



CERTIFIED NATIONAL MANAGED ASSETS SUBMITTED
TO 2018 GRESB SURVEY

100 Van Ness

East Market - 1100 Market Street

1625 Mass Ave

167 W. Erie

200 Squared

2929 Weslayan

**300 Boylston (Lifetime Center)** 

3737 Buffalo Speedway

**600 Battery** 

80 DeKalb

**Bainbridge Bethesda** 

**Bainbridge Shady Grove** 

**Field Office** 

Sabey - Intergate. Ashburn, Building C

Sabey - Intergate.Columbia

Sabey - Intergate.Quincy, Building A

Sabey - Intergate.Quincy, Building C

**Loring Park Tower** 

The Bloc - 700 S. Flower Street

The Bloc - 711 S. Hope Street

The Hepburn

**Two Twelve** 

### **OUR OUTLOOK**

National Real Estate Advisors, LLC (National) recognizes that environmental, social, and governance (ESG) practices are fundamental to the business strategy of the firm, investors, tenants, and key stakeholders in the communities in which it invests on behalf of its clients. National's approach and corresponding investment policies include sustainable development and management practices to help realize long-term investment returns through more efficient operations and healthier, more attractive building environments for tenants and their employees.

With a consistent commitment to continuous process improvement, National further enhanced its sustainability program during 2018. As part of this effort, the firm increased transparency and disclosure by sharing the results of the ISOS Group limited data assurance for energy, water, and waste consumption of its operating properties with investors. This assurance statement is included in this report.

Recognizing the growing importance of environmental impact, National initiated the development of a written environmental management policy in order to formalize its internal processes and drive improved environmental performance. Most importantly, National provides challenging and meaningful work to its employees who in turn enable National to make a difference in the lives of the people and communities in which we work, live, and invest.



### **ENVIRONMENTAL, SOCIAL, AND GOVERNANCE**



Intergate. Ashburn, Sabey Data Centers, Ashburn, VA

National is committed to pursuing sustainable practices and green building certifications, whenever feasible, to produce more profitable and beneficial business results. These efforts were recognized by the Global Real Estate Sustainability Benchmark (GRESB), which assesses the ESG performance of real estate globally. For a fourth year in a row, National achieved top-performer status. In both the 2018 and the 2019 GRESB Survey. National earned the distinction of four Green Stars (out of a possible five) from GRESB. The GRESB Assessment includes seven key aspects associated with sustainability policies, programs, and performance, and is a relative benchmark assessing the ESG performance of real estate portfolios

of Management, Policy, and Disclosure in the 2019 GRESB Survey. National continues design and highdevelop performance

buildings that aim to reduce

globally.

energy and water consumption, greenhouse gas emissions, and waste generation. As of December 31, 2018, approximately 48% of National's operating equity real estate assets by gross square feet have obtained green building certifications from the United States Green Building Council (USGBC), Green Globes, or ENERGY STAR®. In 2018 alone, seven properties were awarded their first building certification. This list includes an ENERGY STAR certification for Sabey-Intergate. Ashburn, Building C; a Green Globe New Construction for The Hepburn; LEED®

Silver for East Market - 1100 Market Street: LEED Gold for 1625 Mass Avenue, 167 W. Erie, and 3737 Buffalo Speedway; and LEED Platinum for Field Office.

National's investments continue to deliver on the promise of enhancing cities and creating jobs. These investments have employed thousands of people during construction and operations. In fact, since 2000, National has generated more than 51,000 jobs directly on its projects as well as an additional 44,000 jobs throughout the economy based on the indirect impact of its projects. 1 National utilizes responsible contractors since it believes that





3737 Buffallo Speedway. Houston, TX

## CASE STUDIES GOING FOR GOLD

As part of its ongoing environmental commitment, National pursues green building certifications for new construction and operating assets. National's thoughtful certification approach is profiled here for two of its LEED Gold assets.

#### 167 W. ERIE, CHICAGO, IL

167 W. Erie is a 39-story apartment tower located in the River North neighborhood of Chicago, IL. The \$155 million multifamily construction project features 442 luxury apartment units and 6,741 net rentable square feet of retail. The project boasts easy access to public transportation, a green roof with native landscaping, bicycle storage with repair and washing stations, and electric vehicle charging stations.

#### **RESULTS**

167 W. Erie earned a LEED Gold Certification for New Construction by incorporating design and construction techniques that mitigate environmental impacts and optimize energy and water efficiency, such as:

- Green roofs and water efficient landscaping on the apartment amenity levels reduce the urban heat island effect, manage storm water runoff, and provide green space for residents
- High efficiency appliances expend the minimum amount of energy to complete their tasks, reducing energy consumption
- Efficient transportation was envisioned with the incorporation of a bike storage, and electric vehicle charging stations
- A commitment to purchase green power was made as part of the LEED certification process
- Walk Score 98, Transit Score 100, Bike Score 87



#### 1625 MASSACHUSETTS AVE, WASHINGTON, D.C.

1625 Massachusetts Ave is an 8-story, multi-tenanted commercial office building in Washington, D.C. The project was built in 1972 and renovated in 1994. National and its partner purchased the 118,000 net rentable square foot property in September of 2000. Significant improvements were made in order to improve tenant comfort and drive energy efficiency, and the property was ultimately able to earn a LEED Gold certification for Existing Buildings.

#### **RESULTS**

Because of National's commitment to market leadership, energy efficiency, and premier tenant satisfaction, 1625 Massachusetts Ave was an excellent candidate for LEED for Existing Buildings (LEED EB). As a starting point, an ASHRAE Level II energy audit identified opportunities for improvement, and National made these upgrades; earning 1625 Massachusetts Ave the distinction of LEED Gold. As part of the effort, National and its partners:

- Optimized indoor air quality via implementation of best management practices and outdoor air measurement verification
- Ensured high quality indoor environmental aspects to enhance occupancy comfort, such as MERV 13 filters
- Demonstrated over 76% reduction in conventional commuting
- Demonstrated a 38% reduction in water use by installing low flow flush kits and aerators on all restroom fixtures
- Maintained an ENERGY STAR score of 87



## CASE STUDIES GOING FOR PLATINUM

#### FIELD OFFICE, PORTLAND, OR

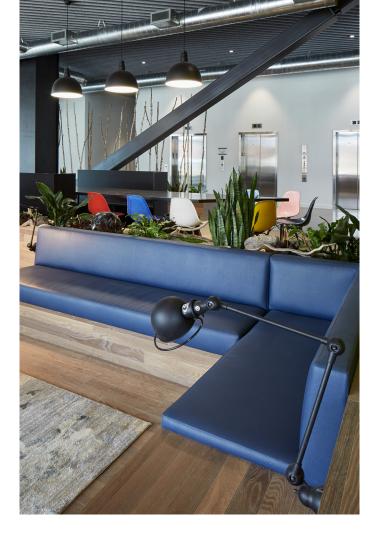
Field Office is a LEED Platinum project consisting of two, 6-story multi-tenant commercial office buildings in the Frontside District of Portland, OR. One of Oregon's largest real estate investments in the past decade, the \$110 million construction project was completed in 2018 and contains a total of 289,367 net rentable square feet.

Field Office was designed to blur the lines between traditional office space and the outdoors. It includes ground floor gardens and pavilions, living walls, "high parks" and "sky parks" that integrate the landscape into the buildings and bring work spaces outdoors. National contributed \$50 million of equity and actively participated in the project design. Field Office cultivates creativity, attracts talent, and honors the spirit of Portland's independence and innovation.

#### **RESULTS**

As evidenced by its LEED Platinum Certification, Field Office took every opportunity available to intertwine the work space with the landscape, resulting in connections to the surrounding community, including:

- A Commuter lounge for cyclists featuring bike wash, repair station, private showers, lockers, and secure bike storage
- Solar Photovoltaic (PV) array on top of East Building
- 75% of the total roof area is green roof
- Landscaping includes 78 native species of plants and trees
- Moveable outdoor seating areas and fire pits
- One of the first buildings in Portland to sponsor a station for BIKETOWN, the city's popular bike share system







## ALL ABOUT PEOPLE QUALITY JOBS, PLACES TO WORK AND LIVE

Consistent with National's core values and culture, the firm is committed to creating well paying jobs and high quality places to work and live. The strategy of "build-to-core" supports these commitments and allows the firm to take a longer term view by making the right investments in the best locations on behalf of its clients. In addition, National has an engaged and dedicated group of professionals who care about their communities and their contribution to society. The firm has been ranked as a "Best Places to Work" in Money Management for four of the past five years.







# CREATING COMMUNITY

- Transit-Oriented
   Developments
- Electric VehicleCharging Stations
- Projects with Open
   Space and Fitness
   Centers
- Tenant Events and Amenities
- Great Transit and Walk
   Scores





- Best Places to Work
   2014, 2016, 2017, 2018
- Employee Engagement
   Committee
- Responsible Contractor
   Policy
- Resilience Research



- Jobs with Justice
- Boys and Girls Club
- The Mikva Challenge
- Working Californians
- Housing Heroes
- Junior Achievement
- Latin American Youth
   Center
- IBEW Local Unions
- NECA Local Chapters

### **FUND MANAGER ASSURANCE STATEMENT**

In addition to collecting data and making improvements based on what the financial and environmental data indicates, National sought ISOS Group's third-party review to validate the accuracy of its sustainability assertions for its operating properties for the 2018 calendar year. National's data management scheme, calculation methodologies, and the accuracy of key environmental performance indicators (KPI) were the focus of their review against the ISO 14064-3 Standard and AA1000AS for determining the strength of underlying processes. The Assurance Statement and larger Report to attest to the following:

Parameter	Absolute 2018	Assurer Calculated	Difference	% Discrepancy
Total Energy, MWh	516,889	515,788	1,101	0.2
Scope 1 GHG Emissions, MT CO2e	7,673	7,682	9	0.1
Scope 2 GHG Emissions, MT CO2e	90,091	91,596	1,505	1.7
Water Consumption, m3*	2,150,295	2,146,753	3,542	0.2

#### **ABOUT NATIONAL**

National is an investment manager specializing in build-to-core, developing and managing large-scale, urban commercial and multifamily projects for its institutional client accounts. National constructs investment portfolios of modern property assets apartment, office, mixed-use, industrial, data center and hotel-with design features, technological enhancements, and amenities that drive high tenant demand and can create value for investors. National is an independently operated subsidiary of the National Electrical Benefit Fund, a substantial pension trust with a significant amount of assets that are managed by National on a discretionary basis.

For more information, please visit www.natadvisors.com.



900 SEVENTH STREET, NW SUITE 600 WASHINGTON, D.C. 20001

T: 202.496.3370

F: 202.467.9464

WWW.NATADVISORS.COM













Front Cover Image: 167 W. Erie, Chicago, IL Back Cover Image: 3737 Buffalo Speedway, Houston, TX

#### Footnotes:

1. These figures are produced externally by Pinnacle Economics. Pinnacle Economics uses an input-output model contained in the IMPLAN economic impact modeling software to calculate the economic impact of National's projects based on detailed expenditure data provided by National. These calculations includes the period from 2000 through 2010 when the majority of National's key management staff worked together at National's predecessor firm, NEBF Real Estate.