MANAGING TO GREEN BUILDING CERTIFICATION STANDARDS

PROJECT: As alternative property sectors become mainstream, e.g. self-storage assets, new and relevant certifications are needed by the teams to assess and guide sustainability building performance improvement. In early 2024, PGIM Real Estate was invited to participate in the Institute of Real Estate Management (IREM) Certified Sustainable Property (CSP) pilot for self-storage assets. The certification represents an attainable, affordable and meaningful recognition program for existing buildings only and rewards sustainability efforts in areas of energy and water efficiency, health and purchasing.

ACTION: Three self-storage facilities, two located in boroughs of New York, and the third in New Jersey, were onboarded to the IREM CSP pilot program. Each property completed scorecards evaluating sustainability performance and received credit for energy benchmarking in U.S. EPA ENERGY STAR Portfolio Manager. We also leveraged a comprehensive self-storage audit program administered by the JV partner across their 98 ExtraSpace Storage facilities in 2022 to receive additional credit towards the energy efficiency and carbon reduction criteria.

OUTCOME: All three assets were successful in receiving IREM CSP certification in late 2024 (note that there are no levels of certification under IREM). The self-storage facilities comprised three of the first five IREM CSP self-storage certifications in the U.S. IREM went further by recognizing one of the New York assets (located in Long Island) to have achieved the most significant reduction and conservation in their sustainability initiatives (receiving the Jackson Control Carbon Reduction Award, Energy Conservation Award, and Water Conservation Award). The IREM CSP certification is valid for three years. On recertification the assets will be required to submit their initial energy and water assessments with three-year improvement plans to catalyse continued performance improvement.