



**SASB
STANDARDS**

Now part of IFRS Foundation

Home Builders

Sustainability Accounting Standard

INFRASTRUCTURE SECTOR

Sustainable Industry Classification System® (SICS®) IF-HB

Under Stewardship of the International Sustainability Standards Board

INDUSTRY STANDARD | VERSION 2023-12



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ABOUT THE SASB STANDARDS

As of August 2022, the International Sustainability Standards Board (ISSB) of the IFRS Foundation assumed responsibility for the SASB Standards. The ISSB has committed to maintain, enhance and evolve the SASB Standards and encourages preparers and investors to continue to use the SASB Standards.

IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* (IFRS S1) requires entities to refer to and consider the applicability of disclosure topics in the SASB Standards when identifying sustainability-related risks and opportunities that could reasonably be expected to affect an entity's prospects. Similarly, IFRS S1 requires entities to refer to and consider the applicability of metrics in the SASB Standards when determining what information to disclose regarding sustainability-related risks and opportunities.

In June 2023, the ISSB amended climate-related topics and metrics in the SASB Standards to align them with the industry-based guidance accompanying IFRS S2 *Climate-related Disclosures*. In December 2023, the ISSB amended the non-climate-related topics and metrics in connection with the International Applicability of SASB Standards project.

Effective Date

This version 2023-12 of the Standard is effective for all entities for annual periods beginning or after January 1, 2025. Early adoption is permitted for all entities.

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INTRODUCTION

Overview of SASB Standards

The SASB Standards are a set of 77 industry-specific sustainability accounting standards (“SASB Standards” or “Industry Standards”), categorised pursuant to the [Sustainable Industry Classification System[®] \(SICS[®]\)](#).

SASB Standards include:

1. **Industry descriptions** – which are intended to help entities identify applicable industry guidance by describing the business models, associated activities and other common features that characterise participation in the industry.
2. **Disclosure topics** – which describe specific sustainability-related risks or opportunities associated with the activities conducted by entities within a particular industry.
3. **Metrics** – which accompany disclosure topics and are designed to, either individually or as part of a set, provide useful information regarding an entity’s performance for a specific disclosure topic.
4. **Technical protocols** – which provide guidance on definitions, scope, implementation and presentation of associated metrics.
5. **Activity metrics** – which quantify the scale of specific activities or operations by an entity and are intended for use in conjunction with the metrics referred to in point 3 to normalise data and facilitate comparison.

Entities using the SASB Standards as part of their implementation of ISSB Standards should consider the relevant ISSB application guidance.

For entities using the SASB Standards independently from ISSB Standards, the [SASB Standards Application Guidance](#) establishes guidance applicable to the use of all Industry Standards and is considered part of the Standards. Unless otherwise specified in the technical protocols contained in the Industry Standards, the guidance in the SASB Standards Application Guidance applies to the definitions, scope, implementation, compilation and presentation of the metrics in the Industry Standards.

Historically, the [SASB Conceptual Framework](#) set out the basic concepts, principles, definitions and objectives that guided the SASB Standards Board in its approach to setting standards for sustainability accounting.

Use of the Standards

SASB Standards are intended to aid entities in disclosing information about sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term. An entity determines which Industry Standard(s) and which disclosure topics are relevant to its business, and which associated metrics to report. In general, an entity should use the SASB Standard specific to its primary industry as identified in [SICS[®]](#). However, companies with substantial business in multiple SICS[®] industries should refer to and consider the applicability of the disclosure topics and associated metrics in additional SASB Standards.

The disclosure topics and associated metrics contained in this Standard have been identified as those that are likely to be useful to investors. However, the responsibility for making materiality judgements and determinations rests with the reporting entity.

Industry Description

Home Builders industry entities build new homes and develop residential communities. Development efforts generally include land acquisition, site preparation, home construction and home sales. The majority of the industry focuses on the development and sale of single-family homes, which are typically part of entity-designed residential communities. A smaller segment develops town homes, condominiums, multi-family housing and mixed-use development. Many entities in the industry offer financing services to individual homebuyers. The industry is fragmented, since many developers of all sizes exist, which vary in entity structure and geographical focus. Listed entities tend to be significantly larger and more integrated than the numerous privately held home builders.

SUSTAINABILITY DISCLOSURE TOPICS & METRICS

Table 1. Sustainability Disclosure Topics & Metrics

TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE
Land Use & Ecological Impacts	Number of (1) lots and (2) homes delivered on redevelopment sites	Quantitative	Number	IF-HB-160a.1
	Number of (1) lots and (2) homes delivered in regions with High or Extremely High Baseline Water Stress	Quantitative	Number	IF-HB-160a.2
	Total amount of monetary losses as a result of legal proceedings associated with environmental regulations ¹	Quantitative	Presentation currency	IF-HB-160a.3
	Discussion of process to integrate environmental considerations into site selection, site design and site development and construction	Discussion and Analysis	n/a	IF-HB-160a.4
Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Quantitative	Rate	IF-HB-320a.1
Design for Resource Efficiency	(1) Number of homes that obtained a certified residential energy efficiency rating and (2) average rating	Quantitative	Number, Rating	IF-HB-410a.1
	Percentage of installed water fixtures certified to a water efficiency standard	Quantitative	Percentage (%)	IF-HB-410a.2
	Number of homes delivered certified to a third-party multi-attribute green building standard	Quantitative	Number	IF-HB-410a.3
	Description of risks and opportunities related to incorporating resource efficiency into home design, and how benefits are communicated to customers	Discussion and Analysis	n/a	IF-HB-410a.4
Community Impacts of New Developments	Description of how proximity and access to infrastructure, services, and economic centres affect site selection and development decisions	Discussion and Analysis	n/a	IF-HB-410b.1
	Number of (1) lots and (2) homes delivered on infill sites	Quantitative	Number	IF-HB-410b.2
	(1) Number of homes delivered in compact developments and (2) average density	Quantitative	Number, units per hectare	IF-HB-410b.3

continued...

¹ Note to **IF-HB-160a.3** – The entity shall briefly describe the nature, context, and any corrective actions taken as a result of the monetary losses.

...continued

TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE
Climate Change Adaptation	Number of lots located in 100-year flood zones	Quantitative	Number	IF-HB-420a.1
	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	Discussion and Analysis	n/a	IF-HB-420a.2

Table 2. Activity Metrics

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE
Number of controlled lots ²	Quantitative	Number	IF-HB-000.A
Number of homes delivered ³	Quantitative	Number	IF-HB-000.B
Number of active selling communities ⁴	Quantitative	Number	IF-HB-000.C

² Note to **IF-HB-000.A** – The scope of controlled lots includes all lots owned or contractually available for ownership through option contracts or other equivalent types of contracts as of the last day of the reporting period.

³ Note to **IF-HB-000.B** – The scope of homes shall include single-family dwelling units whether detached, attached or part of multi-family residential buildings.

⁴ Note to **IF-HB-000.C** – The scope of active selling communities includes those communities or developments open for sales with at least five homes or lots remaining to sell as of the last day of the reporting period.

Land Use & Ecological Impacts

Topic Summary

Home builders face risks associated with the ecological impacts of development activities. Developments often take place on previously undeveloped land, and entities must manage the ecosystem disruption of construction activities as well as the regulations and permitting processes that accompany 'greenfield' land development. Regardless of the siting decisions entities make, industry development activities generally carry risks related to land and water contamination, mismanagement of waste, and excessive strain on water resources during the construction and use phases. Violation of environmental regulations can result in costly fines and delays that decrease financial returns while potentially harming brand value. Entities with repeated violations or a history of negative ecological impacts may find seeking permits and approvals from local communities for new developments difficult, thereby decreasing future revenue and market share. Entities that concentrate development efforts in water-stressed regions may witness challenges to permitting approvals and increased land or home value depreciation because of water shortage concerns. Environmental quality control procedures, 'smart growth' strategies (including a focus on redevelopment sites) and conservation strategies may help ensure compliance with environmental laws, and therefore mitigate financial risks, while improving future growth opportunities.

Metrics

IF-HB-160a.1. Number of (1) lots and (2) homes delivered on redevelopment sites

- 1 The entity shall (1) disclose the number of controlled lots that are located on redevelopment sites.
 - 1.1 The scope of controlled lots includes all lots owned or contractually available for ownership through option contracts or other equivalent types of contracts.
 - 1.2 The scope of redevelopment sites shall include brownfield and greyfield sites, and shall include sites that meet jurisdictional designations for such terms. In the absence of jurisdictional definitions, the following definitions shall be used:
 - 1.2.1 Redevelopment sites are defined as sites previously developed, including the replacement, remodelling or reuse of existing structures to accommodate new development.
 - 1.2.2 Brownfield sites are defined as real property, the expansion, redevelopment or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant or contaminant.
 - 1.2.3 Greyfield sites are defined as any site previously developed with at least 50% of the surface area covered with impervious material.
 - 1.3 The scope of redevelopment sites excludes undeveloped infill sites but includes infill sites to the extent that such sites meet the above definitions of redevelopment, brownfield or greyfield sites.
- 2 The entity shall disclose (2) the number of homes delivered that were constructed on redevelopment sites.

- 2.1 The scope of homes shall include single-family dwelling units, whether detached, attached or part of multi-family residential buildings.

IF-HB-160a.2. Number of (1) lots and (2) homes delivered in regions with High or Extremely High Baseline Water Stress

- 1 The entity shall (1) disclose the number of controlled lots located in regions with High or Extremely High Baseline Water Stress.
 - 1.1 The scope of controlled lots includes all lots owned or contractually available for ownership through option contracts or other equivalent types of contracts.
 - 1.2 The entity shall identify controlled lots in locations with High (40–80%) or Extremely High (>80%) Baseline Water Stress with the World Resources Institute's (WRI) Water Risk Atlas tool, Aqueduct.
- 2 The entity shall disclose (2) the number of homes delivered in regions with High or Extremely High Baseline Water Stress.
 - 2.1 The scope of homes shall include single-family dwelling units whether detached, attached or part of multi-family residential buildings.

IF-HB-160a.3. Total amount of monetary losses as a result of legal proceedings associated with environmental regulations

- 1 The entity shall disclose the total amount of monetary losses incurred during the reporting period resulting from legal proceedings associated with environmental regulations, such as those related to: enforcement of laws and regulations on ground- and surface-water contamination; hazardous waste transport, containment or disposal; air emissions; and public disclosure of contamination events.
- 2 The legal proceedings shall include any adjudicative proceeding involving the entity, whether before a court, a regulator, an arbitrator or otherwise.
- 3 The losses shall include all monetary liabilities to the opposing party or to others (whether as the result of settlement or verdict after trial or otherwise), including fines and other monetary liabilities incurred during the reporting period as a result of civil actions (for example, civil judgment or settlements), regulatory proceedings (for example, penalties, disgorgement or restitution) and criminal actions (for example, criminal judgement, penalties or restitution) brought by any entity (for example, governmental, business or individual).
- 4 The scope of monetary losses shall exclude legal and other fees and expenses incurred by the entity in its defence.
- 5 The scope of disclosure shall include relevant enforcements related to activities adjudicated by applicable jurisdictional legal or regulatory authorities with an enforcement mandate broader than the home builders industry.

Note to **IF-HB-160a.3**

- 1 The entity shall briefly describe the nature (for example, judgement or order issued after trial, settlement, guilty plea, deferred prosecution agreement, non-prosecution agreement) and context (for example, permitting violation) of all monetary losses resulting from legal proceedings.
- 2 The entity shall describe any corrective actions implemented in response to the legal proceedings. This may include specific changes in operations, processes, products, business partners, training or technology.

IF-HB-160a.4. Discussion of process to integrate environmental considerations into site selection, site design and site development and construction

- 1 The entity shall provide a discussion of the process used to integrate environmental considerations into site selection, design and development and construction.
 - 1.1 Environmental considerations may include ecological impacts, biodiversity impacts, emissions to air, discharges to water, slope disturbance, soil disturbance and erosion, storm water management, waste management, natural resource consumption and hazardous chemical usage.
- 2 The entity shall describe how it manages the following aspects of site selection:
 - 2.1 The process used to assess the level of ecological sensitivity of sites under consideration for acquisition or development, and how such assessments are incorporated into acquisition and development decisions.
 - 2.2 The use of site classifications (for example, greenfield, greyfield, brownfield or infill sites) in decision-making processes.
- 3 The entity shall describe how it manages the following aspects of site design:
 - 3.1 The process used to design sites to minimise ecological impacts, including management of slope disturbance, soil disturbance and erosion, storm water, waste and wildlife habitat impacts.
- 4 The entity shall describe how it manages the following aspects of site development and construction:
 - 4.1 The process used to minimise ecological impacts during construction, including management of construction and demolition waste, runoff, soil disturbance and erosion and hazardous materials.
- 5 The entity shall describe how it assesses risks associated with environmental considerations and related internal policies, practices and procedures for managing those risks.
- 6 The entity shall describe its use of codes, guidelines and standards that address site selection, design and development and construction, if applicable.

Workforce Health & Safety

Topic Summary

Home construction requires a significant amount of manual labour from entity employees and subcontractors. Site excavation and home construction activities are physically demanding, exposing workers to risks from falls and heavy machinery and resulting in relatively high injury and fatality rates. Worker injuries and fatalities have internal and external costs that may significantly affect operations and an entity's social licence to operate. Effects include fines, penalties, workers' compensation costs, regulatory compliance costs from more stringent oversight, higher insurance premiums, and project delays and downtime. To avoid such costs, entities should foster a culture of safety with proactive safety management plans, employee and contractor training, and regular audits.

Metrics

IF-HB-320a.1. (1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees

- 1 The entity shall disclose (1) its total recordable incident rate (TRIR) for work-related injuries and illnesses.
 - 1.1 An injury or illness is considered a recordable incident if it results in death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness. Additionally, a significant injury or illness diagnosed by a physician or other licensed health care professional is considered a recordable incident, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.
 - 1.1.1 First aid is defined as emergency care or treatment for an ill or injured person before regular medical aid can be provided.
 - 1.1.2 The entity may use applicable jurisdictional criteria for definitions of a recordable incident and a non-recordable incident such as first aid. The entity shall disclose the legal, regulatory or industry framework used as the source for these criteria and definitions.
- 2 The entity shall disclose (2) its fatality rate for work-related fatalities.
- 3 All disclosed rates shall be calculated as: $(\text{statistic count} \times 200,000) / \text{total number of hours worked by all employees in the year reported}$.
 - 3.1 The '200,000' in the rate calculation represents the total number of hours 100 full-time workers working 40 hours per week for 50 weeks per year can provide annually.
- 4 The scope of the disclosure includes work-related incidents only.
 - 4.1 Work-related incidents are injuries and illnesses resulting from events or exposures in the work environment.

- 4.2 The work environment is the establishment and other locations where one or more employees are working or are present as a condition of their employment.
 - 4.3 The work environment includes not only physical locations, but also the equipment or materials used by the employee during the course of work.
 - 4.4 Incidents that occur while an employee is travelling are work-related if, at the time of the injury or illness, the employee was engaged in work activities in the interest of the employer.
 - 4.5 A work-related incident must be a new case, not a previously recorded injury or illness being updated.
- 5 The entity shall disclose the rates for each of these employee categories:
- 5.1 direct employees, defined as individuals on the entity's payroll, whether they are full-time, short service, part-time, executive, labour, salary, seasonal, migrant or hourly employees; and
 - 5.2 contract employees, defined as individuals who are not on the entity's payroll, but whom the entity supervises or manages, including independent contractors and those employed by third parties (for example, temp agencies and labour brokers).
- 6 The scope of the disclosure includes all employees regardless of employee location or type of employment.

Design for Resource Efficiency

Topic Summary

Residential buildings, when occupied, consume significant amounts of energy and water. Entities in the Home Builders industry can improve home resource efficiency through sustainable design practices and choice of materials. Energy-saving products and techniques such as designing homes for efficient heating and cooling may reduce energy dependence, whether it comes from the electric grid or onsite fuel combustion. Intended to improve home resource efficiency, these measures may decrease home ownership costs through lower utility bills. Water-saving features such as low-flow faucets alleviate stress in water-scarce communities, while likely also reducing homeowner costs. Homebuyer awareness of energy and water efficiency creates an opportunity for entities to increase target market demand, thereby increasing revenue or margins. Effectively applying resource efficiency design principles in a cost-effective manner may be a competitive advantage, especially when entities are successful in systematically educating customers on the long-term benefits of these homes.

Metrics

IF-HB-410a.1. (1) Number of homes that obtained a certified residential energy efficiency rating and (2) average rating

- 1 The entity shall disclose (1) the number of homes that obtained a certified, standardised residential energy efficiency rating recognised by relevant industry associations or jurisdictional legal or regulatory authorities during the reporting period.
 - 1.1 The scope of homes shall include single-family dwelling units, whether detached, attached or part of multi-family residential buildings.
 - 1.2 The entity shall disclose the energy efficiency rating system used to calculate this metric.
- 2 The entity shall (2) disclose the simple average rating of all homes that obtained a certified, standardised residential energy efficiency rating during the reporting period.
 - 2.1 The simple average shall be calculated as the sum of all ratings associated with homes that obtained a rating during the reporting period divided by the number of homes that obtained a rating during the reporting period.
- 3 An entity operating in multiple jurisdictions shall disclose separately the number of homes and the average ratings by individual jurisdiction in which they operate.
- 4 The scope of disclosure includes all homes that are or were controlled by the entity, regardless of the stage of construction and the stage within the sales cycle.

IF-HB-410a.2. Percentage of installed water fixtures certified to a water efficiency standard

- 1 The entity shall disclose the percentage of installed water fixtures certified to the jurisdictional water efficiency standard.
 - 1.1 A water fixture is defined as a device used for the distribution of water or a device that consumes water.
 - 1.2 The percentage shall be calculated as the number of water fixtures installed during the reporting period that were certified to the applicable jurisdictional water efficiency standard divided by the total number of water fixtures installed.
 - 1.2.1 The scope of water fixtures includes those that are within an eligible jurisdictional water efficiency standard product category. Examples of product categories may include bathroom sink faucets and accessories, showerheads, toilets, urinals, irrigation controllers and pre-rinse spray valves.
- 2 The scope of disclosure includes all water fixtures installed in homes that are or were controlled by the entity, regardless of the stage of construction, the stage within the sales cycle or the entity that performed such installations.
- 3 The entity shall disclose the jurisdictional standard, guideline or regulation used for its calculation.

IF-HB-410a.3. Number of homes delivered certified to a third-party multi-attribute green building standard

- 1 The entity shall disclose the number of homes delivered certified to a third-party multi-attribute green building standard designed for homes.
 - 1.1 The scope of third-party multi-attribute green building standards is limited to home standards or certifications that, at a minimum, judge important aspects of new home design and construction:
 - 1.1.1 Energy efficiency
 - 1.1.2 Water conservation
 - 1.1.3 Material and resource efficiency
 - 1.1.4 Indoor environmental quality
 - 1.1.5 Owner education
 - 1.2 Examples of third-party multi-attribute green building standards include:
 - 1.2.1 Environments For Living Certified Green®
 - 1.2.2 ICC 700 National Green Building Standard
 - 1.2.3 LEED® for Homes.

- 2 The entity shall disclose the third-party multi-attribute green building standard(s) to which its homes are certified.
- 3 The scope of disclosure includes all homes delivered during the reporting period.
- 4 The entity may discuss other green building or sustainability standards or guidelines it implements in its home design and construction processes that are not third-party verified.

IF-HB-410a.4. Description of risks and opportunities related to incorporating resource efficiency into home design, and how benefits are communicated to customers

- 1 The entity shall describe the risks or opportunities associated with its approach to integrating environmental considerations into home design, including, where relevant:
 - 1.1 Risks of failing to achieve adequate returns on technology investments and sufficient market demand to improve home sustainability performance or earn sustainability certifications
 - 1.2 Risks to market demand associated with the entity's potential failure to advance its design approach at the same pace as its peers, resulting in the production of less sustainable and less energy- and water-efficient homes
 - 1.3 Risks associated with cost-effectively building homes that meet evolving building codes
 - 1.4 Opportunities to achieve sales price premiums, capture target market demand and create competitive advantages by producing homes with market-leading energy efficiency and water efficiency
- 2 The entity shall discuss its strategy to measure and communicate energy efficiency and water efficiency performance improvements to homes, including:
 - 2.1 Measurement of homeowner benefits related to energy and water efficiency, including performance audits, certifications, standards, guidelines and use of projected energy and water costs and savings relative to a baseline
 - 2.2 Communication of the benefits of resource efficiency to prospective home buyers, including the benefits of resource efficiency performance and certifications, projected energy and water costs and savings, and the integration of resource efficiency into sales and marketing
- 3 The entity may provide an analysis of such price increases relative to the cost of improvements in, and third-party certifications of, energy efficiency, water efficiency and indoor environmental quality. Analysis additionally may include target return rates compared to realised return rates of improvements.

Community Impacts of New Developments

Topic Summary

Community and urban planning provide home builders with the opportunity to thoughtfully design new residential developments in ways that benefits customers as well as the surrounding community. New home development can bring economic growth and workforce opportunities while moderating cost-of-living increases, and it can provide communities with safe and vibrant neighbourhoods. Entities may strive to improve communities' environmental and social impacts by providing access to public transportation or not overburdening existing transportation or utilities infrastructure, providing access to green spaces, developing mixed-use spaces, and creating more walkable communities. These strategies may increase the overall demand for and selling prices of homes as well as reduce the risks related to permitting and community or stakeholder opposition related to current or future developments. When entities use development strategies that inadequately integrate their new communities into the pre-existing surrounding communities, they may risk insufficient sales prices, excessive costs related to infrastructure needs and assessments, permitting delays or reduced community support for future developments.

Metrics

IF-HB-410b.1. Description of how proximity and access to infrastructure, services, and economic centres affect site selection and development decisions

- 1 The entity shall describe how it integrates considerations of existing public infrastructure proximity and access into site selection and development decisions.
 - 1.1 Relevant disclosures include:
 - 1.1.1 whether the entity prioritises development proximate to roads, public transportation or alternative forms of transportation;
 - 1.1.2 how the entity assesses the adequacy of existing infrastructure, including roads, public transportation, electricity grids, and water and wastewater networks; and
 - 1.1.3 how the entity factors regional infrastructure expansion plans into its decision-making process.
- 2 The entity shall describe how it integrates considerations of proximity and access to services and economic centres into its site selection and development decisions.
 - 2.1 Access to services and economic centres includes the physical distance, available modes of transportation, and cost and ease of transportation to commercial, business, health, and educational centres and facilities.
 - 2.2 Relevant disclosures may include:
 - 2.2.1 how the entity uses mixed-use development, if applicable, to meet customer demands; and
 - 2.2.2 whether the entity uses proximity tools in assessing proximity and ease of access to services and economic centres.

- 3 The entity shall describe, if relevant:
 - 3.1 how its approach may vary by market in the integration of such considerations (including geographical market or target market demographics);
 - 3.2 the development lifecycle stage at which considerations are integrated; and
 - 3.3 risks and opportunities associated with the integration of such considerations.
- 4 The entity shall describe its use of codes, guidelines and standards to incorporate best practices for site selection and development to optimise transportation effectiveness and access to services and economic centres.

IF-HB-410b.2. Number of (1) lots and (2) homes delivered on infill sites

- 1 The entity shall disclose (1) the total number of controlled lots located on infill sites.
 - 1.1 Infill sites are defined as sites that meet jurisdictional designations for the term.
 - 1.1.1 In the absence of jurisdictional definitions, infill sites are defined as vacant or underutilised lots of land, served by existing physical installations such as roads, power lines, sewer and water, and other infrastructure.
 - 1.2 The scope of infill sites includes redevelopment, brownfield or greyfield sites, but only if those sites additionally meet the above definition for infill sites.
 - 1.3 The scope of controlled lots includes all lots owned or contractually available for ownership through option contracts or other equivalent types of contracts.
- 2 The entity shall disclose (2) the total number of homes delivered that were constructed on infill sites.
 - 2.1 The scope of homes shall include single-family dwelling units, whether detached, attached or part of multi-family residential buildings.

IF-HB-410b.3. (1) Number of homes delivered in compact developments and (2) average density

- 1 The entity shall disclose (1) the total number of homes delivered in compact developments.
 - 1.1 A compact development is defined as a cluster development, mixed-use development, or traditional neighbourhood development.
 - 1.1.1 A cluster development is defined as a development that makes preserving environmentally sensitive lands such as wetlands and forests easier for developers by grouping lots on specific portions of a site, rather than spread uniformly across a site, so that other areas of the site may remain undisturbed as open space.
 - 1.1.2 A mixed-use development is defined as a development that integrates various uses such as residences, offices and shopping.

- 1.1.3 A traditional neighbourhood development is defined as a development that has mixed uses and housing types to create communities built for walking, and ideally allows residents to walk to shops, schools, places of worship, parks and eventually transit stops.
- 1.2 The scope of homes shall include single-family dwelling units, whether detached, attached or part of multi-family residential buildings.
- 1.3 The entity may use the definitions of compact developments developed under applicable jurisdictional laws or regulations where the homes, or residential developments are located.
- 1.4 The entity shall disclose the applicable jurisdictional laws or regulations or general industry frameworks it has used, if any, to define compact developments.
- 2 The entity shall disclose (2) the average density of compact developments, in units per hectare, using the net neighbourhood residential dwelling density.
 - 2.1 The average density shall be calculated as the number of residential units in all compact developments divided by the net neighbourhood residential site area of all compact developments.
 - 2.1.1 Defined as the total land area, in hectares, devoted to residential facilities, the net neighbourhood residential site area shall exclude any area where pre-existing protected wetlands and other biodiverse sensitive areas, as determined by relevant authorities, already prohibit development of residential facilities.
 - 2.1.2 The net neighbourhood residential site area may include areas voluntarily rendered to relevant authorities by an entity for easement that prevents future development, whether for tax abatement or other purposes.
 - 2.2 The scope of residential units includes all planned, under-construction or completed residential units in the compact development, regardless of the stage of completion or ownership.

Climate Change Adaptation

Topic Summary

The impacts of climate change, including extreme weather events and changing climate patterns, may affect the markets entities select to develop homes and residential communities. Entities with business models that incorporate ongoing assessments of climate change risks, and adapt to such risks, are likely to grow entity value more effectively over the long term, partially through reductions in risk. More specifically, strategies focused on home development activities in floodplains and coastal regions exposed to extreme weather events, such as flooding, have increased the need to adapt to climate change, especially considering long-term challenges like flood insurance rates, the financial stability of government-subsidised flood insurance programs, permitting approvals and financing stipulations. Rising climate risks may translate into reduced long-term demand, land value depreciation and concerns over understated long-term costs of home ownership. Additionally, entities that build developments in water-stressed regions risk losing land value and may have problems getting permitting approvals. The active assessment of climate change risks and a holistic view of long-term homebuyer demand may enable entities to successfully adapt to such risks.

Metrics

IF-HB-420a.1. Number of lots located in 100-year flood zones

- 1 The entity shall disclose the number of controlled lots in 100-year flood zones.
 - 1.1 100-year flood zones are defined as land areas subject to a 1% or greater chance of flooding in any given year. Such areas also may be referenced as being subject to the 1% annual chance flood, the 1% annual exceedance probability flood, or the 100-year flood.
 - 1.1.1 Examples of 100-year flood zones may include coastal flood plains, flood plains along major rivers and areas subject to flooding from ponding in low-lying areas.
 - 1.2 The scope of controlled lots includes all lots owned or contractually available for ownership through option contracts or other equivalent types of contracts.
- 2 The scope of disclosure shall include all entity-controlled lots located in 100-year flood zones, regardless of the jurisdiction in which they are located.
- 3 The entity may disclose its risks, opportunities and potential impacts resulting from reclassifications of 100-year flood zones, including the risk of expansion of such areas into lots controlled by the entity or its active selling communities.

IF-HB-420a.2. Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks

- 1 The entity shall describe the significant risks and opportunities presented to its business by climate change scenarios.
 - 1.1 The entity shall identify each significant risk and opportunity.

- 1.1.1 Risks and opportunities may include water availability, extreme weather events, evolving regulation and legislation, home permitting processes, time lines and approvals and impacts to local economies and infrastructure.
- 1.2 The entity shall discuss the time line over which such risks and opportunities are expected to manifest.
- 1.3 The entity shall disclose the climate change scenarios used to determine the risks and opportunities presented by climate change, where scenarios may include the New Policies Scenario, Sustainable Development Scenario, and Current Policies Scenario, as established by the International Energy Agency in its annual World Energy Outlook.
- 2 The entity shall describe how it assesses and monitors climate change impacts and related strategies to alleviate or adapt to any risks or use any opportunities, where:
 - 2.1 Alleviation strategies may include: site selection and the incorporation of climate or weather models into such analysis; site selection as it pertains to water scarcity; the strategy and timing of lot acquisitions, permitting, construction and sales; the use of sales and purchase agreement clauses addressing risks to the entity; and insurance.
 - 2.2 Adaptation strategies may include: lot design; home design for physical resiliency; contingency plans; and maximising energy and water efficiency of homes.
- 3 The entity shall discuss its strategies related to the use of physical measures to manage climate change risk (for example, floodplain avoidance or home design for physical resiliency) or financial mechanisms to manage these risks (for example, the use of insurance or option contracts on lots).



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