

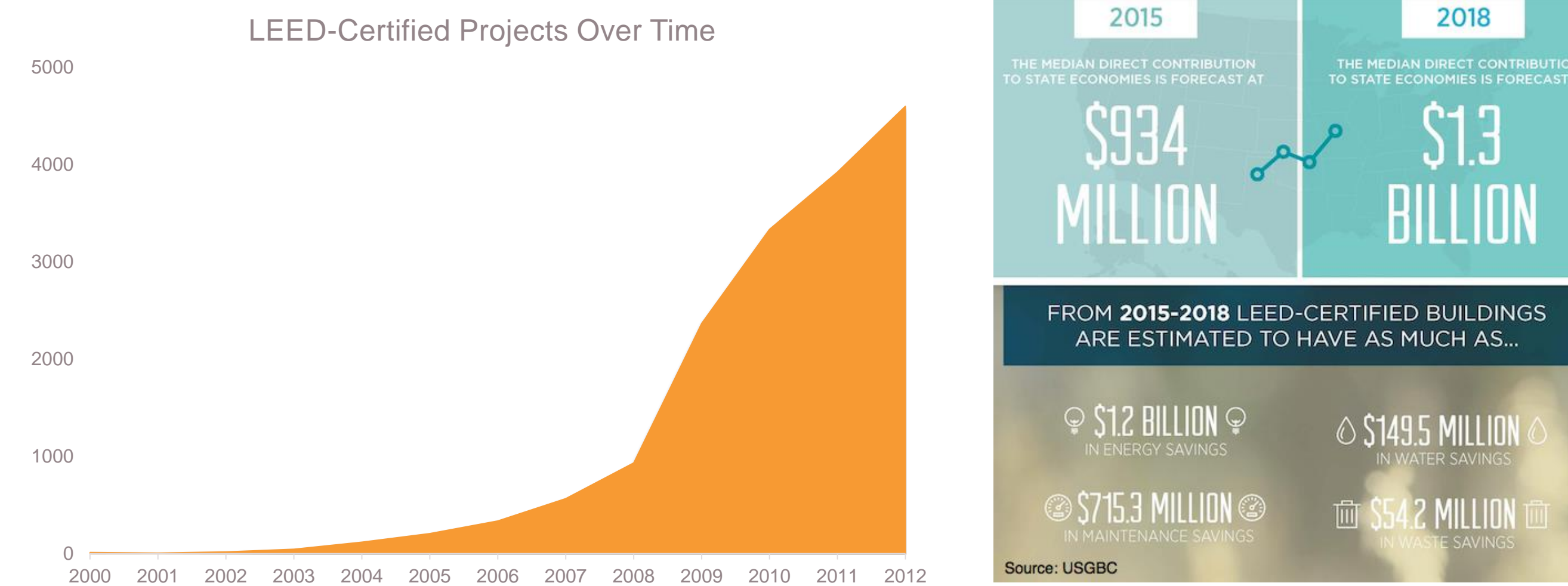
# A Proposal to Explore the Value in Public Health Investments by Multifamily Developers

Building the Business Case for a Culture of Health in the Real Estate Industry

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## Introduction

- The U.S. is experiencing rapid population growth in urban areas
- It is estimated that the number of renter households will increase by 4.4 million by 2025, representing over \$5.1 billion in rent nationwide
- Implementation of healthy built environments will be increasingly reliant on the practices and choices of real estate developers
- While many studies have found significant positive associations between the presence of neighborhood health amenities (i.e., access to parks, healthy foods, and recreation facilities) and owner-occupied property value, few have explored multifamily development (MFD) metrics within the real estate industry

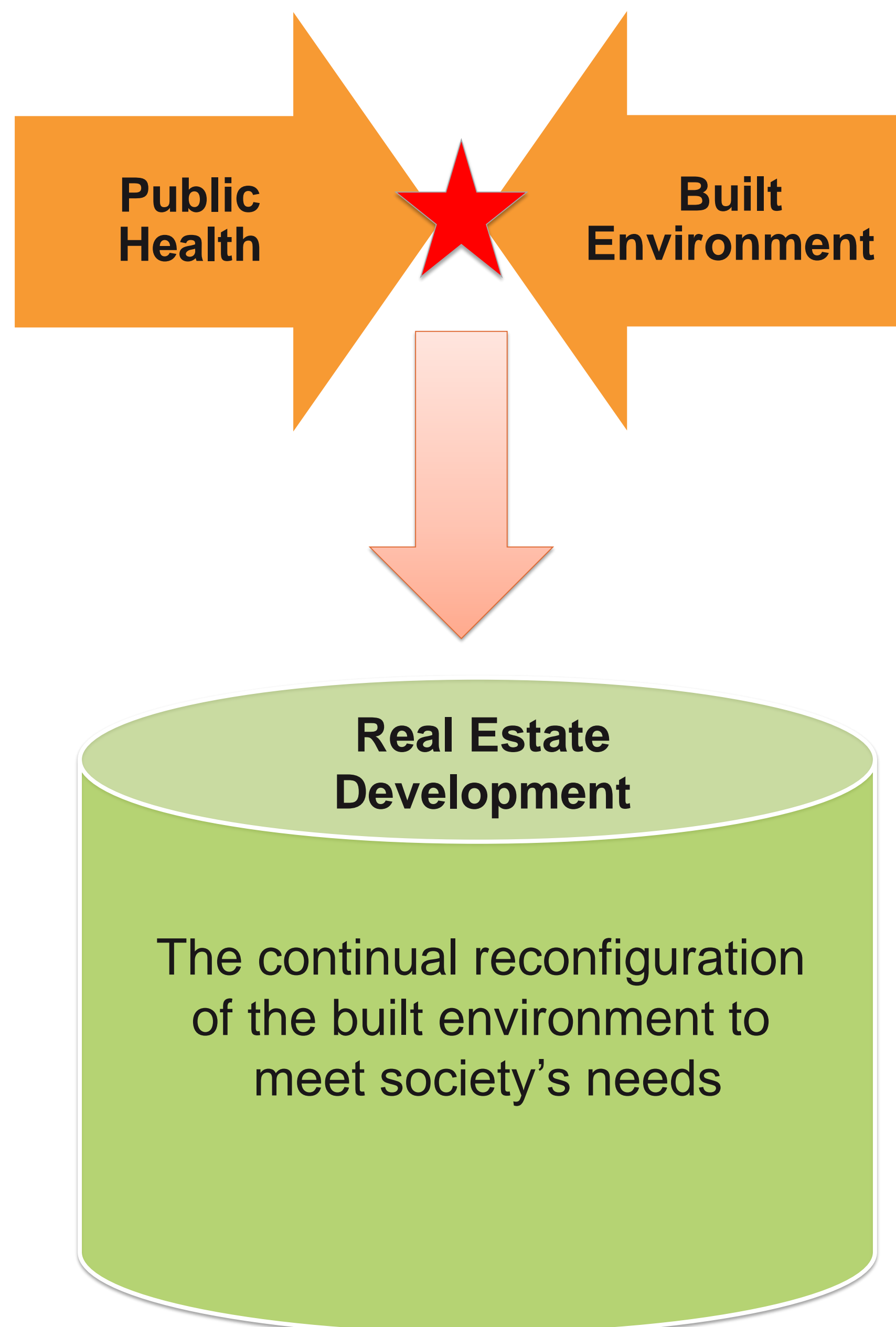


Example marketing efforts highlighting healthy living apartments



“All the amenities and services to be expected in a state-of-the-art living environment and a few new ones for **good healthy measure**. Meet friends at the resort style pool; pop in and out of the casual lobby, which supports **an active lifestyle**; control the environment with operable windows and responsive lighting; and entertain in a top-of-the-line kitchen, where floor-to-ceiling windows reveal breathtaking views.”

## Associations vs. Actions

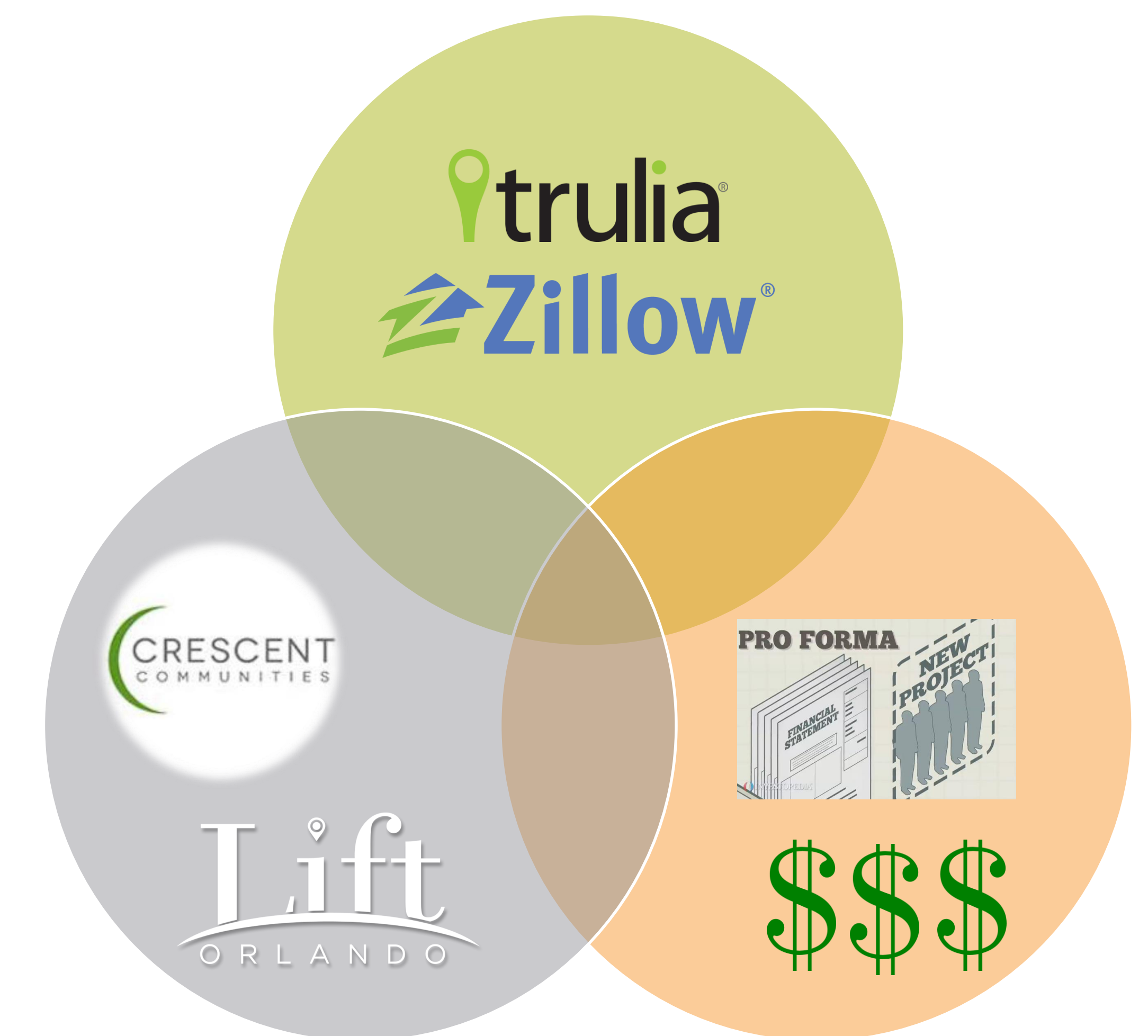


The goal is to empower real estate professionals to pursue health and wellness as investable attributes of real estate in the same way green building allows investment in sustainability performance. The result will be new opportunities to leverage private capital to create and manage healthier communities for all people.

## A Growing Level of Interest



## Mixed Methods Approach



## Purpose

- With funding from the Robert Wood Johnson Foundation (RWJF) in response to their “**Engaging Businesses for Health**” – this study will explore how health-related amenities in multifamily developments (MFD) can influence financial valuation and real estate decision-making in creating healthy communities
- *AIM 1:* Determine how and why MFD consider and include community health strategies and health-related amenities in new projects
- *AIM 2:* Determine actual costs and returns for private developers who include community health strategies and amenities – beyond changes in property values

Table 1: Multifamily apartment data from CoStar in the Triangle Region, NC

Price/SF	MHHI	Cap Rate	Unit Price	NOI	Health Amenities	Walk/Transit Score
\$165.41	\$63,371	5.92%	\$189,922	\$2,900,000	- Fitness Center - Playground - Pool - Walk/Bike Trails - Basketball Court	52/36
\$138.74	\$65,420	4.76%	\$152,500	\$1,452,451	- Fitness Center - Pool - Volleyball Court	16/27
\$49.00	\$68,443	5.8%	\$59,756	\$142,100	- None Listed	46/28