



Why you should go through the time and expense to receive a LEED certification

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Not very long ago, if someone had mentioned the word "LEED" to you, you may have thought they were talking about running a project team. Today, a good portion of the general public and certainly everyone in the design, construction and real estate industries knows what this term means. The planning for, and certification of, LEED (Leadership in Energy and Environmental Design) has seen significant increase over the last several years. And while the environmental benefits are clear, an interesting fact is design professionals had already been designing to many standards close to and often times an exact match to LEED standards. So, why would an organization go through the extra time and expense to receive a LEED certification?

Many tenants and owners seriously consider both the economic and environmental benefits of LEED and often look to their project manager and their design professionals to further help them decide whether or not to acquire LEED certification, which offers added bonuses such as tax incentives (in some situations), and the recognition and credibility received from certification.

States, like California, Massachusetts, Maryland, New Jersey, New York, Oregon, and Pennsylvania offer tax incentives tied to LEED certification. This is a major incentive for organizations looking to certify projects in these states. For example, according to the State Environmental Resource Center, New Jersey's "Smart Growth Tax Credit Act," provides tax incentives for developers and owners who design and build residential and mixed-use developments that meet specific "green building" criteria.

Regardless, many tenants and owners opt to build sustainable projects and not obtain LEED certification. The reasons for this approach vary, but some clients are deterred by the added time and expense to do the necessary documentation for LEED certification and the cost of additional consultants. Although there are supplementary requirements due to the documentation process and cost of materials, the soft costs should not change. "Currently, some of these sustainable building materials are more expensive on the front end," said Irwin Schneider, P.E., managing director of VVA LLC, "But as this trend continues and as long as the space has a 10 to 15 year lifespan these items will ultimately pay for themselves in overall savings."

Some companies, like California-based AISO and Google, are going "green-er" by harnessing solar power. Google is installing a large-scale solar panel system, which will reduce its reliance on utility power and save more than \$393,000 annually in energy costs. At this rate, the system will pay for itself in approximately 7.5 years. AISO uses solar panels that generate 12 kilowatts of electricity, to power servers and lighting. California is proposing incentives to induce more companies to install solar systems by offering a \$2.50 per-watt tax rebate for systems of up to 1 megawatt in size.

Recently recognized LEED projects such as Durst's, One Bryant Park development in Manhattan will receive a Platinum LEED Project for New Construction certification. The press acknowledged this project well before it broke ground and it has now achieved international acclaim as the first high-rise office building to realize such a rating. "By and large, the benefits of LEED certification do outweigh the costs, and organizations choosing to apply for this certification often receive positive publicity and credibility for these projects," said Irwin Schneider, "At VVA, our project managers, along with design professionals, will provide a cost analysis prior to the onset of the project, so the client will be able to visualize the economic and environmental benefits of LEED certification. A cost-benefit analysis is crucial for any owner or tenant considering LEED certification."

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