



Leasing Strategies for Green Buildings

Private Sector Perspective

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FOCUS ON THE BOTTOM LINE

Concern with Rising Costs



What are the Facts:

The Average Time Americans Spend Indoors is Greater Than 90%

Energy Costs are Rising

Health Care Costs are Rising

24% of Office Workers Feel That Air Quality is Poor in Their Work Environment

20% Believe That This Affects Their Work Performances

Tenant Benefit of Green Buildings

Green buildings reduce staff turnover, reduce absenteeism, improve morale, and ultimately increase worker productivity.¹³

A productivity gain of even 1% equates to a reduction of property costs of 10%, or about \$3 per square foot of space.¹⁴

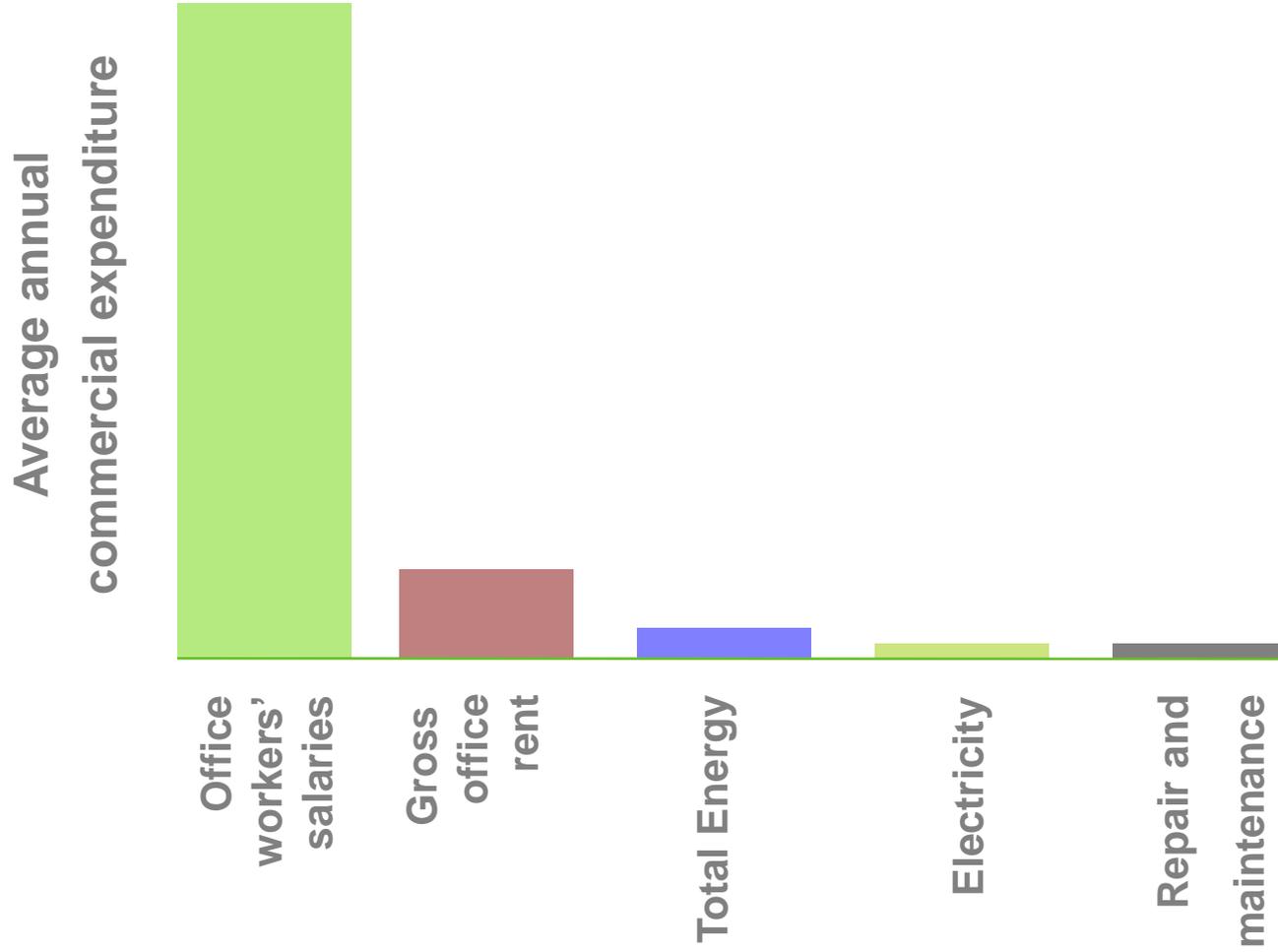
More than 90 % of Americans Report having more positive views of environmentally responsible firms than of firms that are not environmentally responsible.¹⁵

Two-thirds of large U.S. corporations believe sustainability efforts provide important competitive advantages through market differentiation.¹⁷

The cost of Replacing a Worker including recruitment, training, and downtime – can amount to 100% of an individual's salary.

About 85% of Americans say they would consider switching to another company's products or services because of irresponsible corporate practices.¹⁶

Rent is a Fraction of Salaries



A \$4 investment per square foot in building green nets a \$58 benefit per square foot over 20 years

\$0.50 WATER SAVINGS
\$1.20 EMISSIONS SAVINGS

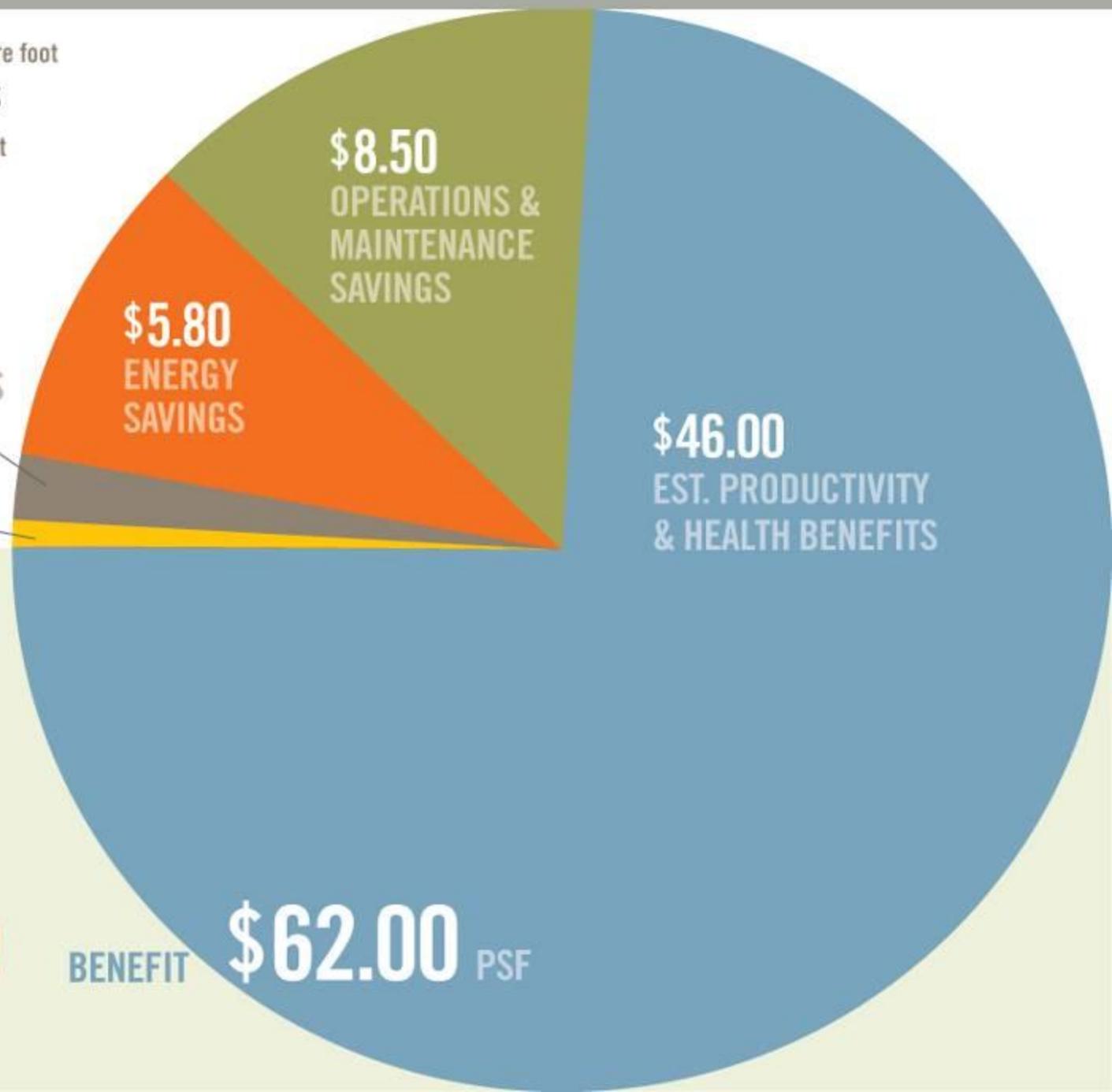
\$5.80 ENERGY SAVINGS

\$8.50 OPERATIONS & MAINTENANCE SAVINGS

\$46.00 EST. PRODUCTIVITY & HEALTH BENEFITS

COST \$4.00 PSF

BENEFIT \$62.00 PSF



2

STRONG COMMITMENT TO LEED

LEED ADOPTIONS

45 States
442 Cities & Counties
14 Federal Agencies

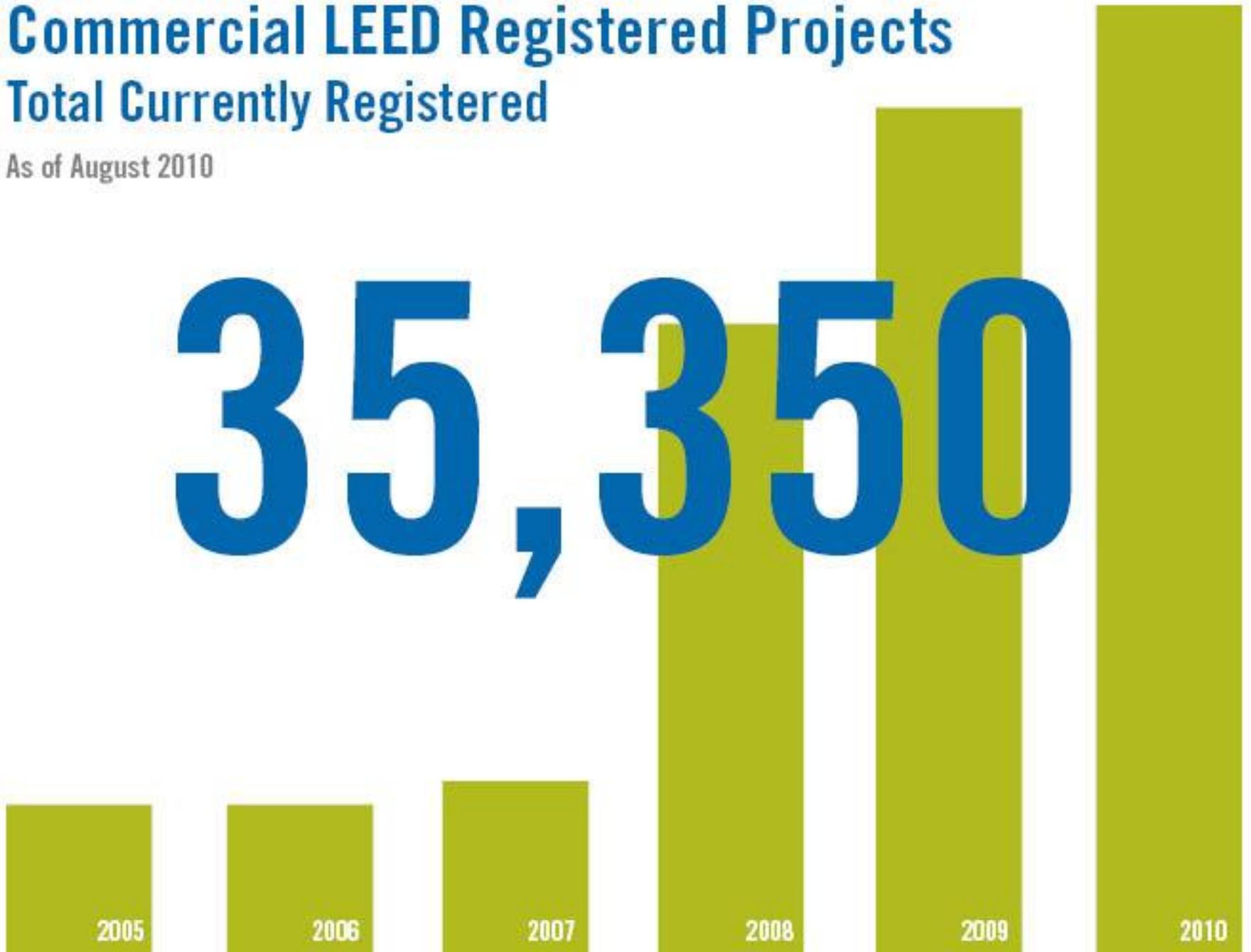


Commercial LEED Registered Projects

Total Currently Registered

As of August 2010

35,350



2005

2006

2007

2008

2009

2010

Commercial LEED Certified Projects (cumulative)

As of August 2010

6,602



2005

2006

2007

2008

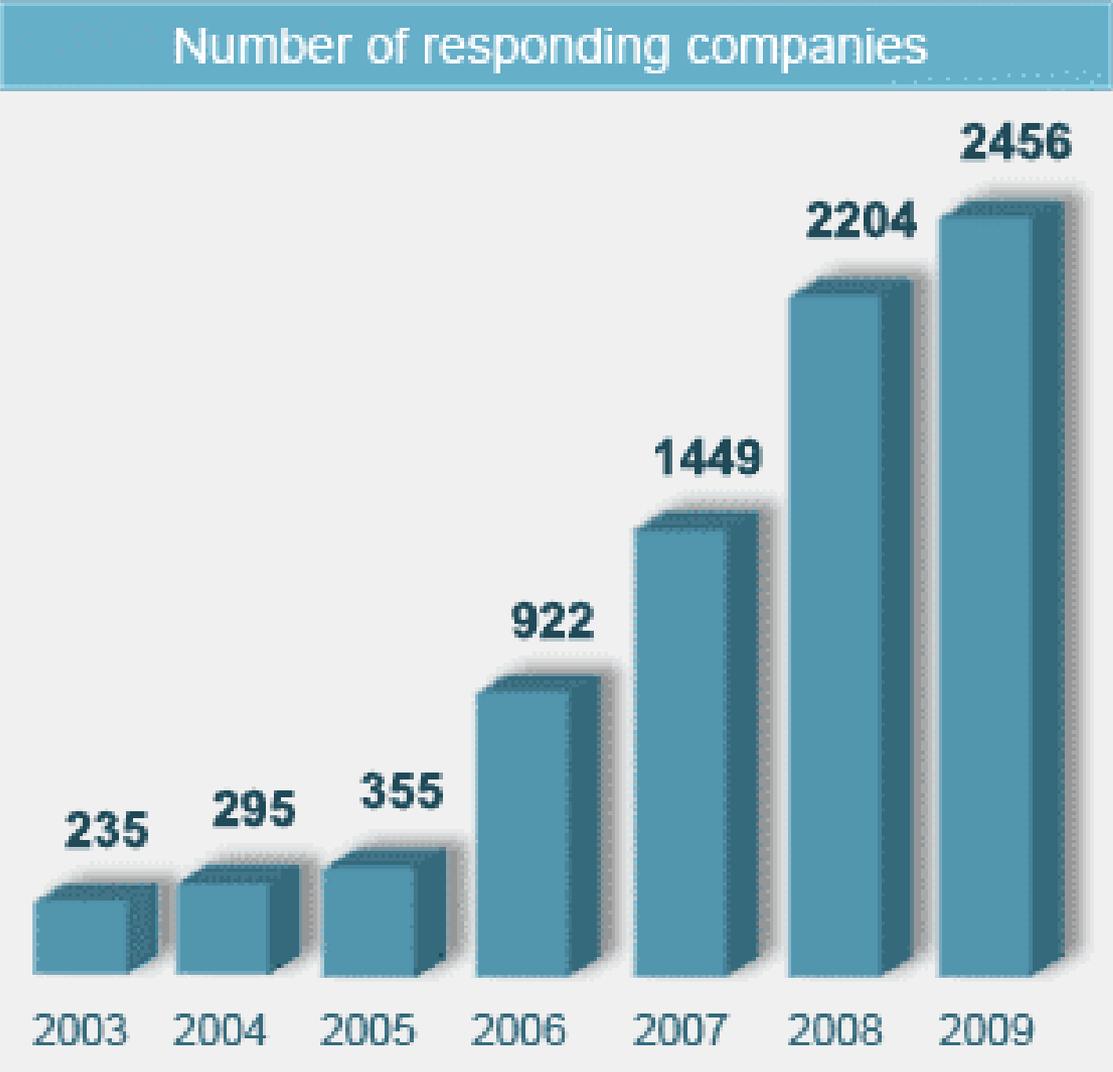
2009

2010

3

CARBON FOOTPRINT MEASUREMENT & REPORTING

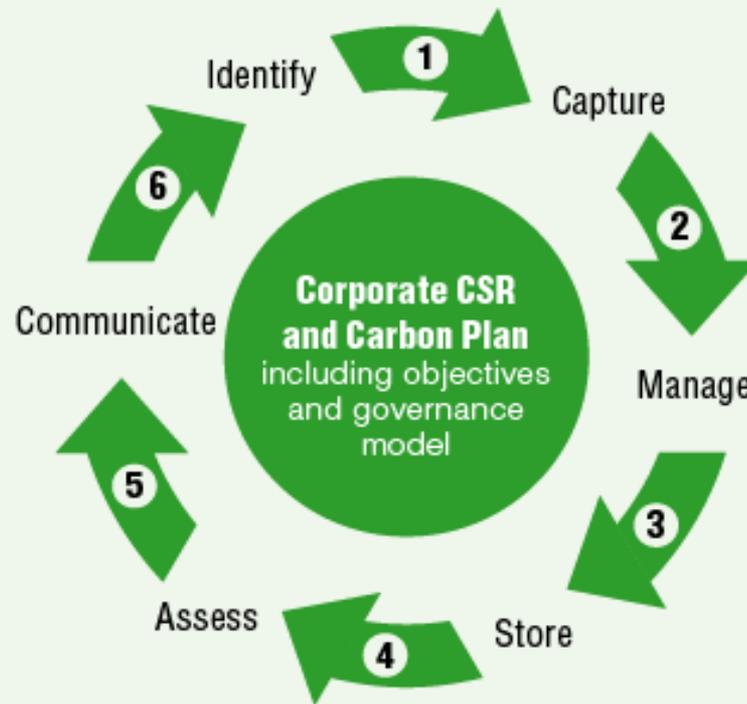
Carbon Disclosure Project (CDP)



70% of S&P 500
Responded in 2009

Carbon Data Management Process

A Simple, Evolving Carbon Data Management Process for Scope 1 and 2 Emissions



1. Identify

- Scope
- High impact, e.g. carbon heavy activities

2. Capture

- Structure
- Carbon categories
- Business units
- Standard measures e.g. from Defra

3. Manage

- Tool: spreadsheet or data base
- Accuracy and robustness
- Audit

4. Store

- Paper copy, PC, server or data base
- Back up

5. Assess

- Compare data with targets
- Have targets been achieved

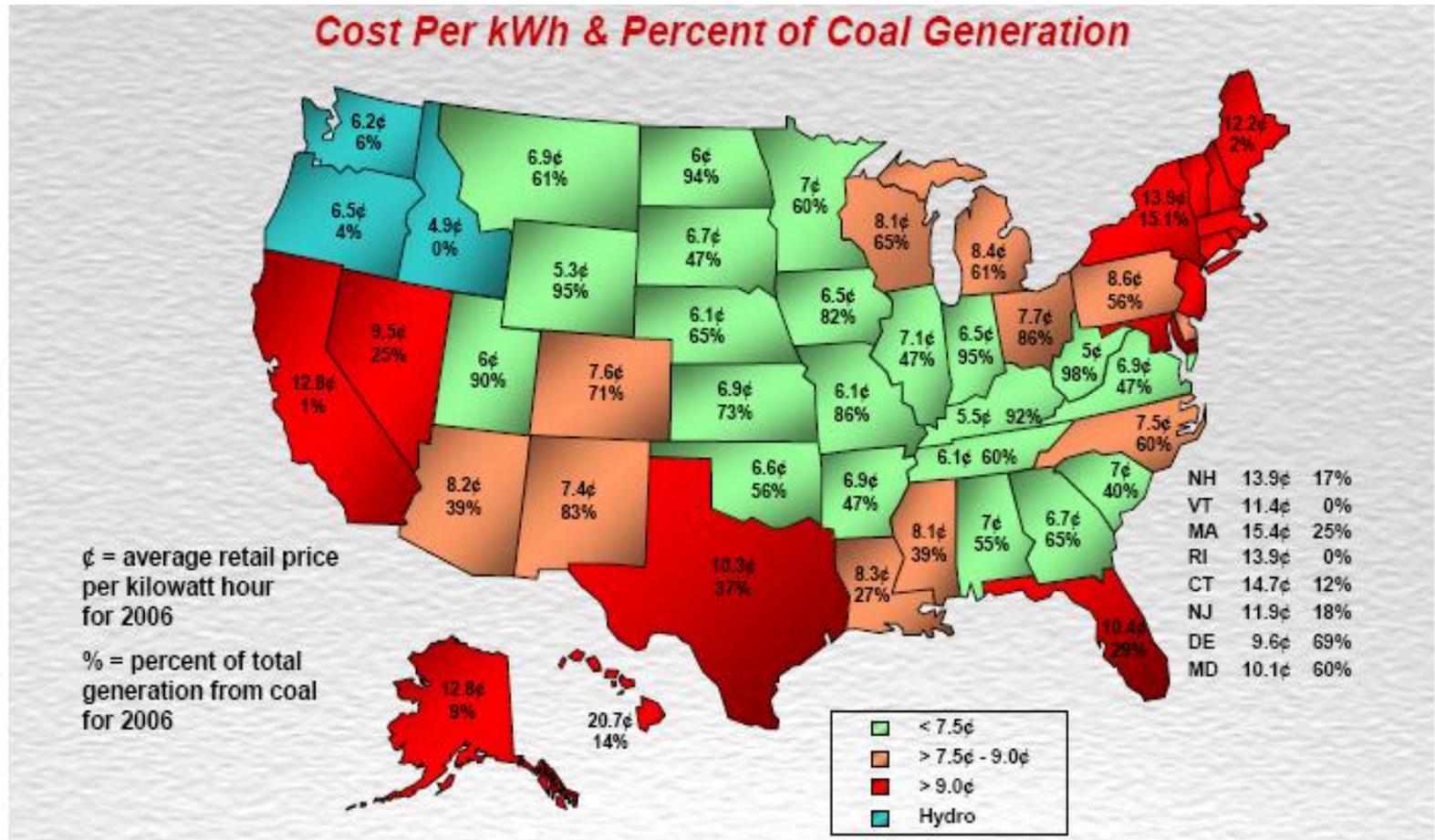
6. Communicate

- Report internally
- Report externally
- Leverage data to build corporate reputation and use as differentiator

Figure 1

Developing the Strategy

Determining the Targets



4

GREEN LEASING TRENDS

Key Points To Negotiate

1. Building Meets Minimum LEED Indoor Air Quality Requirements
2. Building is Non-smoking
3. Building Offers Green Housekeeping
4. Building Meets Minimum LEED Energy Performance
5. Building Commits to Re-commissioning
6. Building Offers Recycling Program
7. Tenant has Right to Sub-meter
8. Tenant has Right to Pay for Direct KWH Usage
9. Tenant has Right to Purchase Power Directly
10. Tenant has Roof License for Photo-Voltaic Panels

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Q&A