

The Weekly Take

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Feeling Good: Why Wellness Certification is Good for People, Properties and Productivity

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Spencer Levy

I'm Spencer Levy, and this is The Weekly Take. One of the biggest, perhaps the biggest trend in real estate investing in recent years. Centers on the idea of ESG. That is capital decisions based on environmental, social and governance factors. It's been accelerated by the pandemic, and it's raised awareness about health and wellness, too. As a result, the impact on real estate decisions is undeniable. On this episode, we'll discuss that emerging emphasis and ways to measure wellness as a competitive advantage.

Joanna Frank

Every asset can be optimized for the people that it serves.

Spencer Levy

That's Joanna Frank, CEO of the Center for Active Design, a 10-year-old organization that operates Fitwel, a certification system that will be the focus of our conversation. Fitwel follows a set of benchmarks originally developed by the CDC and along with ratings such as LEED and Energy Star is now one of the leading standards for commercial real estate

Rob Naso

As an owner and as a manager, we're trying to deliver a holistic solution to tenants that encompasses everything.

Spencer Levy

And that's Rob Naso, managing director and head of asset management at BentallGreenOak. Rob oversees a portfolio of office, industrial, residential and operational asset types for a firm

with more than \$70 billion of assets under management. And to help tie it all together is Jamie Gray-Donald, senior vice president of Sustainability, Environment, Health and safety of the QuadReal Property Group.

Jamie Gray-Donald

If you can help tenants, your customers, perform better], that's a win win. Health and well-being is critical to that, and the pandemic kind of put it into overdrive.

Spencer Levy

Jamie joins us from Vancouver, British Columbia, up in Canada, where the firm is based. Quardeal is a global investment operating and development company, which recently partnered with the Center for Active Design to publish a report with guidelines for optimizing health and safety in industrial spaces. Our conversation will cover all aspects of wellness and the prevailing certification standards. We'll start, of course, with Fitwel and how it works and get into the range of systems, amenities, infrastructure data and more – everything that goes into a healthy and productive real estate. Coming up, a check-up on wellness and an emerging standard. Fitwel – that's right now on The Weekly Take. Welcome to The Weekly Take and this week, we're going to talk about Fitwel, one of the leading certification agencies in commercial real estate for making sure that people are healthy and well, as are your buildings and communities. Starting with Joanna Frank. Joanna, thanks for joining us.

Joanna Frank

Thank you for having me.

Spencer Levy

We then have Jamie Gray-Donald, Jamie Gray-Donald, thanks for joining us.

Jamie Gray-Donald

Thank you. It's great to be here.

Spencer Levy

And last but certainly not least, Rob Naso.

Rob Naso

Thanks, Spencer. Great to be here.

Spencer Levy

Great to have you, Rob. So, Joanna, let me first start with a logistical question. A lot of people in our audience. Here are the term Fitwel. They hear LEED. They hear Energy Star. Just tell us how you differ from those different groups and how they might work together.

Joanna Frank

Sure. So Fitwel is a healthy building certification system. So it's really looking at how does the design and the operation of your building or your portfolio impact the health of the people within your building. So Fitwel is unique because it's looking at the public health research and has translated public health research into strategies that are directly then impacting different health categories. So Fitwel impacts holistic health. It impacts your physical health, your mental health, as well as your social health. And each strategy in Fitwel actually has a different number of points associated with it, which is directly correlated with the impact – the measurable impact – that is having on health. There's an algorithm behind Fitwel and the algorithm is taking 5600 peer reviewed academic research studies from around the world. And it's actually translating those into the strategies and then saying this strategy actually has a proportionately greater impact on health than another strategy. So it isn't just a checklist. It's actually a list of strategies with a weighted number of points, which directly then correlate to different health outcomes.

Spencer Levy

So can you work together with some of these other rating agencies? Are they complementary? Competitive? Maybe a little bit of both?

Joanna Frank

Absolutely. Know, a lot of folks that work with Fitwel are using other rating systems to look at how environmentally sustainable their properties are. Their assets are. And there's a direct correlation with some of the strategies. So if you have, say, LEED certification around your indoor air quality policy, we've already looked at it and said, yes, this passes our standard also, so you can just upload the documentation that you already did for LEED. Likewise, we did a lot of overlap with various strategies that are directly kind of both sustainable and health promoting. So, yes. We have crosswalks and there is an overlap with sustainability rating systems also

Spencer Levy

Tell us a little bit more about what its purpose is in the commercial real estate industry.

Joanna Frank

Sure so Fitwel is a standard by which you can measure your assets, whether they're commercial assets or multifamily assets. And then Fitwel itself gives you a gap analysis that tells you, like these are the attributes that you already have in place. And these are the strategies and attributes that you should be prioritizing in order to promote the health of the occupants of this specific building. So we work at a portfolio scale, but we can give insights per asset as well. It gives you an incredible amount of data through that public health lens, which today we very much think of as the S in ESG.

Spencer Levy

Speaking of the ESG, let's turn to you now Jamie Gray-Donald. And Jamie, you cover all of the ESG, and let's talk a little bit how Fitwel fits into that equation for you. I would think it's fair to say that in the commercial real estate industry, most people, at least until recently when they said

ESG, they thought Environmental. But now the S, the G, the and the W. If you want to call for wellness, we are getting to be much more prominent. Tell us how you think about it.

Jamie Gray-Donald

Yeah, I think about energy saving. That's kind of the bread and butter that pays for a lot of ESG programs to get started. It gets the wheels turning. As you move up the spectrum, you realize that there are a range of other things that help provide a differentiated experience for our tenants and help reduce risks across the portfolio. And health and wellbeing is one of those key ones. Even ahead of the pandemic, when you looked at what are leading tenants looking for? They're looking for landlords to help them drive productivity, drive engagement, drive energy and enthusiasm for their people coming into the office, working in a retail environment or showing up to their industrial workplace. And if you can help tenants, your customers perform better, that's a win win. Health and wellbeing is critical to that, and the pandemic kind of put it into overdrive.

Spencer Levy

On a prior episode of the show, we had the authors of the book Healthy Buildings, which talked about how you measure that productivity gain by having clean water, clean air and a lot of the things we're talking about here. But they did talk about a disconnect. They said that there was a disconnect between the incentives given to the landlord and the incentives given to the tenant because many of these costs were borne by the landlord. Many of these benefits are received by the tenant. So fortunately, we've got an enormous landlord with us here today, Rob Naso. And Rob, would love your perspective on the importance of Fitwel to you and your asset management. And have you seen this dynamic of maybe a difference in incentive between landlord and tenant?

Rob Naso

I think it's amazing to watch how quickly everybody has embraced Fitwel and things of that nature. And I think at the end of the day, it is hyper competitive today and Fitwel has really become one of the things that's critically important that we use to make sure that tenants feel as comfortable as they're going to be coming back to the office. A lot of us were very bullish about the return to office, and the reality is if you look at physical occupancies today, they still drag a little bit just given the variance that have been introduced more recently. And I think what we're trying to do is make sure that the amenitizations that are happening in office buildings obviously are of critical importance. But then you go through health and wellness, fitness amenities, all of these things are coming front and center and are really, really being done to prep and get ready for when this wave of returns is going to happen.

Spencer Levy

How do you look at Fitwel, ESG in terms of return on investment and this concept of table stakes,

Rob Naso

I think it's pretty important to look at it holistically. Again, I think we look at investment performance generally with return on investment obviously being a critical component. We look at operational excellence in terms of the day-to-day blocking and tackling that we're doing, along with tenanting and community engagement. And I think the reality is as we've kind of moved through the pandemic, you're in a situation now where you really need this to be competitive.

Jamie Gray-Donald

I agree totally. I think for us, the table stakes is to benchmark. The table stakes is data around health and well-being. What amenities do you have at your buildings? And then using that data to see how does that compare to the marketplace,

Spencer Levy

Joanna, walk me through the data a little bit on productivity, which is the key word here. How does a Fitwel building – a building that is compliant with Fitwel, better stated – make tenants more productive? And what data do you have to back that up?

Joanna Frank

Sure. I mean, I would question whether that is what we're really, the only thing we're concentrating on as far as productivity. Because I'd say also a tenant attraction and retention, employee attraction and retention was already really driving this movement towards healthy workplaces, specifically pre-COVID, and that has accelerated. Seventy-eight percent of the workforce is looking for a location that is health promoting. That is one of the really key metrics. Productivity absolutely is affected by the individual strategies that you have within a building. And some of the ones that have great data around them are air quality. There's a direct correlation between the indoor environment and the air quality and overall productivity measures, which I think you've already covered. There are other really important research studies looking at how light and air actually affects productivity when you look at the amount of sick days people take. Actually, the difference is 16 hours per employee per year of sick leave between an employee that is in a good lighting kind of environment and one as poor. So that's another piece of data. We have so much data. One of the key facts that I think folks should think about is: We're in a pandemic which is obviously affecting people's physical health, but it's also affecting their mental health. Mental health was already in crisis pre-COVID. It's only been accelerated since. Depressive symptoms are the number one cause of disability globally. They account for billions, if not a trillion dollars of loss as far as productivity is concerned. And the attributes of your building that actually affect people's mental health are really almost everything, but certainly the location of the building, your access to daylight, to nature. The air quality actually affects your mental health, as well as your physical health. Being able to socialize with people affects your mental health. Obviously, social isolation is very detrimental to mental health. There are many, many aspects of our built environment that affect our mental health. And so as people who are engaged in creating the built environment, we actually affect all aspects of people's health. So we could do a whole kind of, you know, lecture on productivity and the different individual attributes. But it's very significant.

Rob Naso

I think what's been really interesting as a manager, both of assets and people, I think is kind of managing through COVID with an empathetic lens, right? I think you've had a lot of tenants that have gone through a tremendous amount of financial pain and stress, which we've had to manage through. And then, to Joanna's point, you've also had a simultaneous focus on employees where, you know, especially when you have a lot of young analysts that are holed up in a 600 square foot apartment, mental health is critically important. That's something that we've been repetitive about, you know, to make sure that they have the resources that are made available to them to manage through. And I'm happy to say I think our team has done a phenomenal job and we've come out the other side incredibly well. But it's still at the forefront on everybody's mind.

Spencer Levy

I think Rob used the right word, which is empathetic management, or we're trying to be empathetic to the employees in terms of getting them back to the office. But are we serving the employees if we say you can stay at home as long as you want? Or are we actually saying, look, you're better off in the office? Jamie, do you have a point of view on that?

Jamie Gray-Donald

Yeah, I think we're making an active case for the value of coming back to the office and actively trying to attract people back to the office. The first part of that is only doing so when it feels safe. With Omicron, things got pushed back a bunch. People were ready for that and thought that January was going to be the time when people were back. And you know, I think most of us have been really good at adjusting that schedule and saying it's not quite the time. I think there's going to be really some dynamic approaches to how do you create an office environment that people love coming to? And they're social, they're interacting in ways that are a bit different or that take best practice from some of the biggest companies who've gone further on the spectrum.

Spencer Levy

Well, there's a lot of terms for that. We had CBRE tend to call that activity-based working so that you have a choice of working environments within the same four walls, which could be open air. It could be a quiet space for a call. It could be a small conference room for teamwork. So I think it's that combination that creates that maybe the optimal interior environment.

Jamie Gray-Donald

I think just the one thing I would add is that culturally, I mean, we're a new company. QuadReal's about 12 to 14 hundred employees. We're only five years old. A lot of employees haven't met each other since the pandemic started, but we've got a very active program of creating social environments for people to interact with each other and to get to know each other. I think it does a lot to flatten hierarchies in organizations that otherwise might get quite staid. I think that's one of the biggest risks of remote work, is that stratification within an organization.

Joanna Frank

I'd love to kind of build on what Jamie's saying, and I think all of this kind of comes down to: How are we communicating, how are we encouraging communication to mitigate that social isolation and really kind of build bonds between people? We are inherently social creatures. We actually don't thrive on our own. It actually has a similar impact on your life expectancy as smoking being socially isolated. It actually reduces your overall life expectancy if you are socially isolated for extended periods of time. So it has real health consequences. There was a big U.N. study actually before COVID. It was showing that 40 percent of folks who are working at home who are telecommuting were actually reporting stress, and only 25 percent of folks working in an office environment were reporting high levels of stress. So I think that being in that social situation, being together within a workplace, is beneficial for us. We actually feel supported and we respond very positively to that social interaction. So I do think while, when we can't be physically together to really think about kind of how do we use all of the tools that we have available so that folks still have an experience where they do feel that they are part of a larger community, understand the culture of an organization and really feel part of something? As Jamie was saying, You need to now be proactive about it. We need to look at how we're communicating as well as the physical environment.

Spencer Levy

Let's talk about location for just a moment. So there's two elements to location. One is the very positive. We all know which locations have great light and air, cool restaurants and shops on the streets. But then there's a location that doesn't have those and may have large real estate investments in it. So Joanna, why don't you talk about the importance of location? What are the elements of a good location? What do you do if you have an asset that's not in that location?

Joanna Frank

I want to start just with the positive, and that is that every asset can be optimized for the people that it serves. So, yes, location has a big impact on health, but health is more of a circle. I think of environmental sustainability as a triangle where at the base is energy. And then everything builds on that. Whereas with health it's really a circle, and anything you do within that circle is going to improve the health of the occupants and the community at large. So there really isn't the same, kind of, you have to do this first and then build on other things. So, yes, location is critically important because if you are in a location that has sidewalks, street lighting, transit which is within a walking distance, or within about 400 meters quarter of a mile of where you're working, all of these things are going to encourage physical activity. They going to encourage people walking. And when people walk, they interact with one another. So it actually mitigates social isolation. It's also an equity issue also, because obviously, if you have to have a car that is an issue around cost. Also where your building is is having an impact on that community at large. There are then so many opportunities to create an environment that is health-promoting, regardless of the location. You can look at your outdoor spaces and create walking paths or biking paths, if it's a large site. You can create vegetable gardens or places that people can garden with their peers and with the community at large if you want to. You can create areas for physical activity or gathering spaces. We actually just came out with an industrial report which is

looking at large-scale industrial properties, which are often in locations that are not highly walkable. But once you get to that very large site, you as the owner of that site, really do have the opportunity to create an environment which is in and of itself a walkable environment and an environment that really fosters the health of the people within that company or using that space would also be a big attribute to the community as well. So you have different opportunities depending on your location. And there's always something you can do to optimize health. It's a make your own adventure and not a kind of you have to do this, right? You can really look at that specific asset and understand using Fitwel, it will actually really guide you as to how to optimize that particular asset.

Spencer Levy

Well, it's interesting when you take a look at the polls of our clients, they say, even in cold weather environments like New York, Chicago, outdoor spaces often come out as the number one amenity that they want – and that was well before COVID. But Rob, let's talk about individual assets that may not be in one of the locations that have optimal air, light, walkability. What do you do to maximize the value of that asset?

Rob Naso

When we look at any individual asset, there's usually a renovation-repositioning plan that we put in place first and foremost. We also would have have ESG guidelines in terms of what we're looking at doing there. Wherever these buildings are going to be located, we would just have to take that into consideration whenever we're going to do this. Because again, you did reference before kind of return on investment. All of these things that we look at are basically through the lens of what is going to happen with invested capital. So we just need to make sure that we're matching the improvements that we're doing for the capital that's investing in it. So whether that's a long-term hold in a core fund or a short-term hold in a value add type fund that would dictate the level of complexity that we're going to look to get into with certainty the amount of improvements that we're doing.

Spencer Levy

One of the things that we've talked about on this show before is ESG, its importance, why it's good for people, why it's good for companies -- but sometimes the factors might come into conflict. On one of our shows, we had a participant who said clean air and energy efficiency may come into conflict because shutting buildings down at night may not be as good for the air as you think. Another one that people don't actually think about much is the bike lanes being great to get around town, but they impede upon people who come from out of town that might have to take the bus to work. It makes it slower. It makes it harder to get there. So Jamie, do you agree that there's sometimes conflict between these factors? And what do you do about that?

Jamie Gray-Donald

The first thing to do is to figure out from a management team, what do you want to prioritize and how are you incenting people? Pre-COVID, we typically had a two percent energy efficiency goal per year per property. Our least efficient buildings, around four percent. And when COVID

hit, we took that off and we just said, Hey, we're not going to penalize you for missing your energy goal. And we replaced it with a target around maximizing the health and well-being of our tenants while still monitoring energy use. And it turned out that in commercial buildings, I think energy use went down about 10 percent. I think the other is when you look at complex systems, there are unexpected outcomes. And there be a number of studies in the city, Vancouver and other cities that bike lanes actually don't slow down other forms of traffic. The number one problem is people's perception of supply. So if you produce more and more car lanes, more and more cars show up and commute times actually don't change. And the reverse happens. You take away lanes from cars and people self-select what modes of transport to take. And it turns out that the average trip time is the same or less. And so all of these things aren't linear. I think it's important to look at a range of data. But broadly, I would say health and well-being is the trump card.

Joanna Frank

But I do think it's interesting we're having a discussion about bike lanes and a kind of the street infrastructure and stuff. We've been talking about health. We're talking about quality of life, right? That would be the layperson's term for what we're talking about. When we're talking about public health. How does it affect my quality of life? How do I feel? Do I feel safe? Do I feel supported? Am I happy? Am I proud to live here? Do I want to recommend this to somebody else? Right? Do I want to stay here or am I unhappy and I'm going to look for a new office space or residential space? So I think it's really interesting that the motivation for translating public health right at the very beginning of certainly what we were doing was all about like, how do we use our built environment to support the optimum quality of life for people. Really meeting their demand. And demand has just changed because of COVID. Demand has changed. People are now demanding health. People are going into a property and actually asking about the indoor air quality or about the cleaning protocols or sick leave policy or all kinds of things. But they're really thinking about those things as health-promoting, whereas before they were not putting that label on them. They were maybe just thinking of them as amenities or the feeling that they got from a building.

Rob Naso

Yeah, I did want to also just jump back a little bit when we talk about the cost implications on this because I do think kind of as an owner and as a manager we're trying to deliver a holistic solution to tenants that encompasses everything. And obviously the cost component is one variable. But you really need to provide a space or an offering that resonates with the people that you're leasing to. And to the extent you can do that, hopefully, you're going to have a competitive offering. And I think the one thing again, for us and a lot of these markets, it is hyper competitive. And so you need to make sure that you understand what the competitive environment is in the market that you're operating, but that your own building was putting forth the best product that it can. We were talking about table stakes before. I mean, a lot of these things are down to kind of just basic blocking and tackling now versus what it might have been literally two, two and a half years ago.

Spencer Levy

Well so often on this show, we talk about individual assets. Sometimes we talk about the cities themselves. But less often do we talk about the portfolio, all of your assets. And Joanna, you mentioned something that Fitwel will rate your entire portfolio. Walk us through that and why that's important.

Joanna Frank

Sure, absolutely. I mean, it comes back to the data, right? Fitwel was actually right from the get go looking at a whole portfolio of assets and they can be very diverse assets. The first user of Fitwel was actually the General Service Administration, which is the landlord for the federal government. So you can imagine how incredibly diverse that portfolio is. And the reason that a portfolio approach is so important is (a) it's more efficient for the building owners themselves, where they can look at a whole portfolio of multifamily and like, what are the kind of consistent policies that we have in place by which we manage these assets? And then obviously, you can look at the individual attributes as well. But why it's important is that it creates a data set. So you can have all these different data sets, which you can then use to overlay with other key data sets. And then you can overlay that with other data sets you may have around tenant satisfaction or tenant retention numbers or stability numbers are the key attributes. And what you'll start to see of patterns emerging that, oh, assets that we have that have these core attributes are also the ones that are performing the highest financially in these different ways. And so this is how we're seeing people now using Fitwel is they're putting a lot of information into the system that benchmarking, as Jamie mentioned, using that dataset then to overlay with other datasets that they already have to understand business decisions. What attribute should I be looking for when I'm buying a portfolio of assets? You know, you can quickly kind of assess are these assets had a baseline actually meeting the attributes that we know lead to successful properties, financially successful properties. This is all quantifiable. Everything is weighted. Everything is based on the evidence. So this isn't my opinion. This is the global research base that's been translated into these weighted metrics. So it's providing you metrics around: How are you impacting health? How are you using the assets of your property to impact that health? And then how are those two things then also impacting financial outcomes? And obviously, you can wrap all of that data up and feed that into your ESG compliance as well.

Rob Naso

The discussion around data collection is incredibly important, and I think Joanna's point about establishing a baseline is a great place to start because I think once you do that, then you can benchmark, then you can track and then you can look at improving results. And then you're looking at not only your own building, but then how do you compare within your firm and then how do you compare to other managers? So it's an evolving science as this thing goes forward. But the data has been incredibly important to start looking at in terms of how your rating.

Spencer Levy

Fitwel today is primarily focused on office and multifamily. But Rob's company and Jamie's company own industrial. They own retail. They own hotels. So do you see Fitwel expanding

beyond these two asset classes? And the specific example I would give you is this many of our investors, particularly from Europe today, are saying you need to comply with the U.N. principles on responsible investing, whatever asset type it is, including retail, including industrial. So Joanna, do you have a point of view on that?

Joanna Frank

Sure. So we agree. Our motto is building health for all. So all asset types. Actually, just yesterday we came out with an industrial report which is really looking at the opportunity to promote health within commercial and industrial settings. So it's looking at both occupants of those buildings and the sites at large and also the impact that those facilities have on the community as well, which is very important and actually part of the U.N. as well. So, yes, absolutely. I think the commercial and industrial is the newest. We also have another school card that's looking at large scale residential properties. So not just multifamily, but how do you on a larger scale look at a master-plan community or community at large and look at all of the kind of spaces between individual buildings to really optimize those as well. And we have a retail scorecard, and I think it was used more than any other scorecard last year. So yes, is the short answer. I agree. All assets should be able to use the same standard also. You have to respond to the specific occupant demand of a specific asset. But you can do that using a consistent standard. So it is not about a one size fits all solution, right? It is using the evidence-based strategies to respond to the demand, to respond to the opportunities of an individual asset. But because you are using a consistent standard, you can wrap up everything you're doing on those individual assets into that portfolio-wide data. Thank goodness for tech is all I can say. Because I don't know how on earth we would have done it in the old days because it's a lot of information.

Spencer Levy

I've got one more thing I've got to ask about, which is resilience. And it's a topic that when I took a look at Fitwel's guide, your checklist is an enormous checklist on things you've got to pass through. But one of the things that I'm hearing more often from investors is how resilient not only is your building, but is your market. So just very quickly because we're just about out of time, Joanna. Does resilience come into your equation at all?

Joanna Frank

It does when we're looking at the site. So we have that community site scorecard, and the industrial is a site scorecard as well. So we are looking at flood risk. We are looking at all of those kind of larger siting considerations. I would also say that this is exactly where environmental sustainability and health come together, right. So your increased flood risk from the environmental consequences of, you know, putting more carbon in the air are affecting your asset, but they're also affecting the health of the people within those assets. Obviously, being in a flood risk area is affecting people. It's affecting their stress levels and affecting their mental health. It's also an equity issue because guess who lives in flood risk areas? Typically properties that are at higher flood risk, especially residential properties, are lower income or less expensive properties. We see the same with outdoor air quality as well. The areas that have the highest level of particulate matter in outdoor air also are ones that have the greatest disparities around

health outcomes, economic outcomes, educational outcomes, right? It's the same map when you're overlaying all of these different risk factors. We really need to be thinking about this as a system. This is what we have to be smart about things.

Spencer Levy

Great segue for our wrap up question. And the wrap up question, we'll start with you, Rob. Rob, given your experience, the size of your portfolio, the diversity of your portfolio, three or four years from now, looking back, how do you see Fitwel being incorporated into your buildings and more generally within the commercial real estate markets?

Rob Naso

If I look ahead five years and look back and see how we did, I think we'd be incredibly proud. And it's funny, as we were talking about this, I was kind of dating myself. If you started in real estate in like 1994, nobody talked about the things we're talking about today, right? I mean this was not front and center. And everybody talks about this all the time constantly. So to look at how things have changed in that period of time has been really, really wild to watch. But look, I think a lot of different investors get the point here, and I think a lot of people are doing or trying to do the right thing. I think being in a company that has senior management behind this one hundred percent is incredibly comforting for us in terms of what we're executing. They're completely supportive and things that we put forward. So I would hope that in five years time, or three or four years time that we look back and are incredibly proud of the accomplishments that continue. And again Fitwel has been a great partner with us. We were an early adopter. I think we embraced it. We've enjoyed being a part of it. And it's going to become commonplace because again, I think as you've evolved through this process, it's really about taking care of the people that not only work for you and with you, but the tenants that you're renting to, right? And then it's a very holistic discussion around having quality offerings for everybody.

Spencer Levy

Jamie, same question to you. How do you see your own portfolio changing from a certification or other standpoint?

Jamie Gray-Donald

I think we're going to see the trends that have been in play in office spread out to other asset classes, I think is a key one. So expectations of health and wellbeing increasing, particularly in the commercial-industrial space. But the second is I expect brand recognition to go up. You know, unaided awareness of the Energy Star logo is around 90 percent. It's up there with kind of Nike and Disney and the WWF Panda and a few things like that. Health and wellbeing, it might not get up to apenas ubiquitous as the Nike swoosh, but I think it's on the trajectory of becoming one of those global brands where people are looking for this. And I think we're going to see that in the next two, three years. A lot of people asking not just, you know, do you have a good gym, but being cognizant about MERV filters, being cognizant of a range of things that were pretty niche pre-pandemic. I think that's the big shift coming to the industry.

Spencer Levy

Great. So, Joanna, same basic question, but let me frame it a little differently. I took a look at your website just a moment ago. I saw you have over 3000 locations already are certified like this. You have many more in the queue, but five years from now, putting aside the fact you'd like to have more people Fitwel certified, how would you define victory?

Joanna Frank

So we actually want market transformation around health. We are not actually that interested in individual certifications. We want there to be a wholesale shift where you're underwriting criteria are requiring health-promoting strategies. Everybody understands that promoting the health of the occupants of that building directly correlates with financial outcomes and that it would be a kind of how could you not be thinking about health? So we want market transformation. The opportunity is here for us to really bring about this market transformation that we've been trying to do for 10 years. So we really want it to become as obvious to everyone else because you are affecting the health of the people in your building, even if you don't know it. Whether or not you are conscious of this, whether or not you can quantify it. So that's what we want. Well, market transformation. So lofty goals. But if not now when, really?

Spencer Levy

Well, it's good to have lofty goals. On behalf of The Weekly Take, I want to thank Joanna Frank, the CEO of the Center for Active Design and the, I guess, the steward of Fitwel. Joanna, thank you for joining the show.

Joanna Frank

Thank you.

Spencer Levy

I want to thank Rob Naso, managing director and head of asset management at BentallGreenOak. Rob, thanks for coming.

Rob Naso

Spencer, thanks so much for having me.

Spencer Levy

And last but certainly not least, Jamie Gray-Donald, Senior Vice President of Sustainability, Environment, Health and Safety, QuadReal Property Group. Jamie Gray-Donald, thank you so much.

Jamie Gray-Donald

Thanks, Spencer. This was fun.

Spencer Levy

For more on the topic of health and wellness at work, and Fitwel, please check out our website: [CBRE.com/TheWeeklyTake](https://www.cbre.com/TheWeeklyTake) and if you're interested in an even deeper dive, you can also look for the report Joanna mentioned, which was co-authored by the Center for Active Design and QuadReal. It's called A Better Box: Optimizing Industrial Space for Employees Health and Wellness, and can be found on Fitwel's website. That's [Fitwel.org](https://www.fitwel.org). We'll be back next week with a special treat during the lead up to Super Bowl LVI. An episode on football and real estate just in time for the NFL's big game. We'll feature the story and perspective of the Los Angeles Chargers, who, along with the L.A. Rams, occupy SoFi Stadium, where the festivities will be held. For now, please remember to pass along this episode. Share it with anyone in your network who might be interested, as well as subscribe rate and review us wherever you listen. I'm Spencer Levy. Be smart. Be safe. Be "fit" well.