



Real Estate Caught In ESG Tug Of War

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Cadwalader special counsel **Matthew Peters** spoke with *Law360* about how the debate over ESG has manifested in the real estate world in an article, "Real Estate Caught In ESG Tug Of War," published on April 2.

Companies across sectors have increasingly adopted environmental, social and governance (ESG) practices over the last 20 years. More recently, a growing backlash by some state and federal officials has aimed to roll back these policies by threatening companies viewed as promoting ESG with lawsuits, withdrawal of state funds, and executive orders. The backlash has already had an effect on real estate businesses, with some companies adjusting the language on their websites in a bid to escape notice by regulators.

Companies are also scrutinizing their ESG practices to ensure that they make financial sense. ESG practices can align with market incentives, giving companies a profit motive to keep them around. Matthew explained that, in some cases, consumers are "willing to pay a premium for features that are marketed as environmentally friendly."

"You look at the One Hotel in Miami, the One Hotel in New York — these are great hotels, and people love them and love the environmental aspect of them — but these hotels are expensive hotels," said Matthew. "They're not 'environmentally friendly and therefore cheaper,' they're expensive, and people are prepared to pay because they like it."

Read the full article [here](#) (subscription required).