

# Social impact, or just allocating with intention?

Every real estate investment has an impact on, and is impacted by, society. The question is not whether to have a social impact — but whether to manage it deliberately

An update from the PREA Social Impact Committee

**T**he PREA Social Impact Committee aims to keep PREA members informed about social issues in commercial real estate investment. Topics frequently include definitions and measurement; current issues, benefits, and risks related to stakeholder engagement; market selection, asset/tenant fit, health and safety, labor standards, tenant amenities, and team composition and support.

Founded in 2021 by Jacques Gordon and Yvonne Nelson, the committee’s early initiatives focused on internal social impact, supporting PREA members to better support their teams. Since then, it has evolved to take a broad view of social impact within real estate and continued expanding the resources it provides PREA members.

## Past initiatives at a glance

- Annual open committee meeting
- Informal member survey and interview
- Professional development resource library
- Recurring, well-attended PREA Conference closing session in partnership with the PREA Foundation
- Webinars covering housing, health, and pension fund adoption of standards
- “What is the S in ESG: A Guide for Real Estate Investors” primer<sup>1</sup> and associated journal article<sup>2</sup>


## Forthcoming initiatives

- Additional webinars covering select relevant topics
- Continued surfacing of evidence and research which demonstrates how an awareness of social factors, team composition, or an active social impact strategy drives performance
- Operator case study series outlining the financial implications of an articulated social impact approach, starting with Primestor (outlined on the next page)

Past committee initiatives sought to tease out some component of the central thesis that all assets, from logistics hubs and data centers to workforce housing communities and office parks, sit within a social fabric that they shape and are shaped by. Real estate does not exist in a vacuum. And while that argument was well received, the natural question then became: Does prioritizing social factors within the fund strategy improve its financial performance?

**EARLY INSIGHTS AND PRACTICAL APPLICATIONS**

Proximity matters more than precision. Managers with genuine community relationships surface warning signals earlier; experience lower friction in design, permitting, and leasing; and report stronger retention.

Two or three indicators tracked consistently are more valuable than a perfect measurement architecture built too late. The most actionable starting point is definitional: articulate what is intended at the asset level, then measure against that intention. For most portfolios this requires no impact mandate, only fidelity to stated intentions and consistent tracking. 

<sup>1</sup> PREA Social Impact Committee. 2023. "What is the 'S' in ESG? A Guide for Real Estate Investors." December.  
<sup>2</sup> Foster, L., J. Gordon, G. MacKinnon, and R. Mavrothalasitis. 2023. "Social Awareness in Real Estate Investment: What Should Investors Do about the 'S' in ESG?" *Journal of Portfolio Management* 49(10): 24–38.

**We want to hear from you**

The Social Impact Committee is working on a series of case studies investigating whether investing with a focus on social factors can improve investment returns and, if so, under what circumstances. Below are highlights from one such case study in progress. Please let us know what you think.

Contact committee co-chairs Lionel Foster ([lf@cambercreek.com](mailto:lf@cambercreek.com)) and Rachel Mavrothalasitis ([rachel@multifamilyimpactcouncil.org](mailto:rachel@multifamilyimpactcouncil.org)) with questions or recommendations about projects, investors, or developers to highlight.

**Case study in progress: Primestor**

**BACKGROUND**

Founded in 1991 as a property management firm, Primestor began its now 30-year history as a community-centered developer following the 1992 Los Angeles riots.

**PORTFOLIO OVERVIEW**

Majority retail throughout California, Nevada, Arizona, and Texas. Over 3.1 million square feet valued at \$836 million, delivering better sales per square foot than similar assets.

**CORE TENETS**

1. Identify high growth, underappreciated markets within the US.
2. Deliver community-relevant amenities designed by the individuals who live and work where the asset will be located, mandate local hiring.
3. Allow community engagement to shape the asset design and capital stack.
4. Partner with local government and elected officials.

**RESEARCH QUESTION**

Do these core principles produce risk-adjusted returns that outperform conventional retail? How do underlying vacancy rates, tenant retention, and NOI compare?

The Real Estate and Social Impact webinar series in 2024 and 2025 covered office to housing conversions and pension fund adoption of the Responsible Property Manager Standards. Past speakers include Vicki Bean, Brad Lander, and John Gluszack.

The most recent webinar featured Professor Joseph G. Allen from the Harvard TH Chan School of Public Health discussing how centering health in the building design process drives human performance, supports financial returns, and some of the health implications of not doing so.

Replays of all PREA webinars can be found at [www.prea.org/members/webinars](http://www.prea.org/members/webinars)

**PREA SOCIAL IMPACT COMMITTEE: MEMBERS**

**Co-chairs:** Lionel Foster, Camber Creek and Rachel Mavrothalasitis, Multifamily Impact Council

**Ivan Barron**, PREA Foundation  
**Lissa Glasgo**, Turner Impact Capital  
**Jacques Gordon**, University of Wisconsin  
**Deepa Janha**, April Housing

**Danita Johnson**, New Hampshire Retirement System  
**Yvonne Nelson**, formerly Office of the NY City Comptroller  
**Helena Posner**, CalSTRS

**Khalid Rashid**, Clarion Partners  
**Mauricio Serna**, Starwood Capital Partners  
**Suzanne West**, Epic Advisory  
**Kenneth Wisdom**, Portfolio Advisors