

Positioning Your Holdings for the Sustainability Movement

The sustainability movement is upon us. In fact, it has consumed much of the discussion. Someone recently said "if you're not building green, your building is already outdated." Although this may not be exactly true, it is a reflection of the consumers that use and enjoy our offices, industrial parks and the remaining built environment. So how, in these difficult economic times, can you position your holdings for sustainability and what lessons have we learned that you can take advantage of today?

*Sean Davis, RLA,
Principal
Morris & Ritchie
Associates, Inc.
sdavis@mragta.com*



First and foremost, it is essential to understand what sustainability means to you and your company. Start with the goal – refine for reality. There are many shades of green, so it is essential to define your core goal for becoming **and** maintaining your sustainable principles. Once you have made your decision, take it out for a test drive. Ask your partners and customers what their beliefs are and listen closely to what you hear. Adjust your implementation plan to account for the feedback, but don't change your core goals as customers evolve over time.

Strategies for positioning your land holdings start with the site selection process. Infill sites are higher up the green food chain than greenfield sites. Contaminated sites, reclaimed as part of a redevelopment process, are better than those that are not. But contaminated and infill sites have many development problems that greenfield sites don't and many companies are not used to dealing with these issues. Consider a balance of contaminated / infill, and greenfield sites in your portfolio based on your company's business profile. If your company focuses on R&D / Flex space, there may not be a strong market for contaminated or infill sites in heavy urbanized areas. But there may be in smaller municipal settings. A great by product of maintaining a balance of sites is market segmentation that attracts a wide variety of customers.

Strategies for positioning your existing building stock start with "the low hanging fruit." Many of the improvements you can make depend on the age of the building. Consider retrofitting your lights to fluorescents, reducing energy consumption. When you need to replace the roof, consider reflective roof materials to reduce heating and cooling and consider sky lights for passive light use. Depending on the size of the building, consider replacing light switches with motion detectors. The HVAC system can also be retrofitted to reduce energy consumption. Ideally, such improvements can be incorporated into your capital replenishment and improvement program for each building, thereby spreading the costs over time. Remember, you don't have to achieve your goal immediately, it will take time.

For new office and industrial buildings consider the LEED NC standards (or your local equivalent). Today many green construction technologies are readily available and do not add costs to the construction that can not be recouped over time.

Start with your strategy and goals. Consider your property portfolio and building stock (old and new). Consult with tax professionals to determine possible local, state, and federal tax incentives. Collectively this approach will help you achieve a noteworthy sustainability reputation that will help you achieve your goals and yield you a stronger customer base.