



Robert Callender: Why go green in commercial R.E. today?

April 25, 2011 - Green Buildings

Going green sounds noble, but how much sense does it make in the current economic environment? Forward-thinking commercial real estate developers are going green for basic, bottom-line reasons: Because they can maximize returns on investment and take advantage of technical assistance and financial incentives for energy-efficiency capital investments right now. In short, investing in sustainability is smart business. It helps you:

- * Increase rent and decrease vacancy by distinguishing your portfolio and attracting new tenants in a competitive marketplace.
- * Enhance your green image with tenants who are beginning to expect a commitment to sustainability.
- * Decrease operating costs through energy-efficiency measures that continue to provide savings year after year.
- * Comply with impending government mandates.

And you don't have to tackle the sustainability challenge alone. The New York State Energy Research and Development Authority (NYSERDA), an objective source of information and analysis, provides innovative programs, technical expertise and funding to help New Yorkers increase energy efficiency, save money, use renewable energy and reduce their reliance on fossil fuels. NYSERDA, a public benefit corporation, helps commercial real estate developers through a five-step process from benchmarking to implementation.

Step 1 Benchmarking: NYSERDA's FlexTech Benchmarking Pilot offers \$7,000 of assistance to rate each eligible building's energy efficiency relative to its peers and to identify buildings with the greatest potential for improvement.

Step 2 Energy Audit with a Contractor: A list of competitively selected consultants is available to perform a comprehensive energy audit of priority buildings and identify potential investments in energy efficiency, cost-shared by NYSERDA.

Step 3 Technical/Financial Evaluation: NYSERDA will work with you to evaluate the financial merits of each improvement in the context of your lease structures and investment strategy.

Step 4 Investment Plan/Incentives: NYSERDA will work with you to finalize your investment plan and secure incentives for implementation.

Step 5 Track Progress: Use the initial benchmark to track your progress and assess new opportunities.

Incentives are available through all five steps of the process including: Cost-shared technical assistance up to \$1 million over five years to support energy master planning and energy audits and capital incentives for implementation, such as performance-based incentives of up to \$2 million for each building, capped at 50% of capital cost.

NYSERDA's incentives and services are available to commercial office owners and managers that

pay the System Benefits Charge (SBC) in Con Edison, Central Hudson, NYSEG, National Grid, Orange & Rockland and Rochester Gas and Electric territories. For more information, or to get started, contact us at FocusCRE@nyserda.org or call 1-866-NYSERDA (697-3732)

Robert Callender is the VP for operations and energy services at NYSERDA, Albany, N.Y.

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540