

Rising to the Challenge

2019 Annual Report



A Letter to Our Partners

Lotte Schlegel



For nearly 25 years, IMT has partnered with government, business, and philanthropy to explore the frontier of action to improve the spaces where we live, work, and play. Our innovations have helped policymakers reduce carbon emissions and energy costs across billions of square feet of real estate in major U.S. cities; empowered real estate leaders to invest in energy efficiency by eliminating long-standing legal barriers in lease contracts; and produced a world in which millions of consumers and businesses have access to energy performance information on homes and buildings for the first time.

These are big accomplishments produced by a small group of extraordinary people, and I'm inspired by what we have achieved. As you can see in this annual report for 2019, our world-class staff and board of directors, programmatic excellence, and remarkable partnerships are making a real impact. We are grateful to our colleagues, funders, and partners for our shared success.

If we've learned anything in 2020—which has already drastically altered daily lives to a degree we could barely imagine as we wrapped up 2019—it's clear that the next decade will fundamentally reshape how buildings contribute to climate protection, resilience, housing affordability, public health, racial equity, and more. IMT is ready to meet the urgent challenges and remarkable opportunities that lie ahead.

On behalf of IMT, thank you so much for being part of this incredible journey with us.

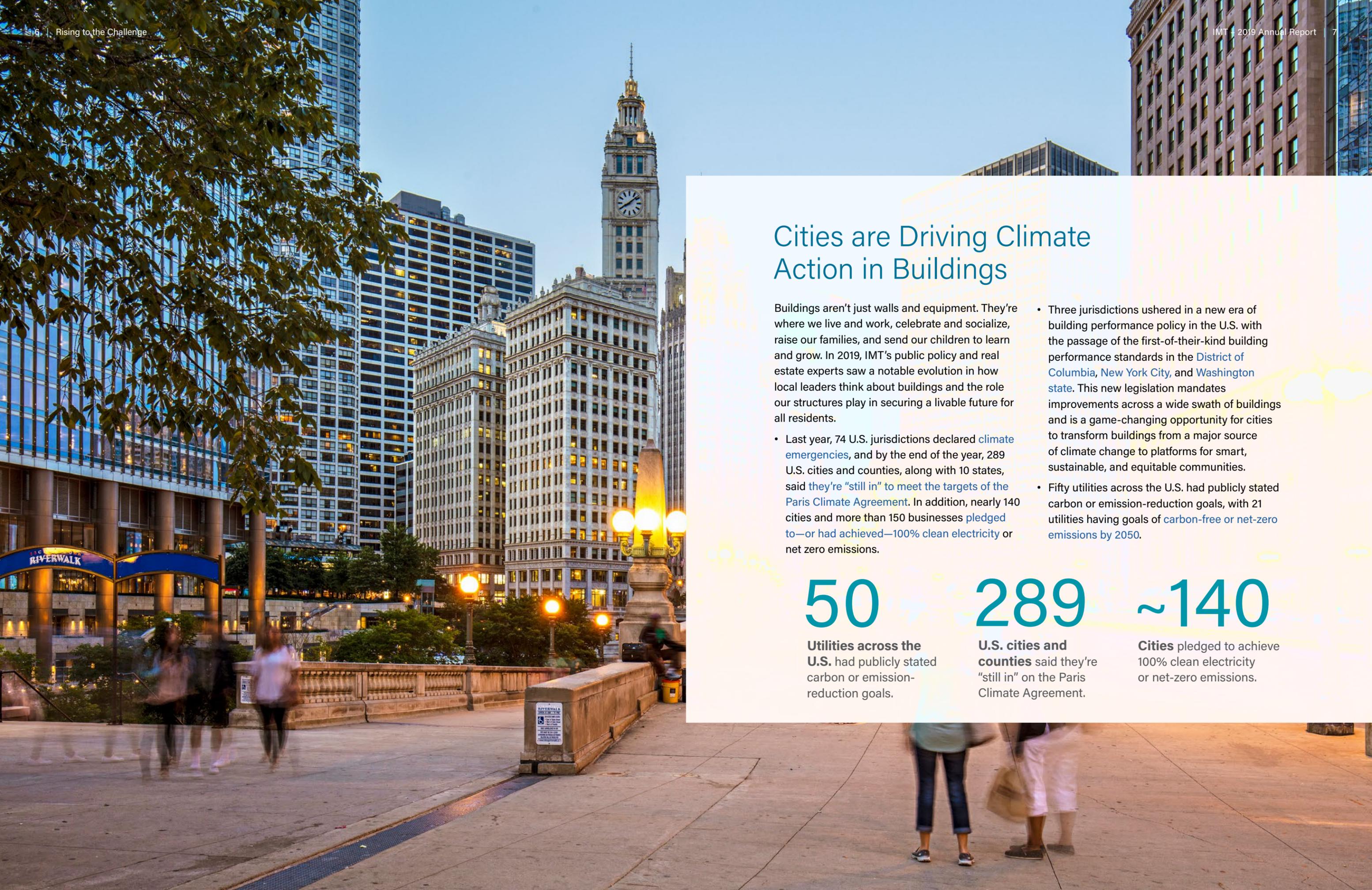
Lotte Schlegel
Executive Director

Market Signals

2019 in review

Driving change is embedded in IMT's DNA. Increasing widespread, sustained demand for high-performing buildings requires paying close attention to market signals throughout the year. What did 2019 tell us?





Cities are Driving Climate Action in Buildings

Buildings aren't just walls and equipment. They're where we live and work, celebrate and socialize, raise our families, and send our children to learn and grow. In 2019, IMT's public policy and real estate experts saw a notable evolution in how local leaders think about buildings and the role our structures play in securing a livable future for all residents.

- Last year, 74 U.S. jurisdictions declared **climate emergencies**, and by the end of the year, 289 U.S. cities and counties, along with 10 states, said they're "still in" to meet the targets of the **Paris Climate Agreement**. In addition, nearly 140 cities and more than 150 businesses **pledged to—or had achieved—100% clean electricity or net zero emissions**.

- Three jurisdictions ushered in a new era of building performance policy in the U.S. with the passage of the first-of-its-kind building performance standards in the **District of Columbia, New York City, and Washington state**. This new legislation mandates improvements across a wide swath of buildings and is a game-changing opportunity for cities to transform buildings from a major source of climate change to platforms for smart, sustainable, and equitable communities.
- Fifty utilities across the U.S. had publicly stated carbon or emission-reduction goals, with 21 utilities having goals of **carbon-free or net-zero emissions by 2050**.

50

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289

U.S. cities and counties said they're "still in" on the Paris Climate Agreement.

~140

Cities pledged to achieve 100% clean electricity or net-zero emissions.



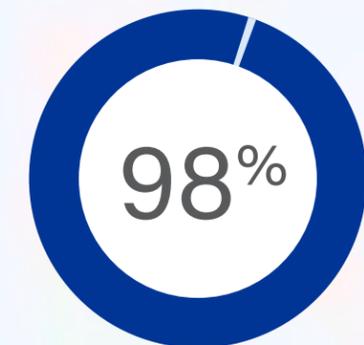
Investors are Raising the Bar for Corporate America

Increasingly, businesses across the globe are investing in low-carbon, high-performance buildings.

- The ability to predict the effects of climate change is increasingly leading investors to measure and assign value to those impacts. In June, Moody's Corporation [strengthened its climate risk capabilities](#) with the goal of "integrating potential climate impacts into risk management and investment decisions." In addition, 785 companies and organizations committed to supporting the [Task Force on Climate-Related Financial Disclosures](#) recommendations to identify and publicly disclose risks they face as a result of climate change to bolster climate-related financial reporting.
- [Sixty-five percent](#) of listed real estate made up of REITs, funds, and developers who represent more than \$4.1 trillion in assets participated in

GRESB's environmental, social, and governance (ESG) benchmarking. Last year, 98% of GRESB participants said they were now collecting building energy data (up from 19% in 2009).

- One hundred and eighty one CEOs committed to leading their companies for the benefit of all stakeholders, not just shareholders, via the [Business Roundtable's new Statement on the Purpose of a Corporation](#).



GRESB participants are collecting building energy data.

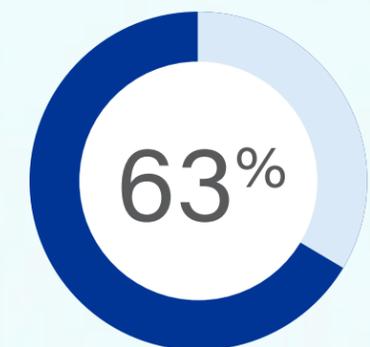
Energy-Efficient Buildings are Catalyzing Electrification and Renewables

The building sector is the largest contributor to greenhouse gas emissions, representing almost 40% of total U.S. emissions. To decarbonize our energy system, we need not only to build renewables and replace fossil fuels, but to reconceive of what buildings can do for us.

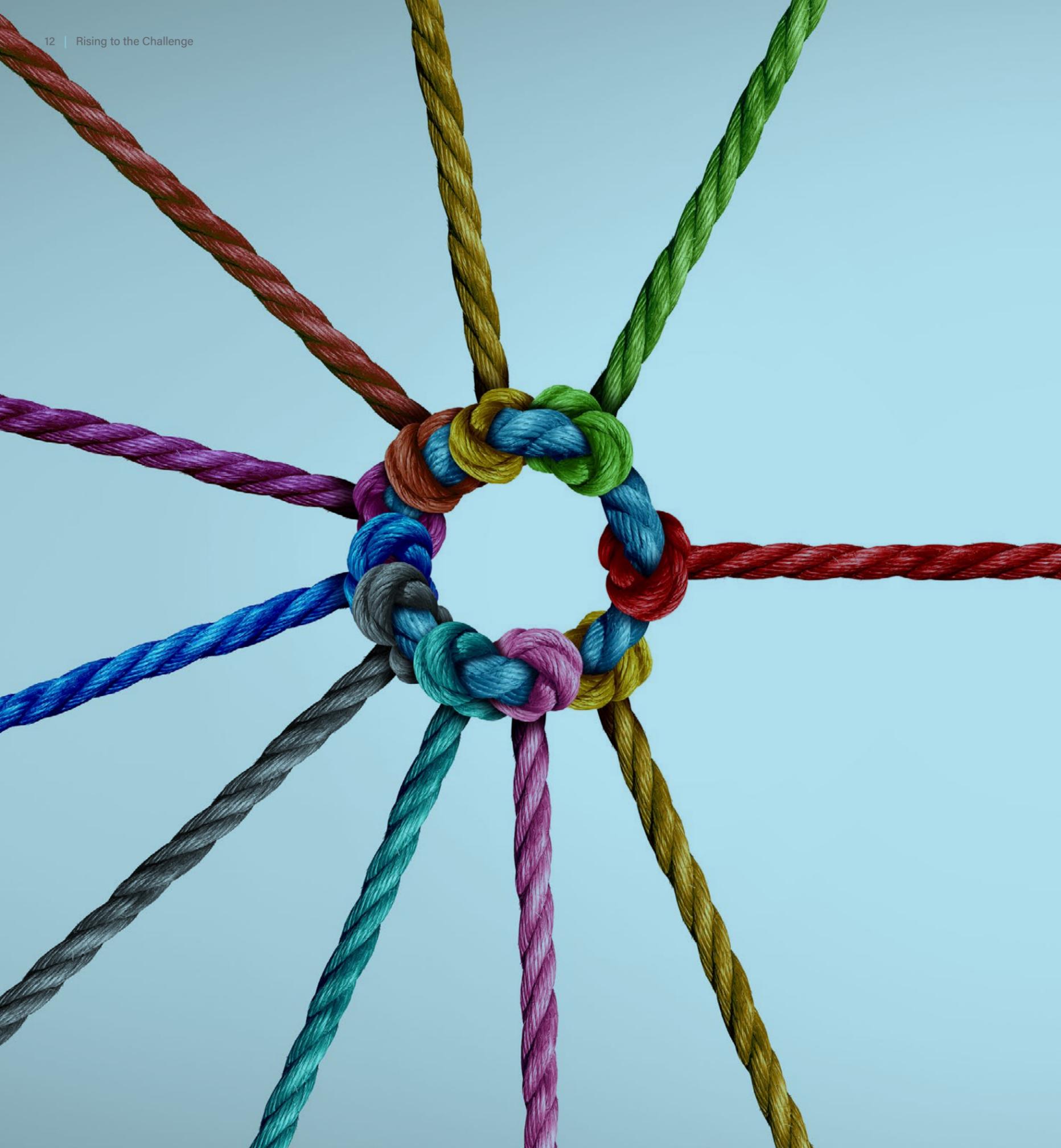
- The growing demand for electric vehicles also means growing demand for buildings that can charge them. According to *Bloomberg New Energy Finance's "Electric Vehicle Outlook 2019" report*, United States-based EV sales will grow from 2% in 2019 to nearly 60% in 2040. The U.S. Department of Energy (DOE) reported in May 2019 that the US now has over 20,000 electric car charging stations, a 25% increase from two years ago. To supply this demand, building owners need to find energy savings elsewhere.
- According to the *Johnson Controls 2019 Energy Efficiency Indicator Survey*, 87% of U.S. respondents indicated resilience is very or extremely important when considering infrastructure investments, up almost 20% from 2018. The survey also found 63% of respondents had net-zero buildings, a growing

trend. Energy efficiency is a key driver in both resilient buildings and achieving net zero status.

- The DOE is exploring the feasibility of grid-interactive efficient buildings (GEBs)—smart, efficient buildings that optimize energy use to reduce grid constraints and carbon emissions while increasing system flexibility and resiliency. A *Rocky Mountain Institute report* estimates GEBs could save the U.S. General Services Administration \$50 million and ratepayers \$70 million.



Energy Efficiency Indicator Survey respondents had net-zero buildings.



Driving Change

IMT's Impact in 2019

Last year, IMT built on its work with global real estate investors and Fortune 500 companies to cultivate market leadership, and its support of cities and states to redefine policy leadership. Together, we are forging dynamic building policy models and business frameworks. These frameworks have the flexibility to achieve broader goals and unite climate, equity, and affordability outcomes. Together, we drive the priorities and investments we need to strengthen our communities by making buildings work for all.

IMT's decarbonization work with leading U.S. cities achieved more than ever.

- We partnered with almost five dozen local governments to drive new policies and deeper engagement with businesses and communities to eliminate energy waste and carbon emissions from new and existing buildings.
- IMT helped develop the [first-ever building performance standard](#) in Washington, D.C., which became law in March 2019 and is projected to save 1 million tons of CO2 equivalent annually by 2032. By the end of the year, IMT was leading conversations with more than a dozen jurisdictions interested in similar policies
- IMT's leadership in the District of Columbia continued with a long-standing partnership with District of Columbia Sustainable Energy Utility, as well as with [IMT's selection by Mayor Muriel Bowser and the District Department of Energy and Environment to receive a \\$400,000 multi-year grant](#) to lead the conceptualization and development of the DC High-Performance Building Hub, a critical market-based entity to ensure success with District's building performance standard.
- IMT continued its unique partnership with the [Urban Sustainability Directors Network](#), engaging up to roughly four dozen cities on implementing benchmarking and transparency ordinances, securing access to utility data, and understanding the motivations of owners of hard to reach building types, such as Class B and C commercial buildings.
- IMT continued serving as technical partner of building-realted efforts in 25 cities via the [American Cities Climate Challenge](#). By 2025, policies pursued through the American Cities Climate Challenge as a whole are anticipated to reduce 40 million metric tons of carbon emissions—the equivalent of shutting down more than 10 coal-fired power plants or taking 8.5 million cars off the road for one year.
- IMT surpassed 10,000 resource downloads for the year and produced 62 new tools, guides, and case studies, including the [City Energy Project Resource Library](#), which launched in February.
- In 2019, IMT was an active member of the Energy Efficient Codes Coalition, the main advocacy group for improved national energy codes. Along the way, our experts participated in all of the code development hearings and testified on many proposals. The resulting 2021 International Energy Conservation Code increased efficiency by roughly 10% over the previous version for residential and commercial buildings.

IMT designed real estate solutions for companies that benefit both climate and business.

- IMT's [Green Lease Leaders](#) recognition program continued to be the industry standard for high-performance leasing. Last year, the program's reach grew to 2.5 billion square feet of leased space.
- Drawing on our expertise in bringing commercial real estate and public policymakers together to advance progress, in September 2019, [IMT lead a problem-solving workshop on commercial real estate concerns](#) about New York City's building performance standard, Local Law 97. We facilitated productive discussions between commercial landlords and tenants; officials from the New York City's Mayor's Office of Sustainability; professional organizations such as the American Institute of Architects, the International Facility Managers Association and the Real Estate Board of New York; as well as local consultants and representatives from NY Green Bank, a division of NYSERDA.
- Throughout the year, IMT supported and mentored large national tenants and landlords to advance efficiency in leased space, engaging 72 retail and commercial tenants and 28 commercial landlords.
- IMT's Small Business Energy Initiative completed three years of work to arm local chambers of commerce and small business organizations with [tools, knowledge, and guidance](#) to help their members and communities boost building performance. Upon concluding in 2019, the Initiative had completed nearly 550 energy audits that identified a total of more than \$8.5 million in annual savings for small businesses across five states.

We are changing and learning.

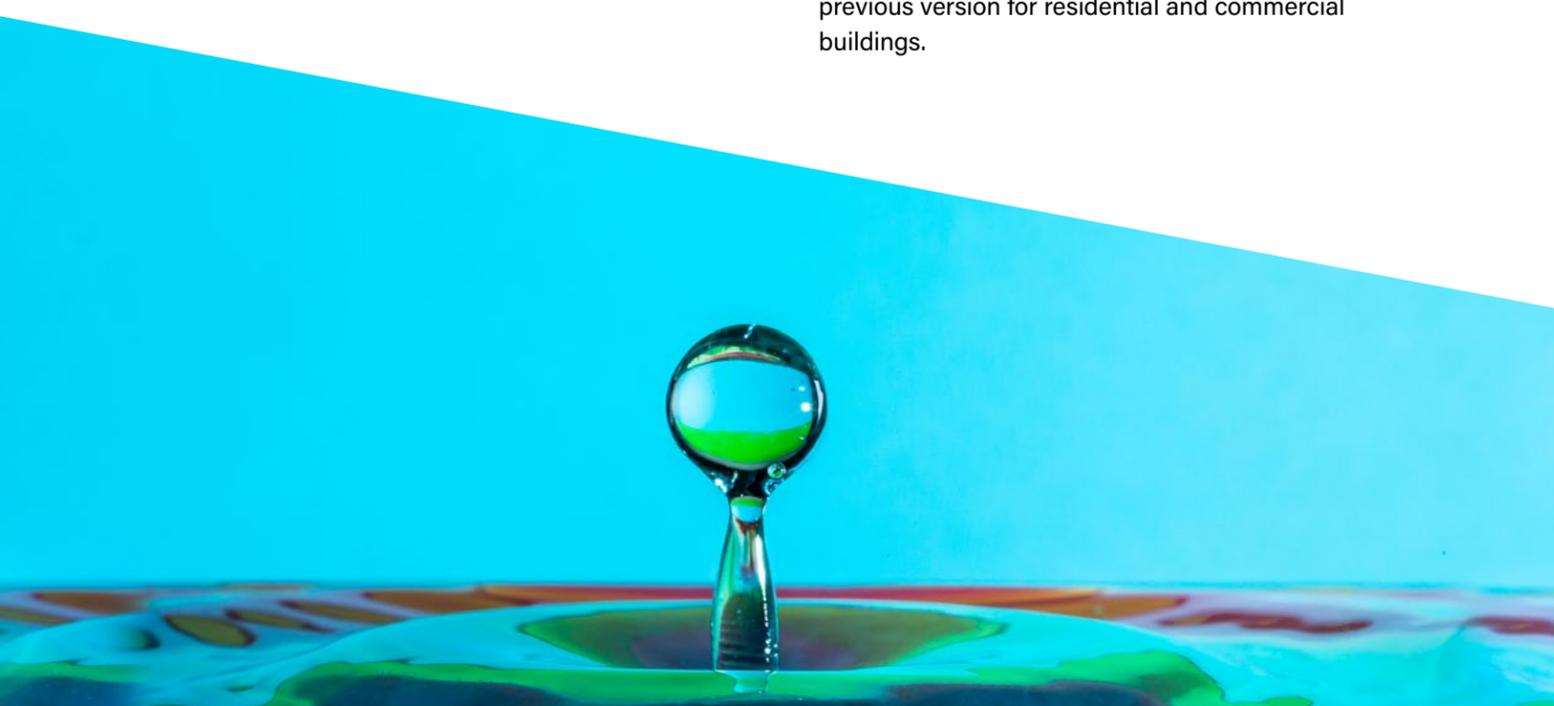
In 2019, IMT dedicated itself to bringing racial equity, affordability, health, and economic and environmental resilience into the fabric of IMT's culture and operations.

- We committed to advancing diversity, equity, and inclusion (DEI) efforts across our organization and senior management.
- We joined the RAY Diversity Clean Energy Fellowship program and look forward to welcoming our first fellow in 2020.
- Throughout the year, members of our staff participated in equity training programs supported by The Kresge Foundation, a local racial equity working group organized by the Center for Public and Nonprofit Leadership at Georgetown University Public Policy Institute, and an equity summit hosted by ProInspire.
- In August, eight staff members and two board members visited Montgomery, Alabama, to take part in a facilitated learning workshop to increase awareness and continued education in systemic racism that can inform IMT's work in diversity, equity, and inclusion.
- We increased our engagement with equity-focused organizations including the Emerald Cities Collaborative, Greenlining Institute, Kapwa Consulting, NAACP, and Movement Strategy to enable our staff to deepen their understanding of DEI concerns to better incorporate responsible solutions seamlessly into our work.

\$8.5+
million

Annual savings

for small businesses identified under the Small Business Energy Initiative.





What's Next

It's time to transform the built environment. In the coming decade, IMT will lead significant transformation across both public governance and real estate to think more expansively and inclusively about the role buildings play in our daily lives.

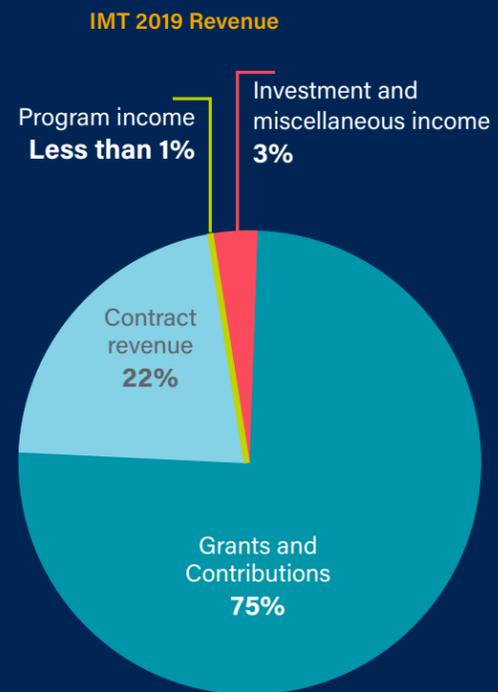
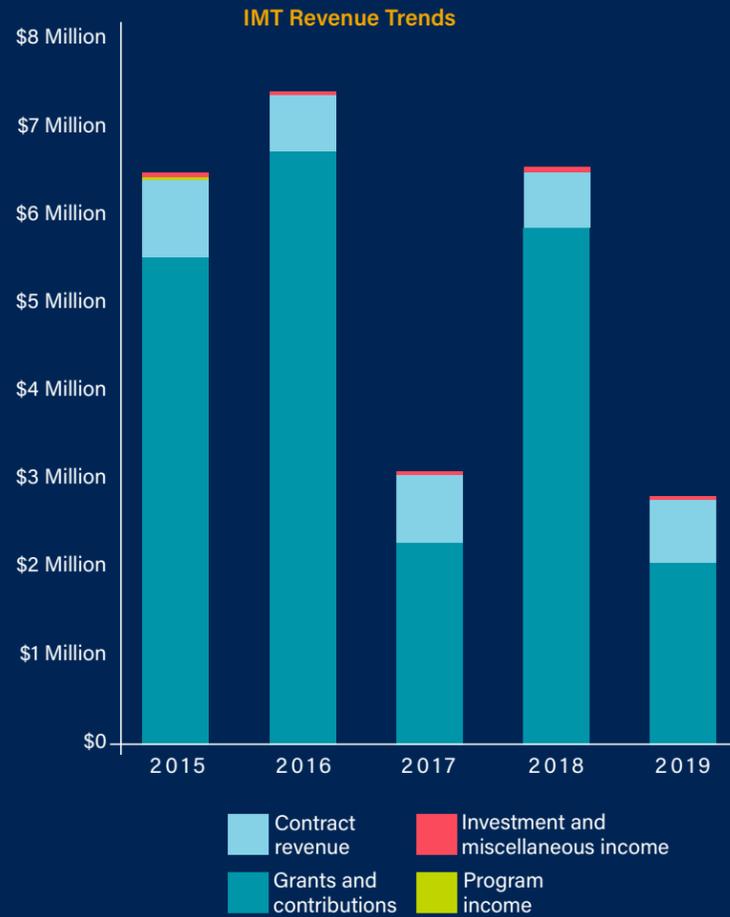
We believe that over the next 10 years buildings must protect the climate and enrich their communities. In addition to providing physical space, they must:

- Reduce carbon emissions to zero
- Support resilience, grid reliability & disaster response
- Promote housing & energy affordability
- Improve public health & environmental quality
- Enhance racial diversity & gender equity
- Advance worker fairness & economic mobility
- Help business balance profit & purpose
- Expand civic service & volunteerism

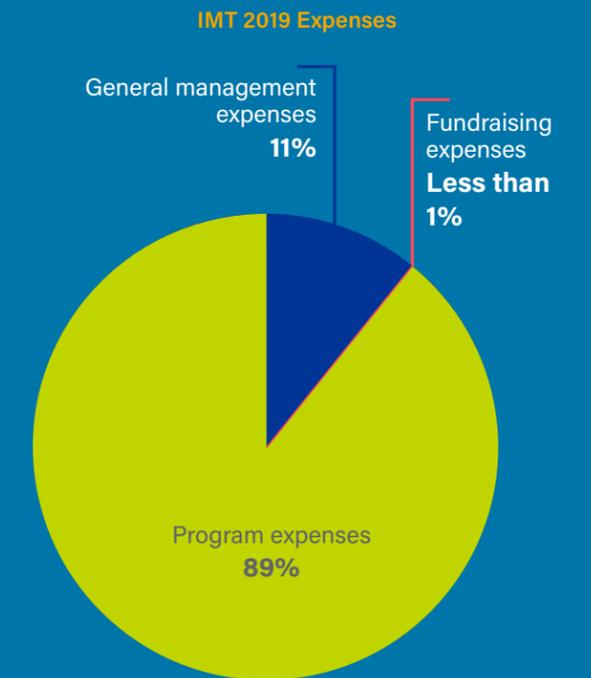
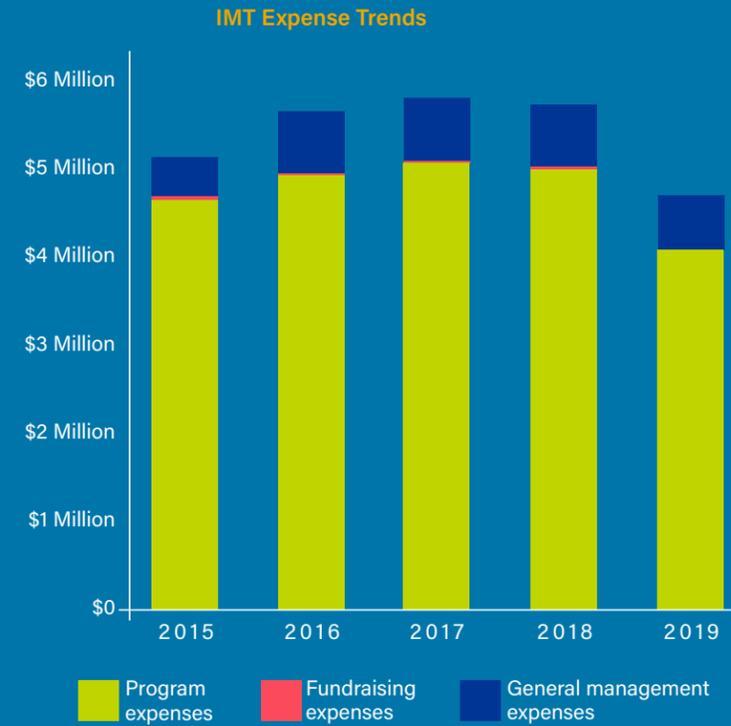
Stay tuned as we introduce our bold vision to decarbonize buildings and strengthen the equity and livability of U.S. communities.

2019 Financials*

Revenue



Expenses



* Unaudited at the time of publication

2019 Funders

Bloomberg Philanthropies
 ComEd
 District of Columbia Department of Energy and Environment
 District of Columbia Sustainable Energy Utility
 Doris Duke Charitable Foundation
 Energy Foundation
 Kresge Foundation
 Lawrence Berkeley National Laboratory
 National Association of Regulatory Utility Commissioners
 The Tilia Fund
 U.S. Department of Energy Office of Energy Efficiency and Renewable Energy
 Urban Sustainability Directors Network
 VoLo Foundation
 Yardi Systems Inc.

THANK YOU

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