the chance to join us at this year's virtual gathering and <u>subscribe</u> to our emails so you'll be notified when registration opens.

I sincerely hope you'll be able to take the necessary time to rest, safely connect with family and friends, and enjoy the holidays.

Warmly,

Joanna Frank

President & CEO, Center for Active Design



