



# IREM<sup>®</sup> ESG Survey

**August 2024**

Insights from a survey sent to U.S. and Canadian real estate management professionals in April - May 2024 on their environmental, social, and governance (ESG) practices.

Made possible by a Yardi Energy Efficiency Grant.



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# Background of report

This report is the result of a survey conducted under the guidance of the IREM ESG Advisory Council.

## The purpose of the survey was to:

- Explore adoption of ESG practices among real estate managers and their companies
- Identify problems managers are experiencing in adopting ESG practices
- Highlight gaps in real estate managers' knowledge of ESG concepts and practices in order to provide additional resources and information

The survey was distributed to real estate management professionals in the U.S. and Canada. Responses received ranged from 70 to 285 per survey item.

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## Overview of findings

- The percentage of respondents in the 2024 IREM ESG Survey who believed ESG programs were at least somewhat important to property management (75.4%) decreased compared to the 2022 survey (90.3%).
- The percentage of respondents whose companies had formal ESG initiatives was roughly the same in 2024 (31.9%) as it was in 2022 (33.6%). In 2024, companies with 500+ employees were far more likely to have a formal ESG initiative (60.6%) compared to companies with fewer than 500 employees (18.6%).
- Among respondents, the most commonly used metrics in evaluating the success of ESG initiatives were energy, water, and/or waste reductions (92.7%) and operational cost savings (69.5%), followed by satisfaction of tenants/residents (61.0%).
- According to respondents, the implementation of all environmental initiatives listed in the 2024 survey increased compared to 2022. The greatest increases in implementation were in carbon reduction goals (48.6% of companies in 2024 compared to 26.4% in 2022); renewable energy strategy (54.2% in 2024 compared to 37.6% in 2022); and building certifications (76.4% in 2024 compared to 61.5% in 2022).

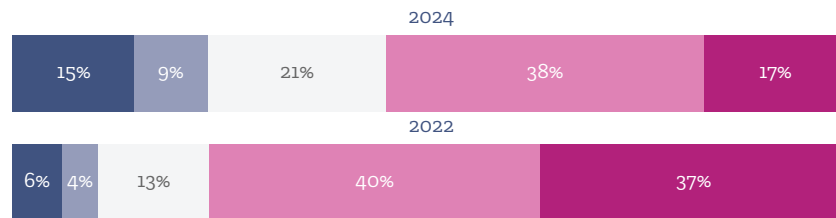


# Importance of ESG

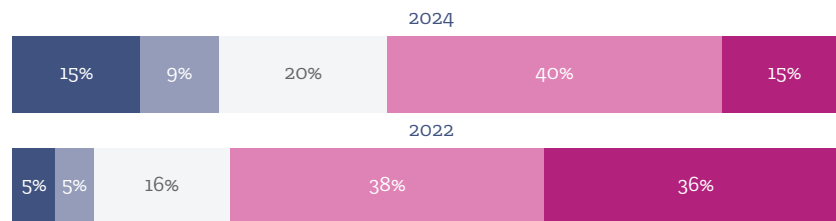
In the 2024 survey, 76.5% of respondents believed ESG programs were at least somewhat important to both the real estate industry as a whole, and 75.4% to property management specifically. These percentages declined from 2022 when 89.5% of respondents believed ESG programs were at least somewhat important to the real estate industry as a whole and 90.3% to property management specifically.

## How important is ESG to the real estate industry as a whole?

● Not at all important ● Not so important ● Somewhat important ● Very important ● Extremely important



## How important is ESG to property management?



## Percent of respondents indicating ESG programs are at least somewhat important by primary property type

Property type	Real estate industry		Property management	
	Year	Percentage	Year	Percentage
Commercial	2024	75.2%	2024	75.3%
	2022	91.8%	2022	90.8%
Residential	2024	79.5%	2024	77.4%
	2022	88.1%	2022	90.9%
Mixed use	2024	72.8%	2024	63.7%
	2022	83.3%	2022	83.3%

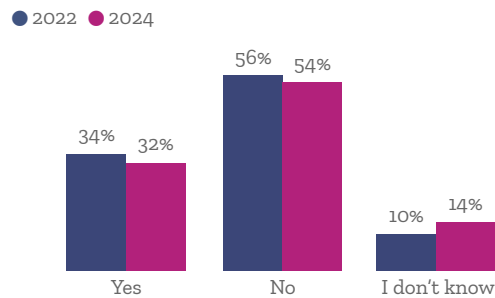
# Prevalence of formal ESG initiatives

A total of 31.9% of respondents' companies had formal ESG initiatives. Formal ESG initiatives were less common in residential portfolios (22.8%) than in mixed use (36.4%) or commercial (36.8%) portfolios. The largest companies (500 or more employees) were more likely to have formal ESG initiatives (60.6%), while the smallest companies (fewer than 49 employees) were the least likely (5.6%).

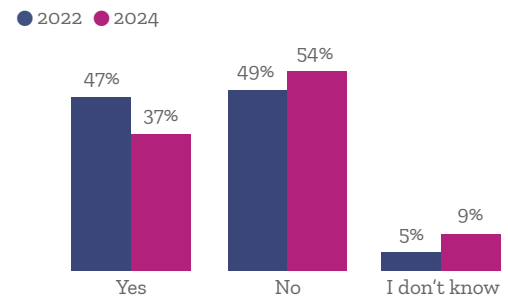
## Does your company have a formal ESG initiative?

By property type

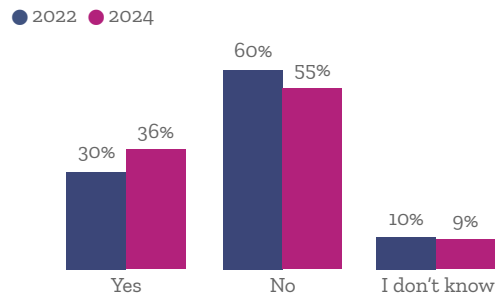
All property types



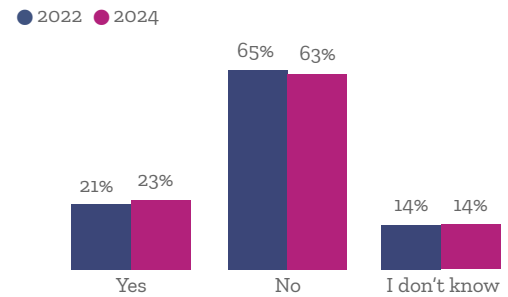
Commercial



Mixed use



Residential

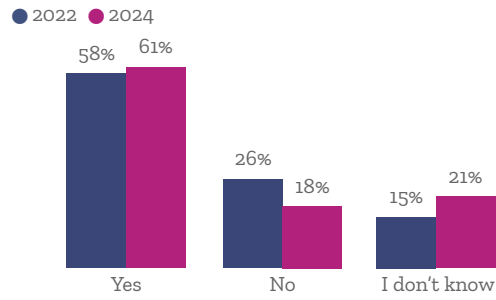


### Need to learn about ESG?

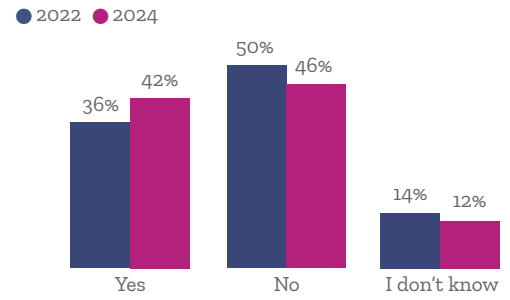
IREM has several Skills On-demand courses on the topic, from fundamentals to property-level strategies. Visit [irem.org](https://irem.org) to sign up today. Subscriptions are available.

By number of employees

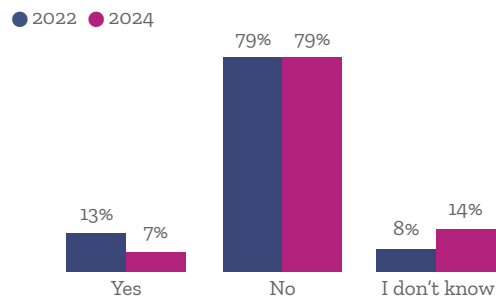
500+



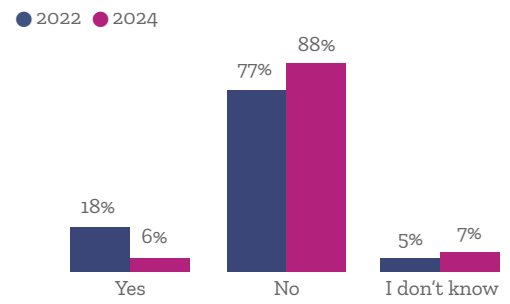
499-100



99-50



49-0

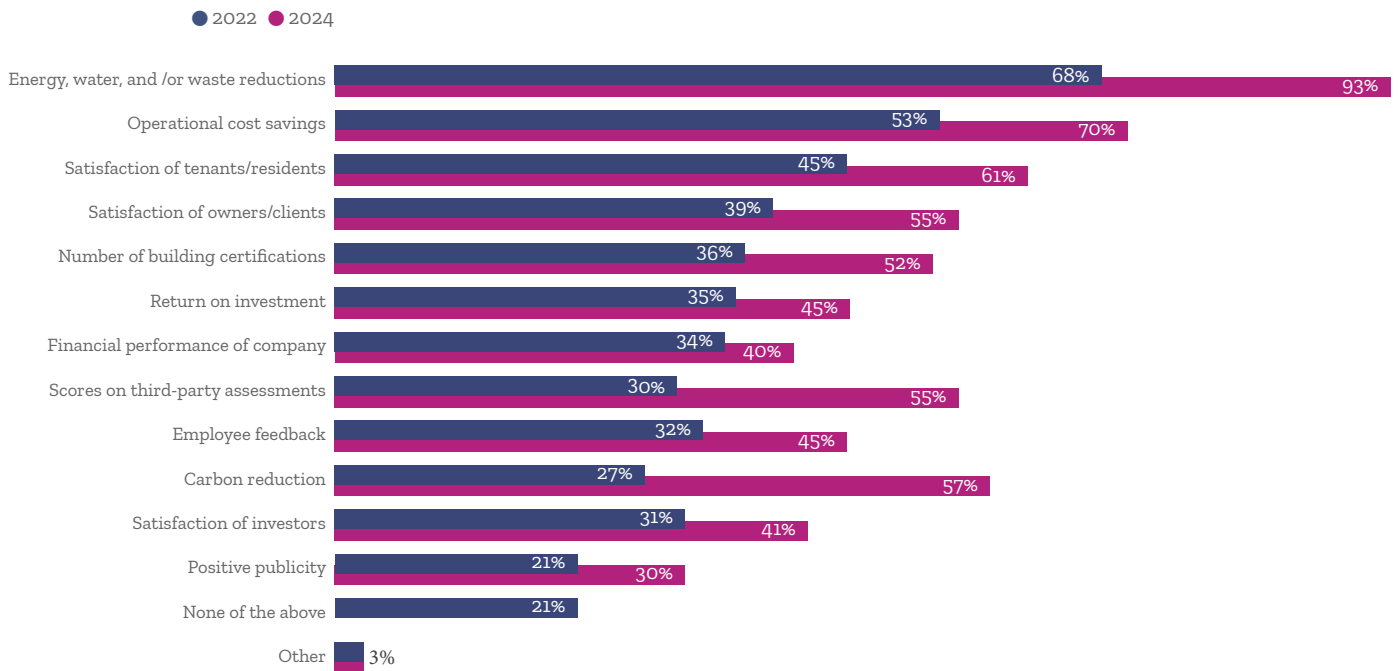


# How respondents' companies measure ESG success

Respondents identified energy, water, and/or waste reductions (92.7%); operational cost savings (69.5%); and satisfaction of tenants/residents (61.0%) as the most common methods of measuring ESG success. The least common method was positive publicity (30.5%).

The use of each method to measure ESG success increased in the 2024 IREM ESG Survey compared to the 2022 survey. This perhaps reflects greater awareness of the importance of specific, measurable goals to ESG initiatives, but more research would be necessary to verify this theory. The methods of measuring ESG success that saw the greatest increases in use include carbon reduction, by 30.2%; energy, water, and/or waste reductions, by 25.2%; and scores on third-party assessments, by 24.9%. Remarkably, carbon reduction as a determinant of ESG success moved from second-to-least common in the 2022 survey at 27.1% to the fourth-most common in the 2024 survey at 57.3%.

Which of the following methods does your company use to evaluate the success of ESG initiatives?



Over half of survey respondents (52.4%) use number of building certifications as a method of evaluating ESG success. The IREM Certified Sustainable Property (CSP) certification is available for existing office, medical office, multifamily, senior housing, retail, industrial, and self-storage properties. Visit [irem.org/gogreen](https://irem.org/gogreen) to get started on CSP applications for your properties.



# ESG initiatives

Respondents were asked to identify the initiatives their companies had implemented in each area of ESG – environmental, social, and governance. Social initiatives had the highest rate of implementation at a combined average rate of 74.2%. Environmental initiatives had the second highest average rate at 66.5%. Governance initiatives had the lowest at 56.5%.

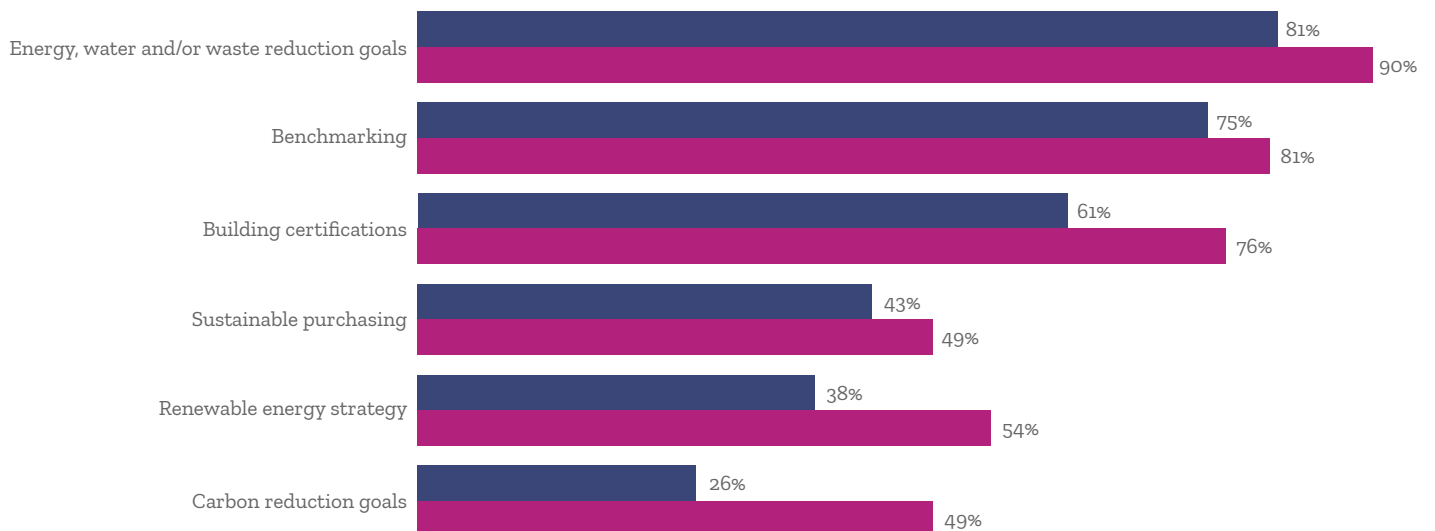
## Top 5 initiatives across ESG categories

Category of ESG	Initiative	% implemented
Environmental	Energy, water, and/or waste reduction goals	90.3%
Social	DEI	90.1%
Governance	Compliance with laws/ordinances	85.7%
Environmental	Benchmarking	80.6%
Governance	Policies & procedures for property operations	80.0%
Social	Tie – Staff training & development program and Volunteering	77.5%

## Which of the following ESG initiatives have been implemented by your company?

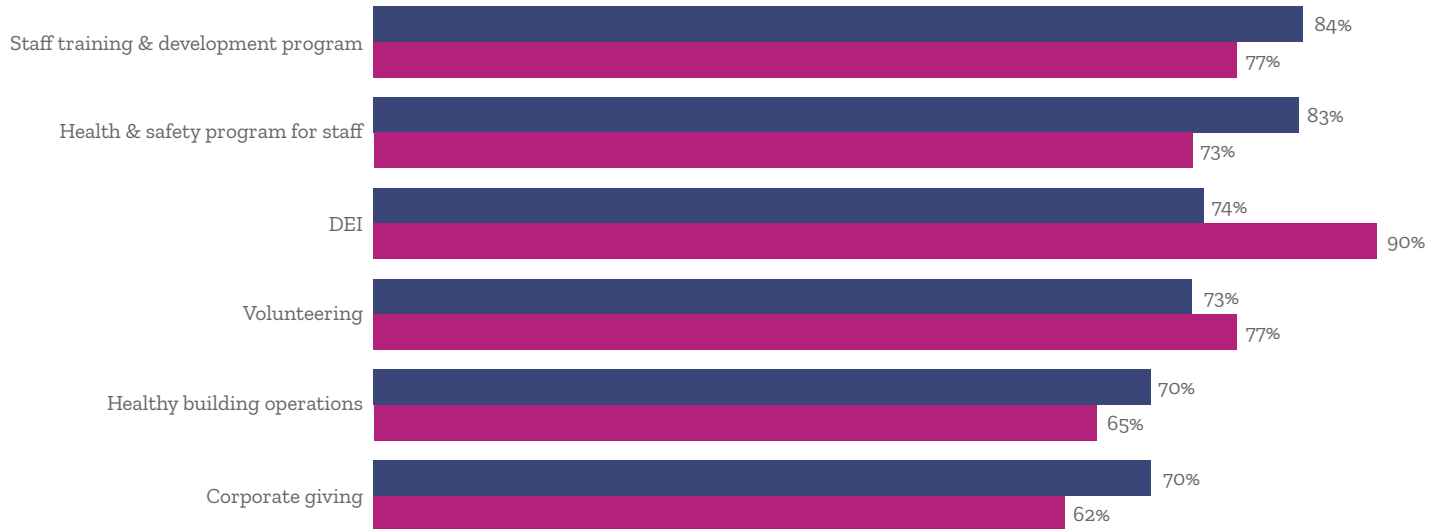
### Environmental initiatives

● 2022 ● 2024



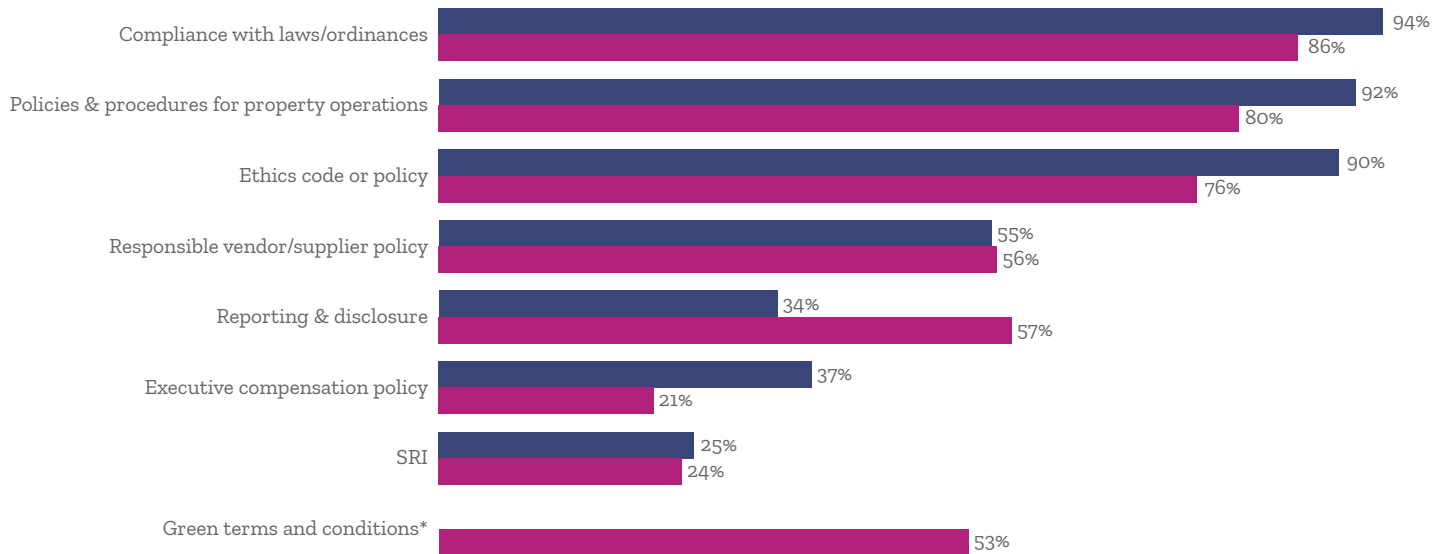
### Social initiatives

● 2022 ● 2024



### Governance initiatives

● 2022 ● 2024



\*2022 data not available



### Need to learn about ESG?

Enroll in the IREM Skill Badge: ESG, a comprehensive online course that covers ESG strategies, goals, and initiatives. Visit [irem.org](https://irem.org) to sign up today.

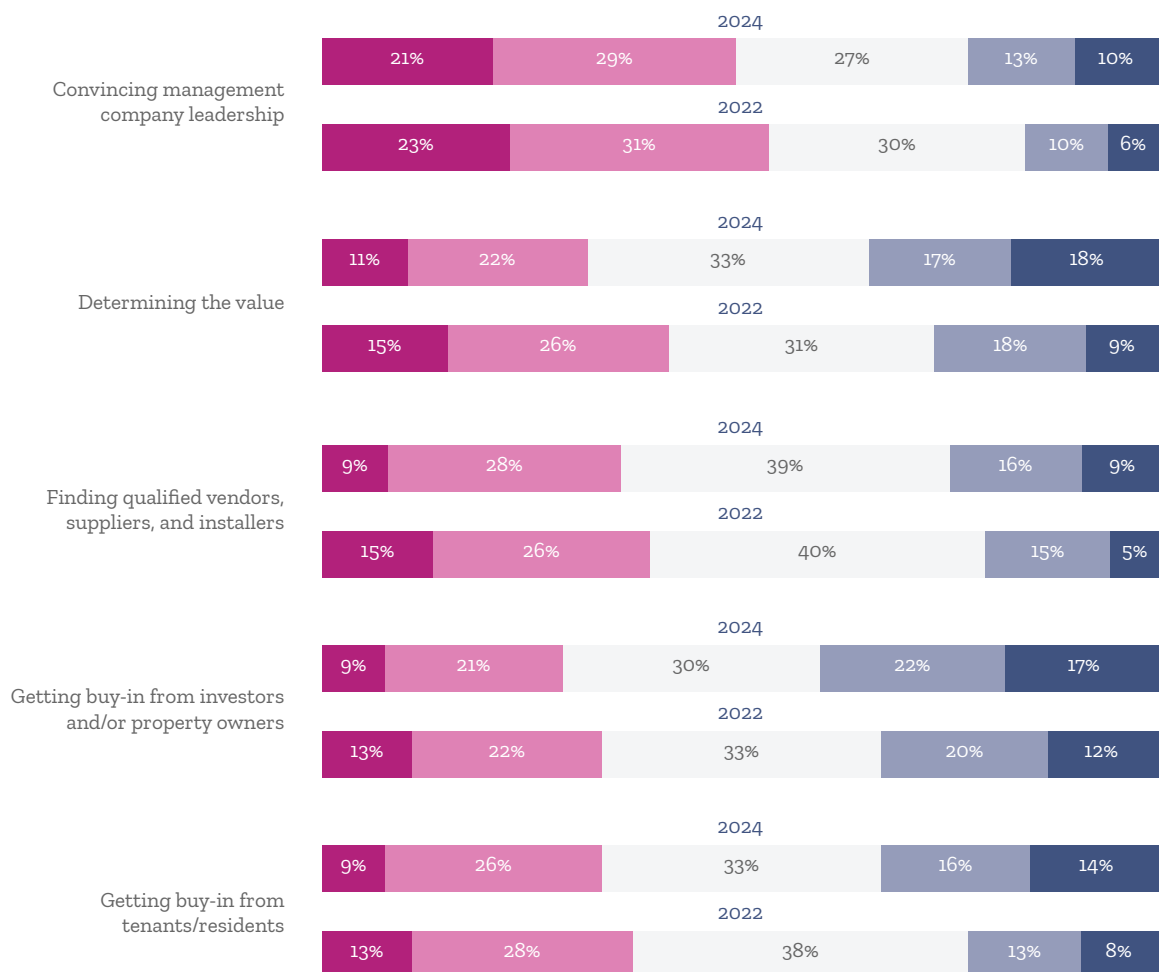
# Barriers to ESG

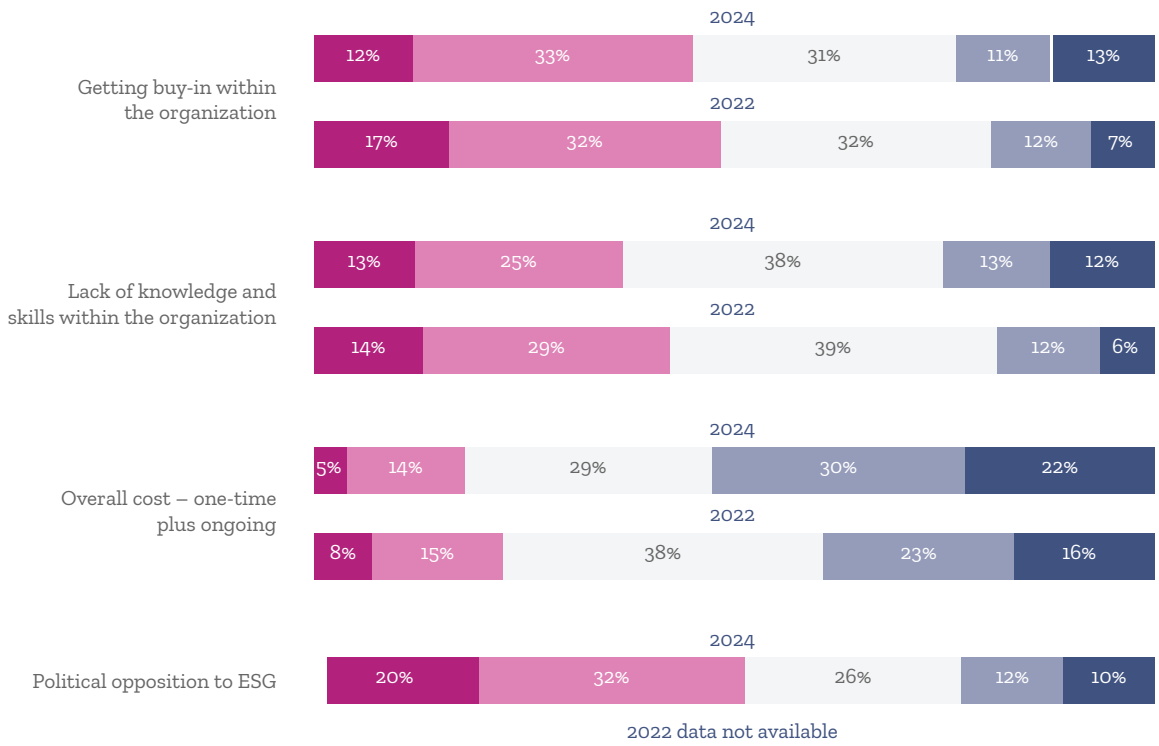
Respondents rated each potential barrier to ESG on a 5-point scale where 1 was “Not at all difficult” and 5 was “Extremely difficult.” They identified issues around value, buy-in, and costs as the biggest hurdles. Overall cost – one time plus ongoing was identified as the most challenging hurdle, with 80.7% of respondents rating it at least “Somewhat difficult.” Lack of knowledge and skills within the organization was a significant hurdle as well, with 62.9% of respondents rating it at least “Somewhat difficult.”

The political opposition to ESG wasn’t as big of a roadblock as issues around value, buy-in, and cost. However, the opposition does seem to be registering, with 48.0% of respondents rating it at least “Somewhat difficult.”

Rate the level of difficulty for each of the following potential roadblocks in considering and implementing ESG initiatives at your company.

● Not at all difficult ● Not so difficult ● Somewhat difficult ● Very difficult ● Extremely difficult

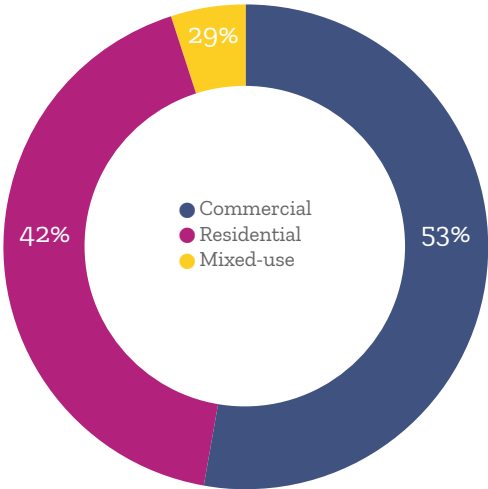




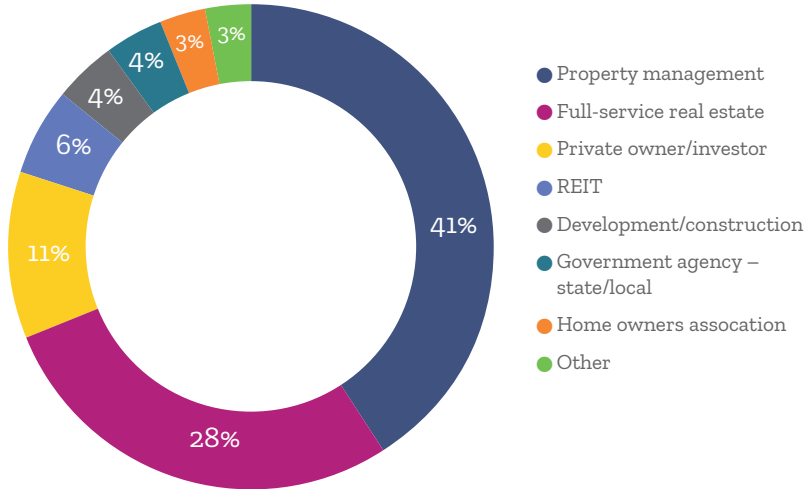
# Demographics

More respondents worked in commercial real estate (52.9%) compared to the residential (42.1%) or mixed-use (5.0%) sector. Most respondents worked for property management firms (40.6%) or full-service real estate firms (28.3%). Firms ranges in size, with a small majority of respondents (53.9%) working for companies with more than 100 employees.

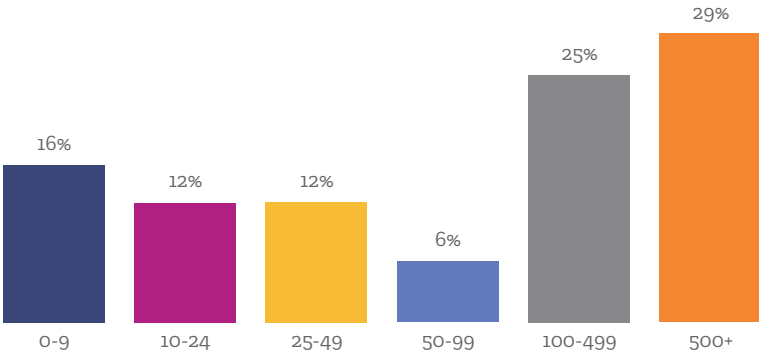
Property category



Which best describes the type of organization you work for?



Which is the size of your company based on total employees?





The IREM ESG Survey and this report are made possible by a Yardi Energy Efficiency Grant. IREM would like to thank Yardi for their support and valued partnership.

#### About IREM

For 91 years, our members have made us the world's strongest voice for all things real estate management. Almost 20,000 leaders in commercial and residential management call this home for education, support and networking. Our CPM<sup>®</sup>, ARM<sup>®</sup>, ACoM<sup>®</sup>, and AMO<sup>®</sup> certifications are internationally recognized symbols of ethical leadership and a well-managed property. And our tools deliver decades of on-the-job know-how to help members get even better at what they do. Put simply – IREM and its members are here to elevate the profession. If you know real estate management, come get to know us. [irem.org](https://www.irem.org)

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