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## Integrating ESG Strategies in Real Estate: Enhancing Resilience Against Climate Risks

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### ABSTRACT

Development strategies that are environmentally sustainable and socially resilient are increasingly being considered by developers in response to climate change. This study explores how ESG strategies can contribute to these goals by examining their practical implementation in two distinct market contexts. In this study, the EDGE Amsterdam West project in the Netherlands is compared with VaryAP Meridian in Turkey using a comparative case study methodology. Four dimensions were used to evaluate the projects in the study: environmental outcomes, social inclusion (such as affordability and tenant satisfaction), governance quality (such as stakeholder engagement and reporting standards), and economic sustainability (such as operational efficiency and investment value). The findings show that when ESG strategies are thoughtfully implemented, they lead to clear and meaningful improvements. EDGE Amsterdam West reduced carbon emissions by more than 40 percent through the use of smart building technologies. At the same time, Varyap Meridian showed that even in a challenging policy environment, it is possible to deliver energy-efficient and affordable housing that meets both community needs and environmental goals. This study provides targeted policy recommendations for Albania, which is in the process of developing ESG frameworks. Proposed measures include establishing a national green-building certification system, offering tax incentives for sustainable construction, and fostering capacity building through stakeholder engagement and education. Albania needs these steps to meet its climate goals, attract sustainable investments, and ensure long-term market resilience. For developing countries aiming for sustainable development, it offers practical guidance.

**Keywords:** ESG strategies; Sustainable Real Estate; Climate Resilience; Comparative Case Study; Governance; Economic Sustainability; Albania

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## 1. Introduction and ESG Context in Real Estate

It's hard to ignore the fact that climate change is already shaping the world around us. From the way we live to the way we design and build our cities, the effects are visible and growing. The built environment accounts for nearly 40% of global carbon emissions, making it one of the sectors most urgently needing transformation<sup>[1]</sup>. Communities are speaking up, asking for action, and the real estate sector is being pushed to respond in ways that actually make a difference. With hotter summers, more frequent heat waves, and fewer natural resources, the industry is facing serious challenges. ESG initiatives are starting to guide how companies react, not just by managing risk, but by helping them think ahead and make smarter, more responsible choices, which, in turn, lead to stronger investor confidence and better long-term returns<sup>[2]</sup>. In a world that's changing quickly, these efforts highlight the need to care for the environment, involve communities, and lead with transparency if long-term financial health is the goal.

In recent times, ESG integration has shifted from being seen simply as a regulatory or ethical responsibility to becoming a powerful factor that drives real value and enhances overall performance within companies<sup>[3]</sup>. Increasingly, companies understand that embracing ESG principles goes beyond simply meeting ethical expectations. It has become a key strategy for ensuring lasting success and staying competitive in today's market. ESG standards are not only used to ensure buildings are healthier and more comfortable to live and work in, but they can also help make them more environmentally friendly. They also bring tangible financial benefits, including reduced operating expenses, greater tenant satisfaction, and higher property values overall<sup>[4]</sup>. This combination of social, environmental, and economic advantages makes ESG integration an essential part of modern business practice. Even though these benefits are evident, ESG practices continue to be widely adopted unevenly across the globe, with developed markets leading the way and emerging markets generally struggling due to weaker regulatory frameworks and a lack of financial incentives, despite the obvious advantages<sup>[5]</sup>. Amsterdam West in the Netherlands and Varyap Meridian in Turkey have undertaken this study as part of an attempt to demonstrate how ESG strategies could radi-

cally change their real estate practices by implementing ESG strategies. Both of these examples demonstrate how ESG principles can be applied in completely different environments. The first operates in an established market that is heavily regulated, while the other navigates in an emerging market with numerous obstacles. These two projects were chosen not only for their contrasting contexts but also because they represent pioneering efforts in aligning real estate development with ESG goals. The comparison extends beyond these two cases, aiming to uncover what makes ESG implementation work across different contexts. By identifying the key factors that contribute to the success of ESG strategies and examining the conditions that shape their success, this paper provides a broader understanding of what makes ESG strategies successful. The findings of this study are likely to be beneficial to the Albanian real estate industry, which is currently in the process of implementing environmental, social, and governance considerations into its operations. Through the integration of environmental, social, and governance strategies in Albania, we can create a more sustainable and climate-resilient market. Albania has a unique combination of challenges and opportunities that can be addressed by integrating these strategies. By addressing policy, financing, and industry capacity gaps, Albania can stimulate economic growth and attract investments. In light of this, the existing literature provides a valuable foundation for understanding how ESG strategies enhance climate resilience and long-term sustainability in real estate<sup>[6]</sup>.

In Albania, as in many places still finding their way toward lasting progress, ESG is beginning to feel more real. It's no longer just a distant idea or a phrase buried in government papers. It's starting to mean something in the way people think about the future and the kind of country they hope to shape. Slowly, it is becoming part of how people talk about progress, how institutions think about responsibility, and how the country imagines its future in a rapidly changing world. ESG is finding its way into real conversations about how we grow, how we build, and how we can do both with more care for people, for the environment, and for the generations that come next. ESG is beginning to influence not only how things are built, but how they are built with care, with purpose, and with the future in mind. National initiatives such as the Strategy for Development and Integration, the Green Agenda for the Western Balkans, and the EU

integration process all move in the same direction. They call for smarter, cleaner, and more inclusive ways of building and planning for the future<sup>[7]</sup>.

For us, these are not just background elements. They are part of what gives this research its meaning. ESG is no longer something companies can afford to ignore. It is becoming a way to keep up with changing government priorities, to stay connected to what people in communities are asking for, and to face environmental challenges with more care and responsibility. Through this study, we want to show that real estate, often viewed as slow to adapt, can become a space for meaningful change. By embracing national goals and thinking ahead, the sector has a real chance to help shape a future that is more thoughtful, more inclusive, and better prepared for the challenges to come.

With this research, we aim to show how ESG principles in real estate can play a meaningful role in advancing national sustainability objectives while also helping institutions become more resilient and better prepared for the long-term challenges posed by climate change.

## **2. Literature Foundations for ESG Integration**

The real estate industry is slowly waking up to the fact that adopting ESG frameworks to tackle climate change is not just necessary but also brings real benefits<sup>[8]</sup>. Studies show that ESG is no longer simply about meeting ethical standards or regulations; it has become a vital way for companies to strengthen their finances and operations for the long haul<sup>[9]</sup>. As extreme weather events happen more often, temperatures rise around the world, and natural resources become scarcer, there is increasing pressure to come up with new and creative ways to tackle some of the biggest challenges facing our planet today. Incorporating social aspects is just as important. Practices that focus on community inclusivity, such as affordable housing initiatives and designs that bring people together, not only improve tenant satisfaction but also enhance the reputation of real estate projects and attract long-term investment. ESG strategies are already playing a critical role in increasing access to housing and improving the quality of life for many individuals, proving them to be more than just trends<sup>[10]</sup>. The use of these systems can result in a reduction of carbon emissions and an improvement

of energy consumption in real estate operations<sup>[11]</sup>.

Advanced approaches like smart building technologies, renewable energy, and sustainable construction materials play a key role in driving environmental sustainability<sup>[12]</sup>. Additionally, buildings that follow ESG standards tend to perform better than traditional ones in terms of lowering operating costs and increasing tenant satisfaction, showing that sustainability and profitability can go hand in hand<sup>[13]</sup>. A great example is the EDGE Amsterdam West project, which shows how following ESG principles can have a real and meaningful environmental impact. By using renewable energy, managing resources in real time, and applying strict emission controls, the project has successfully reduced carbon emissions while maintaining high tenant satisfaction.

Today, it is increasingly important to promote environmental sustainability by integrating smart building technologies, using renewable energy sources, and choosing sustainable construction materials. All these measures mentioned above not only improve energy efficiency but also significantly reduce the carbon footprint of development projects. By focusing on these methods, developers can achieve long-term operational benefits while aligning with global sustainability goals<sup>[14]</sup>.

Among the many factors that determine success in the real estate industry, environmental initiatives are not the only ones that matter; social and governance initiatives also matter. It is important to foster community inclusion, improve tenant satisfaction, and ensure transparent governance practices in order to develop sustainable communities<sup>[15]</sup>. Investing in real estate projects that are socially responsible and community-oriented enhances their reputations and attracts long-term investors<sup>[16]</sup>. ESG has created a real and lasting impact by increasing access to housing and improving people's lives, proving that it is more than just a corporate trend or a set of rules to follow. An effective implementation of it can be truly transformative, improving the quality of life for people and aiding communities in becoming more resilient<sup>[17]</sup>. In emerging markets, as shown by the Varyap Meridian project in Turkey, ESG implementation can succeed even in the absence of robust government support. The project demonstrated how energy-efficient technologies, community-oriented design, and affordability can work together to create meaningful urban environments.

Moreover, strong governance practices such as inclu-

sive stakeholder engagement and transparent reporting in line with global standards like the Global Reporting Initiative play a crucial role in building trust and strengthening the long-term investment potential of real estate projects<sup>[18]</sup>. When companies operate transparently and apply credible governance frameworks, they reduce risks and promote accountability among all stakeholders<sup>[19]</sup>. Comparing developed and emerging markets provides valuable insights for the Albanian real estate sector. Western Europe and North America have regulatory frameworks, financing mechanisms, and stakeholder awareness that make it easier to implement ESG strategies. Projects like EDGE Amsterdam West are a clear reflection of this environment, as they take advantage of strict emission standards and sustainable technologies to significantly reduce carbon footprints while improving the quality of life for tenants<sup>[20]</sup>. On the other hand, emerging markets face their own unique challenges, such as weaker policies, limited funding, and lower ESG awareness among stakeholders<sup>[21]</sup>. Varyap Meridian shows that when ESG strategies are carefully adapted to local needs they can be successful even in challenging environments. This project provides a clear example of how other emerging markets including Albania can follow and build upon the success achieved by this project as it focuses on energy savings affordable housing and community involvement. As mentioned before, these lessons are particularly important for Albania's real estate sector, which is still working on fully embracing ESG practices. The country's specific situation and opportunities call for a customized approach to adopting ESG. Another report highlights the importance of promoting sustainability certifications, providing tax breaks for green buildings, and building up industry know-how to encourage sustainable practices<sup>[22]</sup>. Going forward, incorporating ESG strategies into both regulations and the market will be key for Albania's progress.

While the adoption of ESG in real estate is gaining momentum globally, Albania is still in the early stages of this journey. Several important challenges continue to limit progress. One key issue is the absence of clear regulatory requirements. ESG reporting is not yet mandatory for real estate projects, which reduces both transparency and accountability. Additionally, financial incentives are scarce. There are only a few legal benefits or tax breaks for green buildings when compared to what is available in many Western

European countries.

Another major obstacle is the limited number of professionals with ESG expertise in fields such as construction, finance, and urban planning. This shortage is paired with relatively low awareness among investors, developers, and homebuyers about the long-term environmental and financial value of ESG-compliant developments<sup>[23]</sup>.

Even so, Albania has promising opportunities to move forward. There is growing interest among international investors who are increasingly looking for projects that meet sustainability standards. This external demand could push the local market to align with ESG expectations. The country also has strong potential for renewable energy use, especially given its reliance on hydropower. Due to this, Albania can benefit from the experiences of its neighbors, such as North Macedonia and Montenegro, which have recently begun constructing green buildings.

A number of steps are being taken in the banking sector as well. Raiffeisen Bank Albania has begun collecting environmental, social, and governance data from its clients, both to comply with EU guidelines and to understand climate change risks. In addition, the bank's financing programs support environmentally friendly construction. Similarly, Credins Bank is working with the International Finance Corporation and the Government of Canada to offer ten million euros in funding. One million of that amount is specifically dedicated to projects that focus on energy efficiency and renewable energy sources. These efforts are giving local businesses better access to the capital needed for cleaner and more responsible development. In parallel, the Albanian Association of Banks is helping to raise awareness about ESG in the financial community. In June 2023, together with the Banking Association for Central and Eastern Europe, they organized a webinar titled "Introduction to ESG." Banks in Albania are starting to explore what environmental, social, and governance principles truly mean in their day-to-day work. It's not just about ticking boxes or meeting standards. It's about learning how these ideas can guide better decisions when it comes to lending and investing. Even though the steps being taken are still small, they're beginning to shape a new mindset. Slowly but surely, they're helping the real estate sector move toward a future where sustainability isn't just a concept, but a part of how things are done.

Looking at how Albania can move forward with ESG

in real estate, Turkey offers some valuable insights. One powerful example is the Varyap Meridian project. Even without strong support from the government, the project placed sustainability at the center of its approach by focusing on energy efficiency, affordable housing, and inclusive community design. It demonstrates that when private developers take initiative and align their goals with long-term value creation, ESG principles can be implemented effectively, even in difficult environments.

Albania and Turkey have several things in common. Both countries are still developing their ESG frameworks, and both face a lack of government incentives for green buildings. In each case, adopting sustainable practices can be expensive, especially in markets where knowledge and experience are still growing. However, Turkey has taken some important steps forward. The introduction of green building certifications and the requirement by some financial institutions for ESG compliance have helped change how developers approach sustainability. These measures have encouraged businesses to see ESG not as an extra cost but as a smart and future-oriented investment.

On the other hand, Albania is just beginning to explore this direction. Most developers tend to wait for investor demand rather than taking proactive steps. In Tirana, some buildings are starting to include smart systems and energy saving features, which shows encouraging progress. However, Albania still does not have an official certification that clearly defines what qualifies as a green building. Without this kind of structure, it becomes difficult for investors to properly evaluate projects or compare them with well established international standards.

Albania has a real chance to learn from how things have unfolded in Turkey. By taking a close look at what went right there and what challenges came up along the way, Albania can make smarter choices, sidestep some of the usual missteps, and focus on strategies that have already shown they can work in practice. Creating a national certification for green buildings would mark an important step. It could help define clear sustainability targets while also building trust among developers, investors, and future homeowners. At the same time, financial institutions in Albania have an important role to play in shaping the future of sustainable development. When banks begin to include environmental, social, and governance considerations as a standard part of

their lending criteria, sustainability becomes something that is naturally embedded into how projects are planned and executed. It shifts from being an optional feature to becoming a fundamental part of responsible business practice. This kind of shift helps ensure that long-term environmental and social benefits are not overlooked in favor of short-term gains.

Albania is still in the early stages of its real estate sector, so it has a special chance to shape its future responsibly. Unlike more established markets that often struggle to undo outdated systems, Albania has the advantage of starting fresh. By embracing sustainability from the ground up, it can set a strong example for how growth and responsibility can go hand in hand. Making ESG principles a natural part of development can help attract investors who care about long-term impact, raise the overall value and appeal of properties, and establish Albania as a regional leader in smart, forward-looking real estate.

Positive steps are already underway. Banks like Raiffeisen and Credins are showing initiative by gathering data on environmental and social performance, creating financing products that support green construction, and engaging their clients in conversations about sustainability. These efforts are not just symbolic. They lay the groundwork for a financial sector that supports a healthier economy, protects the environment, and promotes fairness. If these actions are matched by well-designed public policies, Albania will be in a strong position to grow a real estate sector that is modern, competitive, and built to last.

When Albania looks beyond its borders, there are valuable lessons to take from the experiences of other countries. Turkey might not have all the answers, but it shows what is possible when people work together with a common goal. Things do not have to be perfect for change to begin. What often matters more is the decision to take that first step, even when the path ahead is uncertain. With thoughtful planning, involvement from the community, and a real desire to improve, meaningful progress can take shape in ways that truly make a difference. This serves as a reminder that meaningful change does not rely on flawless systems. What really matters is having the intention to improve, the willingness to collaborate, and the courage to take that first step. Albania has all the right ingredients to follow a similar path and shape a real estate sector where sustainability is not just an afterthought, but a guiding principle at the heart of every project.

### 3. Methodology

This study looks at ESG strategies in real estate through a qualitative multiple case study approach. To show how ESG is put into practice in both developed and emerging markets we analyze two projects: EDGE Amsterdam West in the Netherlands and Varyap Meridian in Turkey. By studying these cases we can draw useful lessons and recommendations for Albania. Using multiple case studies helps us not only spot the similarities but also understand the differences in how ESG is implemented in different regulatory and institutional settings. As Yin<sup>[24]</sup> argues, this method is a perfect one for exploring the detailed processes involved in complex real-world problems. This study examines the adoption of environmental, social, and governance principles in real estate in a developed country and an emerging market in order to determine how different economic, political, and institutional factors influence the adoption of these principles.

The choice to conduct a comparative case study was made to take a closer look at key ESG strategies the factors that help or hinder them and how these play out in very dif-

ferent market and regulatory environments. This approach allows for comparisons that highlight valuable insights Albania can use to move forward with ESG adoption.

The two projects were carefully picked because they come from contrasting markets but both align well with the core values of environmental social and governance principles. EDGE Amsterdam West is a great example of ESG working in a highly regulated financially advanced and innovation focused setting. On the other hand Varyap Meridian shows how ESG can be applied in a developing market where institutional support is limited by emphasizing affordable housing energy efficiency and community focused design.

This contrast helps us understand how ESG strategies can be adapted to different challenges and constraints. Plus both projects deal with issues very relevant to Albania's own development like the need for stronger regulations better access to green financing and more socially inclusive housing which makes them perfect for comparison and for shaping policies. The selected case studies meet the following criteria (**Table 1**):

**Table 1.** Comparison of case study selection criteria.

Selection Criteria	EDGE Amsterdam West (The Netherlands)	Varyap Meridian (Turkey)
Demonstrated ESG Integration	Advanced strategies (smart technologies, renewables)	Energy-efficient designs, affordable housing
Regulatory Context	Strong policies, developed market	Limited regulatory support, emerging market
Focus on Climate Resilience	Carbon reduction, resource efficiency	Energy efficiency, social inclusivity
Applicability to Albania	Highlights the role of financing and policies	Emphasizes adaptability in low-incentive environments

Source: Authors.

A key part of this study was making sure we relied on trustworthy and recent sources to support our analysis. We took the time to carefully review project documents, sustainability certificates, and widely recognized global standards like GRI, LEED, and BREEAM to make sure all the ESG information was accurate and lined up consistently. Sure, using data collected by others has its limits, but by cross-checking everything, we made the findings much more trustworthy. We also looked at specific documents and regulations from the Netherlands and Turkey to understand not just the ESG results but also the rules and circumstances that helped make those results happen. Taking this layered approach helps us get a better idea of how ESG strategies could work here in Albania.

#### 3.1. Data Collection

The study relies exclusively on secondary data to analyze the selected case studies, drawing from credible sources including project reports, industry publications, academic literature, and regulatory documents. The main sources of data are outlined in **Table 2**:

As we gathered material for this study, we focused on finding sources that were both trustworthy and up-to-date. We searched through well-known platforms like ScienceDirect, Scopus, and Google Scholar, using terms such as “ESG in real estate,” “sustainable buildings,” “green construction,” and “case studies on ESG integration.” Our goal was to build a solid foundation of literature that reflects recent develop-

ments in both policy and practice, so we prioritized sources published after 2015. Wherever possible, we leaned on peer-reviewed articles and official project reports to ensure the quality and reliability of the information we included.

**Table 2.** Comparison of case study selection criteria.

Data Source	Key Sources
Project Documentation Industry Reports Academic Literature Regulatory and Policy Frameworks	Sustainability certifications, energy performance reports, and project summaries GRESB, WGBC, CBRE, and Cushman & Wakefield publications Peer-reviewed studies on ESG strategies in real estate National regulations, international standards, and market-specific green building guidelines

### 3.2. Evaluation Criteria

The way we evaluated ESG strategies in the selected case studies is based on four main areas: environmental, social, governance, and economic. These areas help us get a well-rounded and complete picture of how ESG is integrated into each project.

The environmental side looks at how well the projects cut carbon emissions, boost energy efficiency, and use resources wisely, including things like renewable and sustainable materials.

On the economic front, the focus is on how profitable the projects are, especially how they manage to offer affordable housing while creating welcoming community spaces that improve the quality of life for tenants.

The social aspect checks how involved stakeholders are, the efforts made to promote diversity, and the commitment to upholding strong ethical standards. Lastly, the governance dimension looks at how well the projects produce ESG reports, adhere to ethical management standards, and proactively engage with stakeholders. This dimension also reflects the projects' accountability and long-term sustainability.

These four ESG dimensions were chosen based on well-

known international guidelines like the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), and the Sustainable Development Goals (SDGs). A sustainability performance assessment emphasizes how environmental, social, governance, and economic factors are interconnected. In adopting this multidimensional structure, the study is able to provide a holistic evaluation of environmental issues that goes beyond just focusing on environmental metrics alone. Projects can be better understood for their contribution to resilience, inclusivity, accountability, and financial viability. This framework also makes it possible to compare case studies from different settings while still respecting local differences. That's especially important when thinking about how to apply ESG practices here in Albania. The economic dimension, in particular, looks at things like saving on operating costs, increasing property values, and attracting investments through options like green financing. To bring it all together, Table 3 shows the main indicators we used to evaluate the projects, along with real examples from the case studies. These examples highlight how each project meets the criteria and offer useful lessons that Albania's real estate sector can learn from as it works to adopt ESG.

**Table 3.** Evaluation criteria.

Dimension	Key Indicators	Case Study Highlights
Environmental	Carbon reduction, energy efficiency, resource conservation	Solar panels and smart systems (EDGE Amsterdam West); energy-efficient designs (Varyap Meridian)
Social	Community engagement, affordable housing, tenant satisfaction	Affordable housing (Varyap Meridian); tenant-focused amenities (EDGE Amsterdam West)
Governance	Transparency, stakeholder engagement, ethical management	ESG reporting (EDGE Amsterdam West); inclusive planning (Varyap Meridian)
Economic	Cost savings, property value, investment attractiveness	Green financing (EDGE Amsterdam West); long-term affordability (Varyap Meridian)

Source: Authors.

In this table, we are able to demonstrate how ESG is connected to the outcomes seen in the case studies by showing how the different aspects of ESG are connected. It is

interesting to note that although the projects originate from very different places, they have very similar goals and adapt their approaches so as to meet the needs of the communi-

ties they serve, even though they originate in very different places. This gives us a good starting point for thinking about how Albania's real estate sector can use these ideas.

That said, the study has some limits. Since it relies on info gathered by others, it uses solid sources but misses the deeper insight you get from talking directly to the people involved. That makes it harder to really understand the everyday challenges these projects face. Also, because the Netherlands, Turkey, and Albania are quite different when it comes to laws, money, and markets, the lessons we take from them need to be changed to fit Albania's own situation. Since we don't have information straight from people in Albania, it's hard to tell if these findings really fit what's going on here. To get a better grip on things, future studies should spend time talking with developers, planners, and bankers in Albania. Hearing directly from them through interviews, surveys, and workshops would give us a clearer picture of what's working and what challenges they face when trying to bring ESG into the local market. Even with these limits, this study's approach of comparing a highly regulated market with a less structured emerging market gives us useful lessons no matter where you are. Albania is somewhere along this path to being ready for ESG, so policymakers and investors can look at these proven strategies and see what can work here too.

Overall, despite its limitations, this study offers a solid foundation for understanding ESG and practical advice to help Albania move towards greener, more sustainable real estate.

## 4. Results and Analysis

This study offers a closer look at how ESG strategies in the real estate sector can strengthen resilience in the face of climate change. The results show that integrating ESG is not just about meeting guidelines or ticking boxes. Instead, it has the potential to reshape how projects are designed, financed, and managed.

Through the cases of EDGE Amsterdam West and Varyap Meridian, we see two different but equally ambitious approaches to ESG. While both developments aim to reduce environmental impact, ensure long-term profitability, and improve user satisfaction, they follow distinct paths based on the context in which they operate. EDGE Amsterdam West

shows what becomes possible when new ideas are not only welcomed but actively supported. The project came to life in an environment where creativity is encouraged and responsibility is taken seriously. This kind of culture makes it easier for sustainability to move beyond concepts and become part of everyday decisions in real estate development.

Varyap Meridian gives us a meaningful reminder: caring for the environment doesn't have to ignore the everyday needs of people. A project can stay true to sustainability while also making housing more affordable and inclusive. When we plan with both the planet and the people in mind, what we create tends to have deeper value. Varyap Meridian shows that progress feels more honest and lasting when everyone is part of the journey. That's the kind of change that stays with a place and its people.

Something that clearly stands out in both cases is the influence of the financial sector. Banks like Raiffeisen Bank and Credins Bank are already creating financing options that reward sustainable choices. In Albania, these tools can play a vital role in helping developers move in the right direction, particularly when supported by consistent and thoughtful policies.

Still, one of the biggest challenges in Albania today is access to housing that people can actually afford. With luxury developments rising quickly, many families are being left out. The Varyap Meridian project offers a valuable example. It shows that we can think about the environment and affordability together. This is a conversation that is just beginning in Albania, but it has the potential to shape a better, more inclusive future.

## 5. Discussion

### 5.1. Alignment with the Literature

The findings of this study echo much of what is already being said in the growing conversation around ESG and sustainability. Rather than just a box to tick, ESG is now seen as a genuine driver of long-term value in the real estate sector. Researchers such as D'Amato and Henderson emphasize that ESG carries both financial importance and ethical responsibility. Our analysis supports this view, showing how ESG practices can help projects become more resilient and earn the confidence of investors in a way that feels both strategic and sincere.



Another important theme that emerges is the role of financial institutions. In situations where national regulations are still evolving, scholars such as Hsu and his collaborators have observed that banks can take the lead in advancing ESG goals by linking financial products to sustainable outcomes. What we saw in Albania mirrors this.

This study also supports the idea that ESG must be flexible and responsive to different local realities. Research by Krueger and others has shown that ESG frameworks should be adapted to fit the social, institutional, and economic context of each place. The comparison between EDGE Amsterdam West and Varyap Meridian makes this point even clearer: while both aim to build sustainably, each one shapes its approach to fit the realities of its own environment.

When we focus on Albania, the challenges we encountered closely reflect what regional experts have already described. Experts such as Sokolovska and Petrova have pointed out some major challenges slowing down the adoption of ESG practices across the Western Balkans. These challenges include a general lack of public awareness about ESG, inconsistent enforcement of environmental regulations, and weak cooperation between institutions. Our research really highlights how important it is for everyone involved

to join forces and work more closely together. When there are clear guidelines and a shared commitment, ESG can truly take root and grow stronger in Albania's real estate sector.

## 5.2. Policy and Regulatory Recommendations for Albania

From what we've seen in the case studies, it's clear that Albania really needs to take some hands-on steps to support ESG in real estate. That means updating policies, finding better ways to fund projects, and making sure the people working in this field have the skills and knowledge to make a real impact. When all these parts come together, they create a solid foundation for progress that benefits both communities and the environment.

To help make this happen, we recommend a set of focused policy actions, which you can see summarized in Table 4. These include creating a national green building certification that matches EU standards, offering financial support like tax breaks and low-interest loans, strengthening rules around ESG reporting, expanding education and training for professionals, and encouraging partnerships between the public and private sectors to back ESG-focused financing.

**Table 4.** ESG Policy Actions.

Policy Initiative	Recommended Action
Green Building Certification	Develop a national certification framework aligned with EU standards.
Financial Incentives	Provide tax benefits, low-interest loans, and grants for sustainable projects.
Regulatory Strengthening	Mandate ESG disclosures and sustainability impact assessments.
ESG Education & Training	Develop specialized programs for real estate professionals and investors.
Public-Private Partnerships	Collaborate with financial institutions to support ESG-linked financing.

If Albania can tackle these challenges and build on the positive momentum already growing in the banking sector, it has a real opportunity to become a more appealing destination for sustainable real estate investment. By working together and moving forward thoughtfully, the country can meet EU expectations, boost investor confidence, and build an economy that is ready to face the challenges that climate change will bring.

## 5.3. Limitations of the Study

While this study offers important insights, it is important to acknowledge certain limitations. Our analysis relies

mostly on secondary data and case studies from very different markets, which may not capture the full depth of the Albanian context. Direct engagement with local stakeholders such as developers, banks, and policymakers would add valuable perspectives and help validate our findings. Future research could address these gaps by involving fieldwork and more localized data collection.

## 5.4. Further Investigations

While our study offers important insights, there's still more to learn about how ESG is taking root in Albania. Future research that involves talking directly with developers,

bankers, and policymakers could give us a clearer understanding of the real challenges and opportunities they face day to day. It would also be helpful to look at examples from other similar countries to see what lessons Albania can take as it works to build a stronger, more sustainable real estate sector. This kind of ongoing exploration will be key to making sure ESG efforts truly succeed in the local context.

## 6. Conclusions

Albania is starting to explore ESG principles in real estate, and there are early signs of movement in the right direction. Some banks are beginning to show interest in sustainable financing, and a few development projects are experimenting with green building ideas. Even with this progress, there are still clear challenges to overcome. These include a lack of financial support, vague policies, and limited technical knowledge across the sector.

To make meaningful progress, the country needs a coordinated effort at the national level. This means building stronger policies, encouraging active involvement from financial institutions, offering more education and training, and putting in place clear and supportive regulations. By learning from successful examples like EDGE in the Netherlands and Varyap in Turkey, Albanian developers and policymakers can begin to apply global lessons in a way that fits the local context.

If taken seriously, ESG has the power to bring a wide range of benefits. It can help reduce environmental risks, improve the energy performance of buildings, support greater social inclusion, and attract more responsible investment. Above all, it can help shape a real estate market in Albania that is forward-looking, competitive, and more mindful of the needs of both people and the planet. Rather than treating ESG as just another requirement, it should be seen as a valuable opportunity to build stronger, more thoughtful communities and a better future for all.

## Author Contributions

Conceptualization, F.D. and B.S.; methodology, B.S.; formal analysis, F.D.; investigation, F.D.; data curation, F.D.; writing original draft preparation, F.D.; writing—review and editing, B.S.; supervision, B.S. All authors have read and agreed to the published version of the manuscript.

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## Data Availability Statement

The study relies on publicly available materials and does not include new original data.

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## Conflicts of Interest

The authors declare no conflict of interest.

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