

STEP 1: ACQUISITION DUE DILIGENCE

- “Acquisitions Sustainability Toolkit,” U.K. Better Buildings Partnership. A comprehensive list of possible value-add opportunities and risks during an acquisition. www.betterbuildingspartnership.co.uk/sites/default/files/media/attachment/BBP_Acquisitions%20Sustainability%20Toolkit.pdf
- International WELL Building Institute and Fitwel. “Health gap analysis” and tools to help owners and occupants understand opportunities to embed health and wellness. www.wellcertified.com and www.fitwel.org
- Digital Coast, National Oceanic and Atmospheric Administration; and Aqueduct, World Resources Institute. Software and consulting solutions to help buyers analyze extreme weather events and climate risk. Digital Coast and Aqueduct are just two examples of free tools. <https://coast.noaa.gov/digitalcoast> and www.wri.org/our-work/project/aqueduct

STEP 2: FINANCING THE DEAL

- Energy service agreements (ESAs) and energy savings performance contracts (ESPCs) can help in the upgrading of acquisitions in ways that require no money down and that are immediately cash positive. ESAs and ESPCs are mainly used in the private sector for large, complex buildings and campuses. The Better Buildings Solution Center has tools for public sector users. <https://betterbuildingssolutioncenter.energy.gov/energy-savings-performance-contracting-espc-toolkit>
- The commercial property–assessed clean energy (CPACE) financing mechanism enables funding for capital expenditure investments in energy efficiency to be repaid as an assessment on the building’s property taxes—financing major upgrades in a way that makes it easier to pass on costs to tenants and makes a 10- to 20-year investment cash positive for both the owner and the tenant. An overview of property-assessed clean energy (PACE) is available from PACE Nation. <https://pacenation.us/what-is-pace>
- Power purchase agreements (PPAs) allow owners to invest in solar energy without having to install on-site equipment. Solar leases are available in several markets and are another way to manage energy costs and promote renewable energy. A summary of how PPAs work is available through the Solar Energy Industries Association (SEIA). <https://www.seia.org/research-resources/solar-power-purchase-agreements>
- Fannie Mae’s Green Rewards program, together with CPACE, not only provides financial incentives for green building certification, but also allows the building owner to underwrite all the costs of certification into the loan. <https://www.fanniemae.com/multifamily/green-initiative-financing>
- Green bonds are a commercial debt product used to finance investments in energy efficiency, renewable energy, or other green building investments for new construction and existing buildings. www.climatebonds.net/market/explaining-green-bonds

STEP 3: HOLD PERIOD

- Green Lease Leaders, U.S. Department of Energy. A leading recognition of owners who successfully execute green leases or those with energy-aligned and sustainability clauses embedded in leases. www.greenleaseleaders.org
- Tenant Energy Optimization Program (TEOP), Urban Land Institute. A 10-step process for implementing sustainable fit-outs not only to reduce energy and water use, but also to reduce operating expenses. Owners can benefit from tenants using TEOP because it helps reduce future operating expenses during tenant vacancies if the spaces have been built out sustainably. TEOP can also help lower maintenance expenses, reduce capital expenditures associated with “make ready” for future tenants, and improve tenant retention and satisfaction. <https://tenantenergy.uli.org>

STEP 4: PREPARING FOR DISPOSITION

- “Valuation of Green and High Performance Property: Background and Core Competency,” Appraisal Foundation. A guide to valuing and appraising green building characteristics. www.appraisalfoundation.org/imis/docs/Valuation_Advisory-6-Valuation_of_Green_and_High_Performance_Property-Background_and_Core_Competency_060215.pdf
- Green commercial appraisers, Appraisal Institute. A list of green appraisers. www.myappraisalinstitute.org/findappraiser/green_sustainability_commercial.aspx?_ga=2.61309612.1082870672.1553558017-2063125178.1552494979
- Green Resource Council, National Association of Realtors. Broker training on sustainability. <http://greenresourcecouncil.org>
- Better Buildings program, U.S. Department of Energy. A website laying out the business case for high-performance buildings, as well as offering a free online course for commercial real estate brokers. <https://betterbuildingssolutioncenter.energy.gov/videos/business-case-high-performance-buildings>