



# nerej

## **Craig Getchell - Energy Reduction in Commercial Buildings**

May 25, 2011 - Green Buildings

As the popularity of sustainability initiatives grow in the U.S., most commercial real estate owners now realize that energy conservation functionality is not a matter of reducing energy cost, for them energy conservation is about tenant acquisition & retention.

The first critical step for commercial owners is the installation of Energy Management Software (EMS) into the "core and shell" of their facilities. The reality is that the biggest obstacle to energy conservation is the inability to collect and monitor energy information or even identify what types of energy data buildings have. The exercise of putting this type of system in creates both an initial awareness, and long term capabilities to control energy information.

For commercial owners there is one major difference in your business model that must be addressed during this process that the current EMS providers do not inherently understand. That is your need for "extensibility" in your systems, unlike corporate owners, you have to deal with multiple diverse tenants and you need the self-help optimization tools to attract/protect your current lease revenue, energy reduction is a "means to an end", not the objective.

Second, now that you know what your energy profile is; correct the high energy consumers in your property. From lack of controls, meters & sensors to energy inefficient equipment, identify the top culprits in your environment and fix them. Some of these investments may seem high, especially as you don't see a dime from actual reduced energy costs. Two things you must do are solicit investments from the existing sustainability budgets of current/prospective tenants and you must bring in the revenues from retaining/acquiring tenants to the R.O.I. equation for the returns begin to make sense.

Third, present the functionality, information, & results both directly to the tenants via your well designed EMS solution, and then to the market place. You have made this investment; you need to maximize its potential for tenant acquisition/retention. Any efforts in energy reduction by a commercial owner should be coupled with an active marketing campaign designed to drive tenant retention/acquisition, or else it just will not make financial sense.

Craig Getchell is the owner of Getchell Consulting and is principal/co-founder of Area Solutions, Portsmouth, NH.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540