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The retail industry goes green in 2008: With higher profits from higher economic efficiency

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This year will be a defining one for the U.S. Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED) program, with many major retailers embracing the LEED rating system as well as other energy efficient initiatives.

Rising energy costs and growing public adoption of green practices have led to the increase in the number of retailers who are committing to green buildings.

As retail stores are one the largest sectors of the construction industry, it's good corporate sense to adopt these standards.

Many retail giants—like Wal-Mart, Starbucks, and Home Depot—have adopted green design practices, largely because of the triple bottom line that it promises: higher profits from higher economic efficiency, enhanced experience for the customer, and a stronger community presence.

Although there are currently only a few retail stores in the Northeast that meet LEED certification, look for that number to greatly increase in 2008, as the outlook for national retailers is a more proactive approach in this direction. For example:

- * Target has announced that all stores in 2008 will be LEED certifiable.
- * In 2008, Kohl's will be constructing 80 stores that meet LEED requirements.
- * Wal-Mart has recently completed their second generation of energy efficient Supercenters with innovative refrigeration and lighting technologies, such as occupancy sensor controlled lighting located not only in individual aisles, but also in individual freezer cases.
- * Larger retailers such as Stop & Shop/Giant Food are enrolled in a LEED Portfolio Program pilot for multiple locations.

The examples above will put greater pressure on developers to implement sustainable site, energy and water alternatives. Retailers are then able to take advantage of the points already established for the project, and incorporate them into the total possible points for certification.

Proactive approach

Waterstone Retail Development is currently developing a Corporate Sustainability Strategy, and has committed all new Waterstone projects to be LEED program certifiable.

With the recent purchase of 20 properties in New England and the Southeastern United States, Waterstone will be evaluating a consistent approach to sustainability and implementing green building practices in all renovations or upgrades to their existing properties, as well as evaluating its current portfolio for opportunities to reduce energy and water use.

Waterstone Retail Development is committed to the environment and to the success of our retailers, by doing what we can to reduce their operating costs and assisting them in green building practices. Waterstone will begin by replacing existing roofs with green roofs to reduce the heat island effect. Lighter colors and increased insulation during roof replacement not only exceed LEED requirements

but will also contribute to lower tenant operating costs.

Additional green features include: scheduled replacement of older equipment with higher energy efficient fixtures (both lighting and air handling/HVAC), water-reducing plumbing fixtures, as well as establishing recycling programs for waste management.

New development projects will incorporate conservation by use of water-efficient landscaping and rain gardens, as well as implementing the collection and reuse of roof/storm water for landscape irrigation. Waterless plumbing fixtures, as well as collection and reuse of brown water, will contribute to reduced water consumption.

Water permeable pavement or grid pavers are being evaluated for outer perimeter parking areas that are only used during the peak times of the year.

Light pollution will be reduced by using cutoff fixtures to reduce skyglow and minimize light trespass from the project site.

Energy efficient LED lighting will also be a big focus in 2008. Many major retailers have installed exterior signage that utilize LED technology and have seen the returns on that investment.

The lower energy costs and quick start, along with long lamp life, make LED lighting a very attractive alternative. We wait with anticipation as a few retailers are currently testing an LED parking lot fixture for implementation in the near future.

All of these items are not only good from an environmental sense but make good business sense as well. Developers and retailers will see the benefits of lower energy costs, increased building values, enhanced public relations, higher net operating incomes, and most importantly, corporate social responsibility.

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