

THE SIXTEENTH ANNUAL

# TAYLOR JOHNSON REAL ESTATE TRENDS REPORT

+ Multifamily Edition



# TREND 4: DECARBONIZATION DRIVES SUSTAINABLE DEVELOPMENT

*Sustainability has been the focus of the multifamily development arena for decades, but many firms are going beyond green certifications by publicly setting aggressive, measurable goals to decarbonize all operations – those directly within their purview, as well as the operations of suppliers and vendors up and down the supply chain. In addition to protecting the environment, the economic payoffs with sustainability are clear, as properties are better prepared to weather the effects of extreme climate change, the health and wellness of residents is improved, and long-term operating costs are reduced. Net-zero carbon commitments will be realized in a variety of ways in 2022 and beyond. Expect to see more biophilic design, use of on-site renewable energy, and integration and expansion of both natural and manufactured materials that are more durable and less harmful to the environment.*

In 2022, real estate companies will intensify sustainability efforts, following the lead of global firms like [Lendlease](#), which has already set some of the industry's most ambitious goals. With its [Mission Zero commitment](#), the company has pledged to achieve absolute zero carbon by 2040. Already, the firm's U.S. multifamily portfolio has been verified as net zero carbon – inclusive of residents' carbon footprints – as exemplified by completed and pipeline developments like [Cascade](#) (pictured) and [Cirrus](#) in Chicago's Lakeshore East, [Clippership Wharf](#) in East Boston, and [The Reed at Southbank](#) in Chicago's South Loop. At The Reed at Southbank, [McHugh Concrete](#) is pouring its proprietary low-carbon concrete mix, developed in partnership with and provided by Oremus Materials, which is a pioneering effort in high-rise sustainable development. "Decarbonization has been thrust into the public lexicon amid growing concern over climate change, so progress is being measured not only through ESG frameworks and other industry benchmarks, but also by those who live in the communities we create," said Ted Weldon, executive general manager of development for Lendlease's Chicago office.



Reducing carbon emissions in the built environment will continue to be a top priority in 2022 for all involved, from construction firms and designers to developers and property managers. For general contractors like Chicago-based [McHugh Construction](#), the focus will be on using alternative building materials, implementing energy-efficient construction techniques and installing on-site renewable energy sources. For NEMA Chicago in the city's South Loop, McHugh incorporated many sustainable features, including interiors designed with recycled materials, energy-saving appliances, low-energy LED light fixtures, individual programmable thermostats, and highly efficient HVAC and ventilation systems.

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Design-driven developer **Optima, Inc.** has always been at the forefront of green building by pioneering modern, sustainable multifamily buildings through its trademarked green vertical landscaping system, and its energy-efficient and carbon dioxide emission reduction construction methods. The firm is taking green a step further with **Optima Verdana**, now under construction in Wilmette, Ill., on Chicago's North Shore, which is adhering to guidelines to earn two Green Globes through the Green Globes® Building Certification – an alternative to LEED® certification. Green Globes buildings minimize waste and support lower energy and water bills, reduced emissions, and optimized health and wellness benefits for residents. Additional green construction techniques planned for Optima Verdana include green concrete for the superstructure and an advanced energy-efficient VRF heating and cooling system.



Holistic design firm **BKV Group** is an innovator in the use of light gauge steel construction (LGSC) as a means of shortening construction schedules, navigating supply chain disruption and minimizing environmental impacts – the latter of which will be of growing importance to developers in 2022 as they look to meet ambitious ESG targets. Contributing to LGSC's eco-friendly reputation: it's recyclable, reduces reliance on non-renewable resources, minimizes construction waste thanks to the precision of off-site fabrication, provides better insulation and requires less ongoing maintenance once buildings are operational. Developers also appreciate the ability to increase on-site density by as much as 50% in urban settings. **Modera Katy Trail** (pictured), a 14-story, 217-unit tower under construction in Uptown Dallas, is one of a handful of projects in BKV Group's portfolio that utilizes LGSC.

Natural stone remains the top choice for countertops and backsplashes, both for its beauty and eco-friendliness. Sandya Dandamudi, president of **GI Stone**, is overseeing the installation of marble and natural stone for several new multifamily developments in 2022 and notes that stone is sustainable because it's an abundantly natural resource. Since marble is harvested and not created, it requires almost no chemicals and does not require an extensive energy-reliant manufacturing process. The materials are also durable and have long life cycles. They can be refinished after several years of use to continue looking new, and they can be repurposed for other applications such as pavers or gravel. Marble is also energy efficient; when used as building cladding, it is excellent at heat retention, thus saving energy and money.



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