



Now is the best time to benefit from the green movement

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The recent publicity of the green movement makes building green seem ambiguous, costly and to be honest a little overwhelming. The truth is, however, many new buildings in New York City are taking advantage of the green movement. According to the Leadership in Energy and Design (LEED) website there are approximately 60 buildings that have been certified as a LEED building in NYC and over 300 which are registered and in the process of becoming certified. Additionally, building green is being promoted by the local, state and federal governments. With proper consultation you should be able to develop a building with green technology without exceeding your current budget. So what is stopping you as a developer or owner from building a LEED certified building?

LEED is advertised and discussed throughout the real estate industry. But what is LEED? LEED is the most widely used standard for green building construction. It is an internationally recognized green building certification system developed by the Green Building Council (GBC), a non-governmental agency. LEED requires that eight prerequisites are met and then points are awarded based upon five environmental categories. These categories focus on the building location, water efficiency, energy use, building material use/recycling and indoor environmental quality. Points are weighted towards the most important environmental issues (such as greenhouse gas emissions). Additional points can also be received for innovation in design and regional priority credits. Based upon the number of points attained, the buildings can then be certified with a Certified, Silver, Gold or Platinum certification.

The recent release of LEED's version 3.0 has made it easier for NYC buildings to become LEED certified. In fact, without modifying your building plans or building requirements, your building may already qualify for enough LEED credits to receive LEED certification at the level of Certified. For example, five LEED points are awarded for building on land that has been previously developed and is located in a dense neighborhood. Six LEED points are given for a building located within a half a mile walking distance of a subway station or a quarter of a mile walking distance of 1 or more stops of 2 bus routes. Other LEED credits are also easily attainable and include reducing water consumption within the building by installing water efficient fixtures, fitting and appliances. Many building materials that you are already using may also help you gain additional points. These materials include low emitting paints, wood and sealants.

The American Recovery and Reinvestment Act of 2009 (ARRA) is providing funding for green building in New York City. This funding is available through many agencies such as the department of Housing and Urban Development (HUD) and the Department of Energy. Additionally, New York State may begin offering tax incentives to buildings who meet the LEED Gold certification.

Building green does not have to be more costly than building a standard building. A study performed by Deloitte in 2007 found that while many developers feel cost is the prohibitive factor in building

green recent studies by the IFMA Foundation and Turner Construction demonstrate that "most new green buildings cost less than 1 percent more than conventional buildings. Some even cost less than conventional buildings." David Langdon's "Cost of Green Revisited" study in 2007 also found that "there is no

significant difference in average costs for green buildings as compared to non-green buildings."

Additionally going green will make your building more competitive in today's real estate market. Two recently released studies, one by the New Building Institute (NBI) and one by CoStar Group, have determined that third-party-certified buildings (such as LEED buildings) outperform their conventional counterparts across a wide variety of categories, including energy savings, occupancy rates, sale price and rental rates. In the NBI study, the results indicate that new buildings certified under LEED are, on average, performing 25-30% better than non-LEED certified buildings in terms of energy use. The CoStar group study found that LEED buildings command rent premiums of \$11.24 per square foot and have 3.8 percent higher occupancy rates than conventional buildings.

Buildings in NYC contribute to 75% of the greenhouse gas emissions. By building green you as the developer or owner will make a significant contribution to making our world greener for future generations. With all of the advantages of building green, now is the best time to benefit from the green movement.

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