

2024 GRESB Real Estate Standard Changes

This document has been created to provide our readers with a summary of the 2024 GRESB Real Estate Standard changes. A description of the changes, broken down by Component, alongside their scoring impact can be found in the table below. The full list of changes can be found on the [GRESB website](https://www.gresb.com).

Management Component				
Indicator	Description of Change	Scoring Impact	Indicator Score 2023	Indicator Score 2024
Indicator-specific Changes				
LE2 ESG Objectives	Removal of "General sustainability" as an objective type.	No impact on scoring of other objective types.	1.00	1.00
	Removal of the option to report the level of integration of the ESG objectives.	Weighting of ESG objectives increased from 0.25 to 0.50 points.		
LE5 ESG, climate-related and/or DEI senior decision-maker	Removal of "Fund/Portfolio managers" as an option for a senior decision maker.	No impact on scoring of other options.	2.00	2.00
LE6 Personnel ESG performance targets	Removal of "non-financial consequences" as an option. Only "financial consequences" of personnel objectives will be considered.	"Financial consequences" will now be worth 2.00 points, up from 1.33 in 2023.	2.00	2.00
RP1 ESG reporting	Removal of "section in entity reporting to investors" as a reporting type.	No impact on scoring of other reporting types.	3.50	3.50
RP2.1 ESG incident monitoring	Indicator is becoming scoring in 2024.	Up to 0.25 points will be awarded for this indicator, depending on the number of stakeholders included within the incident monitoring process.	0.00	0.25
RM1 Environmental Management System (EMS)	Decrease in overall scoring.	Overall score of the indicator has decreased.	1.50	1.25
	Removal of the option to report an EMS that is neither aligned, nor certified to a standard.	Weighting of an EMS aligned to a standard has decreased from 1.25/1.5 0.625/1.25).		
RM4 ESG due diligence for new acquisitions	Decrease in overall scoring.	Decrease in overall score for the indicator from 0.75 to 0.25.	0.75	0.25
RM5 Climate resilience and opportunities	Indicator is becoming scoring in 2024.	0.50 points will be awarded for responding "Yes" to this indicator.	0.00	0.50
	Shared Socioeconomic Pathways (SSP) standards have been added to the indicator.	No impact on scoring.		

Development Component				
Indicator	Description of Change	Scoring Impact	Indicator Score 2023	Indicator Score 2024
Indicator-specific Changes				
DR1.1 and DR1.2 Reporting characteristics	New input requirement to report percentage GAV per Property Sub-Type at the Country level.	No impact on scoring.	Not scored	Not scored
DBC1.2 Green building certifications	Changes to the validity requirements of building certifications to allow the inclusion of certificates submitted and referring to the reporting year even if the certification is issued after the reporting year.*	No direct impact on scoring. Participants can report and receive points for additional certifications.	9.00	9.00

* Note that the certificates must still be achieved by the submission deadline (i.e., 1st July) to be considered valid.



Performance Component				
Indicator	Description of Change	Scoring Impact	Indicator Score 2023	Indicator Score 2024
General Changes				
Multiple indicators EN1, GH1, WS1, WT1, BC1.1, BC1.2, BC2	Incorporation of country as a geography factor for the performance metrics that are benchmarked and scored.	Potential impact on scoring through a change in benchmarked performance.	N/A	N/A
Multiple indicators EN1, GH1, WS1, WT1	Revision of the minimum threshold to calculate intensity values for reported assets with > 50 % Data Coverage, compared to 100% in 2023.	No impact on scoring	N/A	N/A
No specific indicator	Reclassification of Property Sub-Type 'Medical Office' from the Property Sector 'Office' to 'Healthcare'.	Potential impact on scoring through a change in benchmarked performance.	N/A	N/A
Indicator-Specific Changes				
R1.1 and R1.2 Reporting characteristics	New input requirement to report percentage GAV per Property Sub-Type at The Country level.	No impact on scoring.	Not scored	Not scored
T1.1 Portfolio improvement targets	Decrease in overall scoring.	Decrease in overall scoring from 2.00 points to 1.00 point.	2.00	1.00
T1.2 Net Zero targets	Indicator will become scoring in 2024.	Increase in overall scoring from 0.00 to 1.00 points for having a Net Zero target in place.	0.00	1.00
EN1 Energy consumption	Energy efficiency scoring will be added to the assessment.	Participants will receive a score for energy efficiency, but this will be supplementary and will not impact scoring.	14.00	14.00
	Separation of operational vs non-operational energy consumption.	No impact on scoring.		
	New data input field in the GRESB Portal to allow participants to report consumption from EV charging stations.	No impact on scoring.		
BC1 (BC1.1 + BC1.2) Building certifications	Changes to the validity requirements to allow the inclusion of building certificates submitted and referring to the reporting year even if the certification is issued after the reporting year.*	No direct impact on scoring. Participants can report and receive points for additional certifications.	8.50	8.50
	Score for BC1.1 and BC1.2 will be multiplied by a "time factor".	Fewer points being awarded for older certificates.		
	"Certification Year" added as a data input.	Supporting the inclusion of the "time factor".		
	Building Certifications have been reclassified across three main types: Design/Construction (BC1.1), Interior (BC1.1), and Operational (BC1.2).	No impact on scoring.		
BC2 Energy Ratings	Participants are now able to report multiple Energy Ratings per asset. This change is primarily for large residential portfolios but can be applied to all property types.	No impact on scoring.	2.00	2.00

Note that whilst the Assessment changes have been announced, the methodology and implementation of some of these changes is yet to be finalised by GRESB. Full details of the changes will be made available once GRESB has published the 2024 Real Estate Standard and Reference Guide, along with the supporting documents such as the Scoring Document and GRESB Asset Level Spreadsheet. This will be made available in Q1 2024, based on the current timeline provided by GRESB.

If you have any questions relating to the changes or would like to understand how these changes could impact your participation and GRESB scoring in 2024, please get in touch using info@esgsolutionsltd.com.

* Note that the certificates must still be achieved by the submission deadline (i.e., 1st July) to be considered valid.