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Sinreich of Green Edge discusses green leases at Retail-Green event

December 22, 2011 - Retail

Everyone talks about "green" leases, but fewer seem to be doing much about them. That was the consensus recently at ICSC's RetailGreen Conference and Trade Exposition in Phoenix. Ellen Sinreich, president of Green Edge LLC in New York City, who led the November 30 workshop, "Green Leases for Retail: What That Really Means," said that after years of consulting and instructing companies, she has seen few such leases implemented.

Getting all the parties involved in a lease - landlords, lawyers, brokers and tenants - to agree on all the elements of an ecologically friendly lease is a feat, some said. Moreover, when economic interests collide with ecological principles, the latter are likely to lose out. "We have been trying to implement sustainable solutions that will work for all parties. The toughest part is financial viability," said Lance Sherwood, a senior development manager with Weingarten Realty in Phoenix. "At the end of the day, you have to make pro formas work; everything has to make business sense."

Jacksonville, Fla.-based Regency Centers Corp. has won acclaim for its ecological initiatives, but even it has struggled with implementing green leases. "For us, it has been limited to the new development projects where we have set environmental goals such as LEED certification. Outside of those few projects, we have not been very aggressive about adopting green leases."

"Right now," he said, "Our focus is doing the best we can for those portions of the shopping center that we control: common areas, energy and water management. At the end of the day there is money to be saved, by saving energy."

Compiled by the staff of Shopping Centers Today. © December 1, 2011 ICSC.

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