Green Building Update

an Allen Matkins market intelligence publication



March 6, 2009

Green Building: The economy's bright spot

RisMedia.com - Feb 26

According to the USGBC, new studies point to green building as one of the growing bright spots for the U.S. economy. According to Turner Construction's "Green Building Barometer," 75% of commercial real estate executives-including developers, rental building owners, brokers, architects, engineers and others - say the credit crunch will not discourage them from building green. 83% said they would be "extremely" or "very" likely to seek LEED certification for buildings they are planning to build within the next 3 years. Also, similar studies show that homebuyers are now more inclined than ever to buy a green home rather than a conventional one, even in a down housing market.

Green Building Focus

LEED projects doubled in 2008

BuildingGreen.com - March 1

The number of both LEED-registered and LEED-certified projects doubled in 2008 - from about 10,000 registered projects at the end of 2007 to more than 20,000 by the end of January 2009, while the square footage of LEED-certified construction rose 92%, from 148 million to 284 million square feet. USGBC is optimistic that the growth in LEED projects will continue in spite of the recent economic upheaval.

Stimulus package utilizes LEED

GreenBuildings.com - Feb 25

Following on the heels of Congress' Energy Independence and Security Act, the Obama stimulus bill has allocated approximately \$5.5 billion to the U.S. General Services Administration ("GSA") for green building projects. All GSA construction projects and substantial renovations must be LEED certified. Further, the GSA is encouraged to exceed LEED certification by achieving LEED Silver Certification.

Report argues green buildings may not be economical

New York Times - Feb 27

A group of builders is arguing that savings from lower operating costs for green buildings may be a myth. The group argues that a building may be more energy efficient, but it may take decades to pay off the added cost of green construction through lower operating costs.

Yellow is the new green

New York Times - Feb 27

Although wastewater treatment plants are very effective in removing harmful bacteria and diseases from our wastewater, they also guzzle massive amounts of energy and discharge a great deal of pollution. New innovations in how wastewater is used and treated have the potential to greatly reduce energy usage, increase energy efficiency, and expand fertilizer options.

LA and SF top EPA Energy Star List

U.S. Environmental Protection Agency - March 3

Saving more than \$87 million and reducing emissions equivalent to 35,800 households' electricity use, San Francisco Document hosted at JDSUPRA second nationwide on the EPA's 2008 Top 25 Energy Star list. San Francisco has 194 Energy Star-qualified building compared to top-ranking Los Angeles, which has 262 Energy Star buildings. Houston, Washington, D.C., Dallas-Fort Worth, Chicago, Denver, Minneapolis-St Paul, Atlanta and Seattle follow Los Angeles and San Francisco.

Novato passes green building law

Marin Independent Journal - Feb 24

The City of Novato, California approved a green building ordinance for commercial buildings that falls short of LEED standards but exceeds standards set by the state. The City Council approved the ordinance despite grumbling from local environmentalists that the standards do not go far enough.

Turner's green building exceeds \$3 billion in '08

Associated Construction Publications- Feb 24

<u>Turner Construction Company</u> built more than \$500 million in green construction in California and more than \$3 billion nationwide during 2008. Turner's green projects in California represent a diversity of building types, including in the education, commercial, aviation and healthcare segments. In all, Turner has completed 80 projects that have been LEED Certified and is working on another 130 projects that are LEED Registered.

Green directory launched

Green Building Elements- Feb 19

<u>FairGreenTrade.com</u> launched its green product and service directory, a site which covers many green topics, from organic foods, green living, and green building. In addition to listing green products and services, the site includes many green events, with links directly to the event websites so viewers can register or find out more information. The site allows green companies and suppliers to list for free (although it charges for upgrades).

Green products used to lure homebuyers

Seattle Times- Feb 21

The housing industry is rolling out numerous green products in hopes of luring homebuyers back into the market. At the recent International Builders' Show, a record 363 vendors featured green products, more than double the number last year. Among the featured products were radiant floor systems that act as heaters, flashing materials which resemble tape and keep water from getting trapped inside homes, and electric tankless water heaters designed to be used by homes that receive hard water.

Electrical subs see green rehab opportunities

Electrical Contractor - Feb 25

In economic downturns, owners tend to renovate existing facilities rather than invest in new construction. This presents electrical contractors with opportunities for growth. Sustainable building practices, improved energy efficiency, and long-term energy reduction can contribute significantly to the profitability of any project and provide electrical contractors with opportunities to expand their business.

Seminars

Document hosted at JDSUPRA

http://www.jdsupra.com/post/documentViewer.aspx?fid=9a5bc726-c559-4e51-a21e-c715e59af508

"Green Leases: Negotiating Renewals and Direct Leases Under Sustainability Mandates" Teleconference

April 15, 2009

1:00pm ET (12:00pm CT, 11:00am MT, 10:00am PT)

Speaker: Rick Mallory, Partner at Allen Matkins' San Francisco office

A steadily increasing number of tenants, along with state pension funds and other institutional partners of commercial landlords, and state and local legislators are combining forces to press commercial landlords into moving forward with green buildings and the greening of existing buildings. The LEED® movement for green building leases started with encouraging energy efficiency and then addressing environmental concerns. Now the movement is heading toward tracking individual carbon usage. Green building leases need to be drafted and negotiated to protect the landlords and the tenants as sustainability programs are implemented. These green leases need to address provisions such as those dealing with the initial construction of tenant improvements, alterations, operating expenses, insurance, utilities, and rules and regulations. In this teleconference, we will review the background of the green building movement, the definition of green building and green building lease. We'll primarily focus on the drafting and negotiation of language to address the fundamental green building lease issues such as the inconsistent incentives for landlords and tenants on operating expenses, the allocation of carbon credits and tax credits, and the responsibility for capital costs for the retrofitting of buildings. Such negotiations will challenge the representatives of the parties - this teleconference will assist you in meeting this challenge.

Notable green building projects...

NY's Green Depot: do it yourself green

GlobeSt.com - Feb 27

Not only does Green Depot, a Brooklyn based chain of hardware stores selling eco-friendly building, cleaning and children's products, talk the talk, it actually walks the walk as well. Its 3,500-square-foot flagship store, which opened on February 12 on the Bowery in lower Manhattan, hopes to become LEED platinum certified. Among other amenities, the store, which is in Green Depot's new "Live" format focused as much on the consumer as the contractor, debuts the chain's proprietary product labeling system, allowing shoppers to see why products are green.

Oregon project pushing for highest LEED rating in history

Building Design & Construction - Feb 27

The owners of a 57,000-square-foot mixed-use structure in Independence, Oregon, hope to secure the highest LEED rating ever awarded for new construction. The building, called Independence Station, is expected to score between 64 and 66 LEED points when it is completed next year, which score would beat the existing record of 63 held by a Canadian project. It features a green roof and uses renewable energy sources such as the sun and vegetable oil to manage energy efficiently throughout the building.

Florida cottage makes LEED history

Sarasota Magazine - March 2

The home has a vernacular metal roof, conserves energy as it refracts sunlight, and cisterns behind the house collect rainwater to irrigate the yard. The 2,914-square-foot residence is the first LEED Platinum home in Sarasota County, Florida - with Platinum certification - the highest score awarded by the USGBC.

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