

Finding green backs for green projects is key

Does building green actually increase the value of a property and if so, how is a value assigned to that increase?

That was addressed at a conference on "Financing Green: How to Pay For and Incentivize Sustainable Investment in the Garden State," held at the Woodbridge Hilton. About 40 people attended the conference which was sponsored by the Northern New Jersey District Council of the Urban Land Institute.

Among the panel were William Lashbrook III, senior vice president of PNC Bank; Mario Silvestri, senior real estate evaluator for Wachovia; Brian Cohen, vice president of Navy Yard development and marketing for the Liberty Property Trust; Rocco Romeo, senior vice president of SJP Properties; and Fred Lynk of Public Service Electric & Gas Co.

"While green development is becoming more common, many questions remain about how to quantify the benefits of building green," said Lawrence Jacobs, chairman of the District Council and head of the environmental practice area for law firm Wilentz Goldman & Spitzer.

An audience of developers and entrepreneurs filled the conference room to hear the panel discuss going green. With clear knowledge that going green creates cleaner air, allows use of less energy and benefits the environment, pan-

elists discussed how to incentivize financing green without proper data and techniques to measure cost advantages.

"How do we quantify value?" Silvestri said.

Rent and prices brought by LEED certified buildings are higher than those for noncertified buildings, but no one knows to which green feature the premium can be attributed.

Green buildings are not guaranteed to lease faster or induce tenants to stay longer, according to Romeo.

The SJP executive explained how his firm is working to get LEED certification for the company's office building in Times Square, Manhattan. SJP is using natural light in 90 percent of the building and fan wall technology, an array of smaller fans to replace a single large fan.

"You can't quantify the quality of a LEED building," he said.

In order to measure the benefits of LEED certification, the Liberty Property Trust and Rutgers University are working on a research study about worker productivity in LEED certified areas, Cohen said. They are studying two call centers, one LEED certified and one traditional, with identical demographics.

According to Cohen, the study is the first known survey of its kind and will possibly change the perception of LEED certified buildings for the future.

Some companies are

adopting LEED for their industry: PNC Bank now requires all its branches to be LEED certified, according to Lashbrook. The bank has more than half the LEED certified buildings in New Jersey.

PNC has more certified green buildings than any other company in the world and is the first U.S. bank to apply green building standards to all newly constructed or renovated branches.

"We've got our old buildings and we've got our new buildings," Lashbrook said. "We've compared them in many ways and we know the difference — and believe me, there is a difference."

The Urban Land Institute is a nonprofit education and research institute that is supported and directed by its members. Its mission is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide. Established in 1936, the institute has over 34,000 members and associates representing the entire spectrum of the land use and development disciplines. It is comprised of developers, builders, property owners, investors, architects, public officials, planners, real estate brokers, appraisers, attorneys, engineers, financiers, academics, students and librarians. Visit www.uli.org for information on the institute and nnj.uli.org for information on the District Council.