

Tricon Residential



We very much welcome Tricon setting GHG emission reduction targets for the first time and as the first single-family rental owner. The company has made great progress since out initial engagement in 2022 and improved its environmental efforts significantly. We successfully close our engagement.

Andreas Welter, Senior Portfolio Manager

Engagement rationale

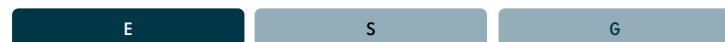
Tricon Residential is a large institutional landlord of single-family rental homes in the US owning c30,000 homes and has a market capitalisation of >3bn USD.

Background

Tricon scored at the lower end in our Environmental Pathway Framework versus its US residential peers, mainly due to the lack of disclosure of emission data and related reduction targets. Back in June 2022 we reached out to discuss the strategy and timing of additional disclosure as well as encouraging them on setting reduction targets for its emissions.

Theme for engagement

Environmental



Development

Positive

Milestone



Engagement objectives

We followed-up on the progress made over the last year.

Engagement results

Last year Tricon had already made solid progress on disclosing comprehensive GHG emission data. The company continued this year with setting energy and emission reduction targets for Scope 1 and 2 for the first time, completed energy efficiency upgrades for over 84% of its portfolio and started to develop a net zero home prototype as blueprint for its portfolio.

While we would have liked to see the initial GHG emission targets to include Scope 3 and be of greater ambition (Tricon aims for a mere 5% reduction), we note that Tricon is the first single family rental company to set targets at all.

Overall, Tricon has made good progress since our initial engagement in 2022 and consequently has improved its ranking substantially to now be in the middle of the US Residential group.

Next steps

Following the improvement in its ranking, we close our engagement successfully. We note that Tricon is in the process of being acquired by Blackstone and will no longer remain a publicly listed company in the future.



Company

Tricon Residential

Country

USA

Sector

Real Estate

Market cap

3bn USD

Materiality

Improving ESG efforts can lead a lower risk profile and multiple benefits for all stakeholders.

ESG Research

MSCI ESG Rating: A
Sustainalytics: 18.7 (low risk)

Engagement initiated

Q2 2022

Latest update

Q1 2024

Kempen Fund

Kempen (Lux) Global Property Fund

