Existing Buildings Seeing New Tenant Interest and Increased Savings with LEED

Published on **20 May 2011** | Written by **Doug Widener** | Posted in **LEED**

Is there a bright spot in this recession? Related to buildings, particularly, one would be hard-pressed to find one as most new construction markets have either slowed considerably or stalled completely. Given the downturn, more building owners and managers are seeking ways to improve their existing properties both to attract and retain tenants and to realize savings from energy and other retrofits. A bright spot? Perhaps.

Government programs like President Obama's recently announced Better Buildings Initiative and the regional U.S. Department of Education-funded Chicago Region Initiative for Better Buildings point to the growing trends at the federal, state and local levels to increase the rate of building retrofits to save energy, and consequently, money.

According to Ben Bischmann, Account Manager with Colliers International in Rosemont and Board Secretary of the U.S. Green Building Council – Illinois Chapter, "commercial property owners can't move fast enough to renovate their buildings for the ever demanding energy efficiency market."

The LEED for Existing Buildings: Operations and Maintenance rating system provides a comprehensive roadmap to help building owners and managers create programs and processes to reduce energy and water consumption, increase recycling and reduce waste, improve purchasing practices and create a conducive environment for building occupants, all the while saving money and resources. Building tenants and prospective tenants are taking notice as recent research indicates that green buildings capture top rents, increase lease velocity, attract Class A tenants and safeguard against obsolescence; all critical elements for a building to have in a competitive market.

According to Bischmann, "we feel there will be a growing market for well-run, efficiently operated buildings. Our goal is to generate sustained economic and ecological value for our clients."

Green buildings also have higher occupancy rates ranging from 4 to 8 percent. Approximately 44 percent of tenants in a recent survey said that environmental considerations were important to their companies and 25 percent said that green building practices were important in their space search.

Mark Bettin, vice president of Engineering with Merchandise Mart Properties Inc., which manages two LEED for Existing Buildings projects in Chicago, the Merchandise Mart and 350 Mart Center, expresses that "operating the properties in an efficient manner while offering programs and opportunities to tenants is proving to be a winning combination in retaining and securing tenants in a tight market."

Green buildings also have positive effects on their occupants. In another recent study, 85 percent of employers survey noted perceived benefits in employee turnover, morale and recruitment related to occupying a green building, while 55 percent noted a direct correlation with employee productivity. Currently more than 20 percent of all LEED registered and certified projects nationally are LEED for Existing Buildings. In Illinois, LEED for Existing Buildings projects account for 13 percent of the 440 LEED certified and 960 registered projects across the state. Nationally the amount of square feet of space certified under LEED for Existing Buildings: Operations and Maintenance grew by 75 percent from 2009 to 2010. Obviously news is spreading and the trend toward LEED for Existing Buildings certification is growing both nationally and locally.

For property managers like Bischmann, "LEED EB certification provides owners with the substantiation to meet the growing demand for sustainable buildings."

The Regional Green Building Case Study report to be released by the U.S. Green Building Council – Illinois Chapter in early June finds that out of the buildings studied, Illinois buildings certified under LEED for Existing Buildings perform on average 25 percent better related to energy utilization than comparable buildings. Given that LEED for Existing Buildings focuses on actual building performance over time, participation in the process engages building owners and managers to continually improve performance.

According to Bettin, who provided data from both the Merchandise Mart and 350 Mart Center for the Regional Green Building Case Study project, going through the LEED for Existing Buildings process provided, "a renewed focus on conservation including the importance of metering, sub-metering, and base-lining."

With the economy improving slowly, building owners and managers will increasingly look for ways to reduce operating costs to improve the bottom line.

LEED for Existing Buildings: Operations and Maintenance is a growing trend and comprehensive tool for increasing value and tenant satisfaction while reducing a building's environmental impact.

Press release: Chicago Ranks No. 1 in LEED Certified Square Footage »

Doug Widener
Director, Community Advancement

Member employees, Chapter members

USGBC Articles can be accessed in the USGBC app for iOS or Android on your iPhone, iPad or Android device.

0 comments

Leave a comment

Leave a comment

Don't have an account? Create one

You must be signed in to leave a comment.

Email

Password

SIGN IN

Address
2101 L Street NW
Suite 500
Washington, DC 20037

Within the United States:
1-800-795-1747

Outside the United States:
1-202-742-3792

© 2012-2015 U.S. Green Building Council