



IREM® From the Front Lines Podcast

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IREM Certified Sustainable Property (CSP) v.2025

Erin:

Welcome to another edition of From the Front Lines, where we discuss both the day-to-day, and one-of-a-kind issues facing real estate managers. In this episode, we talk to Todd Feist, IREM Director of Sustainability Programs about the updated version of IREM Certified Sustainable Property certification, IREM CSP v.2025. Welcome to the podcast, Todd.

Todd:

Hi Erin, thanks for having me on.

Erin:

Of course, glad to have you. First, can you tell us a little bit about yourself and your role at IREM?

Todd:

I'm Todd Feist, Director of Sustainability Programs with IREM. One of the programs I lead is the IREM Certified Sustainable Property certification. I've been excited to see its growth over the years. This is the 10th year of the program, and excited to get out this new version, v.2025. We went through a process through our ESG Advisory Council and several industry work groups to assess the requirements and what needed updated, and that became v.2025.

Erin:

Can you explain the key updates and new requirements introduced in the IREM CSP v.2025 and how they differ from the previous version?

Todd:

I would say the key updates are in the baseline requirements. There are now a choice of policies you can implement. Well, there's three core policies, energy, water, and waste, and then you're able to select another two policies to meet that baseline requirement based on the specific needs of the property and what's relevant. There are some baseline energy and water assessments now as baseline requirements. Those help properties without the resources for an ASHRAE audit or something more substantial, assess the property and set a three-year plan for improvement, which will actually factor into recertification down the line. What is the progress you made on that three-year plan? What new items are you adding to that plan? So that's a big part of the updates to the program are those new baseline energy and water assessments. In energy and water categories, so the point categories, energy especially, there are new thresholds for achieving points, so through Energy Star score thresholds. So previously, these were based on 5, 10, 15% reductions in energy use over a three-year baseline. That's one way you can achieve the points still, but you can also achieve those points by hitting Energy Star score thresholds of 70, 75, and 80. There's also

renewable energy spread throughout the different property types, programs more substantially than the previous version, and that could be an on-site system or participation in community solar. And then there are innovation points in energy, water and in the medical properties health, where pilot programs, prop tech, innovative tenant engagement programs will potentially qualify the property for those points. IAQ testing is more widespread throughout the different property types as available points, and those, I would say, are the main differences to the program v.2025 compared to the previous version. There's more documentation required. There's more information, specific actions taken at the property to improve performance. I invite everyone to take a look at the new guidebooks on irem.org/csp and click "Get CSP resources", and you can dive into all the requirements and the differences between this version and the previous one. We're really looking to see with the assessments, the different changes to the program and the way the assessments work into recertification, measurable improvements in property performance and how the CSP and aligning owner and property management roles in sustainability programs really moves the needle on reducing greenhouse gas emissions and improving efficiency and cost effectiveness through sustainability.

Erin:

How do the new baseline energy and water assessments in CSP v.2025 contribute to long-term sustainability goals for properties?

Todd:

The new baseline energy and water assessments in v.2025, they contribute to long-term sustainability goals by providing a tool that is a systematic evaluation of the property. There are three tabs in the IREM assessments. One tab is identification of standard equipment versus efficient equipment, responsibility for that equipment, whether it's landlord or tenant, it lays out actions already taken and retrofits already made. Really forces the property team and the landlord's team to look at the property what has been accomplished, what needs to be done to further improve energy and water efficiency. You know, we hear all the time that properties are already efficient as it can be. And you know, while that may seem true, there are new prop tech solutions coming on the market every day that do things and solve problems that were previously unsolvable. So between the assessments and the innovation points and the necessity to demonstrate measurable improvements, those are sort of critical to making individual assets as sustainable as they can be and improvements over the long term, and seeking continuous improvement in sustainability performance.

Erin:

What are the main benefits for property owners and managers in obtaining the CSP certification, particularly with the new 2025 updates?

Todd:

Oh, there are several benefits. The CSP in general, the program has always provided a framework, a set of approachable strategies that lead to operational efficiency and reductions in energy and water and waste and reduction in operating costs. And that increase in NOI from those reduced operating expenses contributes to enhanced property value, and that's what it's always been about for sustainability, especially, I think, with property managers their perspective on sustainability, being in charge of those property budgets. So that's a huge benefit, and v.2025, only reinforces that benefit to the program provides more in depth that align with market expectations on sustainability and resilience and other factors that are going to set the property up for long-term success. And sustainability is also about risk management, and the CSP can provide a framework

for that risk management effort. For example, in v.2025 the first baseline requirement, B1 requires the property team service providers, if necessary, to systematically examine the property's ability to be resilient. Severe storms, you know, the face of climate change effects like severe storms, wildfires, rising sea levels, that type of thing. Another benefit is that building certifications enhance the sustainability reporting that is so important to real estate investors and their ability to evaluate the risks that climate change impacts and inefficient operations pose to their investments. In the real estate industry, it's the GRESB Real Estate Assessment scores are what owners and investors look at, and the CSP provides full credit contributes to higher scores on the GRESB assessment. So that's a huge benefit for a lot of participants. There's also plenty of evidence that tenants and residents prioritize sustainable work and living spaces. Certainly, that's been true for a long time, and some want sustainability directly. Others may just want quality. They want clean, well-maintained, efficient places, and sustainability is a proxy for that. So while it can be hard to quantify, sustainability supports property income in addition to reducing expenses, and that's another huge benefit. So you know, even if your particular owners, your particular clients as a property manager, haven't expressed interest in sustainability, their investors don't really look at that sustainability reporting. The CSP can provide that framework for gaining that competitive advantage increasing NOI.

Erin:

Can you share what the response has been to the CSP v.2025, standards? How are companies making the transition to the new version, and what has the feedback been?

Todd:

The feedback has been positive. We've gotten some great comments on the new assessments and how they'll hold participants to the projects they've identified in the three-year plans. You know, since certified properties will need to show progress on their plans and identify new projects in the recertification process. And what's been exciting is some participants in the program have already shared some of the strategies they're going to claim for those innovation points in energy and water and health, for the medical properties. We've already heard about some tech and metering projects that companies are piloting and rolling out across their portfolios that they're going to claim for those points. And the CSP Volume Program companies, there are about 50 companies in the Volume Program, they're in the process of transitioning their Volume Programs. So you know, we're excited to see existing and new participants. We've gotten a lot of new participants recently embracing the CSP and v.2025.

Erin:

What advice would you give to property managers who are considering applying for the CSP v.2025 certification for the first time?

Todd:

I would say, go to irem.org/csp and download the application materials, the checklists and guidebooks, and tools and templates, and familiarize yourself with the requirements, and then really embrace the framework that the CSP offers, where you don't have to search around and play a guessing game on where to start with improving a property sustainability performance. Or we hear so often about getting service provider reports that never get acted upon. So involve your team, involve your staff team, definitely your service provider team, to work through the opportunity and risk assessment and the energy and water assessments that are part of the baseline requirements, and engage your tenants and residents too. That's critical to influence their behaviors to improve efficiency. And then when you've worked through those strategies in the CSP

framework, get the recognition from IREM your property deserves by submitting the application and becoming a CSP.

Erin:

Thanks for joining us, Todd.

Todd:

Thanks so much for having me.

Erin:

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