



## Lighting cost reduction makes the difference

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Reducing energy consumption and costs isn't just good for your balance sheet or the environment, it can significantly increase the value of your property. Savvy property owners are recognizing that upgrading their buildings with high efficiency systems not only brings down operating costs, but those lower operating costs can translate into substantial increases in property values. The most cost-effective upgrades are usually to lighting systems, particularly in commercial buildings.

In order to find out the details and just how the savings comes about, we consulted with Green Energy Consultants ([www.gecny.com](http://www.gecny.com)). This company is a Westchester New York firm helping clients identify and deploy cost-effective energy reduction strategies for commercial, industrial, retail, mixed-use and public buildings. The company focuses on cost-saving lighting solutions because lighting upgrades offer the best and fastest return on investment in most buildings. As the firm's president, Alan Zox, said, "Installing a new \$500,000 HVAC system saves \$75,000 a year in electricity. But upgrading \$40,000 of lighting in the same building saves \$25,000 a year in electricity. So the question of which project to do first becomes obvious."

Lighting comprises a large percentage of energy costs - from 25% to 80% depending on a building's use. New lighting technologies are finally available that use dramatically less power- up to 65% less, and even more with automated control systems. Advanced lighting systems are also maintenance free, with bulbs lasting up to 100,000 hours, dramatically reducing building maintenance costs.

"Since these systems are creating significant savings from the current energy expenditures clients are already making, there's an opportunity to finance the up-front cost and use the energy savings to help pay for the project over time. This was told to us by Tom Alvary, VP of sales of Green Energy Consultants said, "It is a painless way to reduce capital costs, and after the financing is repaid out of the energy savings, those reduced energy costs continue indefinitely."

The reduced building operating costs from an advanced lighting upgrade go right to the bottom line of a building's profitability, and can be a significant multiple of both the project cost and reduced energy cost. Even better, the higher valuation is an immediate benefit. As Zox explains, "It's a triple win scenario. Not only will a high-efficiency lighting system reduce energy costs and be maintenance-free for many years, it will also provide an immediate bump in the value of the building based on the lower operating costs. That's truly a green energy solution."

Barbara Parker is president of Green Fox Communications, New York, N.Y.

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