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C O N S U L T I N G

Des Moines Downtown Community Alliance

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Your Challenges

1. Get someone to move somewhere
2. Get them to pick the Des Moines area
3. Get them to pick downtown submarket
4. Get them to backfill your buildings

Earliest Adopters of Green Building

- Federal government
- State and municipal governments
- Institutions
- Corporations with culturally aligned missions
- High profile corporations

Current Corporate Drivers of Sustainability Behavior

- Government and Regulatory pressure or anticipated pressure
- Client/customer pressure
- Employee recruitment and retention
- Insulation from energy shocks

Typical Phases of Corporate Implementation

- Headquarters (owned or fully controlled)
- Other owned portfolio sites
- Other fully controlled leased portfolio sites
- Multi-tenant occupied leased portfolio sites

Corporate Challenges

- Meeting goals with a primarily leased, multi-tenanted portfolio of sites
- No budget premium for green leasing

Aspects of Corporate Programs/Concerns

- #1: Energy (i.e. electricity)
- Water
- Recycling
- Procurement
- Commuting

Why should you participate?

- Make more money?
- Save money?
- Limit vacancy?

Make more money?

- CoreNet Global 2008
 - Green Buildings command 3% higher rents and 7.5% higher values
- Newmark Knight Frank 2009
 - In 14 large markets, a 32.7% difference between “green” and “Class A” rents

***TREAT THESE NUMBERS WITH
GREAT CAUTION***

Why the Caution?

Dealmakers are saying that
Companies
ARE NOT
paying lease premiums for “Green” buildings

Save Money?

- Capital incentives tend to be available to early adopters
- Lower expense potential = Higher NOI
- Extended depreciation potential = Higher ROI

Limit Vacancy?

- Green building/Green leasing likely to surface in RFPs and become the “all things equal” deciding factor
- Many green or sustainable features are supportive of overall live/work/play downtown environments, which increases competitiveness regionally and nationally
- Retrofitting green is new enough to garner media attention

Resources

- McGraw Hill Construction 2009 “Greening of Corporate America Report”
- McGraw Hill Construction sponsoring a Green Retrofit conference October 21-22 and releasing: *Green Building Retrofit & Renovation: Rapidly Expanding Market Opportunities through Existing Buildings*
- Read about the movement to encourage new graduates to make sustainability part of their job decisions: <http://www.graduationpledge.org/>

Resources

- SEC
 - considering requiring assessment and reporting of impact of climate change on financial health
 - <http://www.nytimes.com/cwire/2009/07/13/13climatewire-sec-turnaround-sparks-sudden-look-at-climate-65102.html>
- NAIC (Insurance Commissioners)
 - requiring Climate Risk Disclosure Survey
 - http://www.naic.org/documents/committees_ex_climate_climate_risk_disclosure_survey.pdf