



## **The positive effects of sustainable design: Why your next project should be green**

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Sustainability has become a major business driver for premier developers specializing in class A office space and mixed-use properties. Far more than a marketing gimmick, it allows developers to differentiate themselves from their competitors. Indeed, forward-thinking owners are looking at sustainable design and high performance building technology as a way of attracting informed tenants who understand the economic benefits of green design.

People who are buying or leasing buildings nowadays are increasingly aware of the quality of the building's systems. They are looking at numbers, the value the systems will bring, the end capacities, and the long-term operating and maintenance costs. Green design addresses all those concerns.

Moreover, the recent rise in energy prices has leveled the playing field between hard and soft construction costs when it comes to calculating the economic benefits of sustainable design. Installing high performance systems will most likely require a higher up front investment. Over the long term, however, lower operating costs may well offset such increased start-up costs.

Given this new longer-term perspective, developers have found the need to restructure their leases in order to demonstrate the increased tangible value realized after what may be higher move-in costs for sustainable properties. Selecting the right metrics and cost parameters are key to successfully communicating that message to clients and achieving financial success in this portion of a real estate portfolio.

Knowing that their employees are going to spend 40% of their lives sitting in the office space they are about to lease, educated prospects will favor the space that offers green features—provided the rent is relatively similar. There's no question about it: green has become the new standard for many prospective tenants. As employers come to recognize that the work environment greatly affects productivity, they are demanding such amenities as improved indoor air quality, greater exposure to daylight and outdoor views and individual temperature controls. These building elements can only be achieved through high performance engineering features like daylight harvesting and dual path HVAC systems. The result is a building that offers more value to a potential buyer or lessor.

**The Truth About LEED**  
In the public mind LEED, the U.S. Green Building Council's Leadership in Energy and Environmental Design program, has become synonymous with sustainability, and sustainability synonymous with LEED. Unfortunately, this equation can place undue emphasis on a process that generates quantitative information while short-changing the integrated design approach that is fundamental to successful sustainable design. From the onset, the goal of LEED was to foster an integrated design process that made use of modeling tools that would allow all participants in the

design process to make the right decisions as a team.

By focusing on how many LEED points a particular project can garner, this holistic approach has oftentimes been reduced to a mere checklist that architects, project engineers and designers feel compelled to apply to their specific aspect of the project. More often than not, the result of such isolated activity is a considerable overrun in project costs, and subsequently the decision by the owner or developer to put the brakes on LEED certification altogether. This has created the impression in the market, that green design is, by default, more expensive than traditional design.

As a recent study by the U.S. General Services Administration has shown, quite the opposite is the case. The 2005 GSA LEED Cost Study found that its mandate for all newly developed properties to achieve a minimum LEED Certified rating had reduced overall project costs by 0.4%. Realizing these cost savings, however, required coming at the project with an integrated design approach, i.e., an approach that put architects, engineers, consultants, and building owners to work on the building as a team from day one. Sticking add-ons onto the building as an afterthought, in the attempt to collect more LEED points, on the other hand, inevitably raised construction costs.

I would like to encourage developers and building owners to approach green construction from such an integrative design perspective. It is their only opportunity to respond to increased client demand for sustainability of their built environments and be cost neutral—or even reduce construction costs.

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