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## **Sustainability and the real estate process**

March 13, 2014 - Appraisal & Consulting

As real estate development gradually increases alongside slow steady economic growth, it is interesting to reflect on efficient buildings and how energy efficiency has become integrated into the real estate process. While sustainability trends were just emerging a decade ago, the application of green and sustainable technologies has become mainstream in the real estate industry. The ability to move sustainability even further will be a function of application of new technologies along with lifestyle changes away from the current auto-based, fossil fuel centric economy.

While most municipal codes now require at least a LEED Silver project, the effort to seek higher degrees of efficiency and even carbon neutral operations is appealing both to tenants and owners for altruistic as well as financial reasons.

The future evolution of sustainability is leading society and thus real estate development and ownership toward the goal of "carbon neutral", self-sustaining buildings. Clearly we will see more focus on adaptation and mitigation in renovation, development and master planning as efforts to reduce emissions gain importance. Whether or not one accepts the notion of climate change, the societal effort to address real or potential risk factors is legitimate and deserving of a respectful dialog and research to achieve that goal.

Areas of focus as real estate continues down the sustainability path include:

- \* **Energy Alternatives:** The application of wind power, solar power and bioenergy. For example, in 2009 The Boston Zoning Commission adopted guidelines for wind turbines and one is gradually seeing various sized applications throughout the city. (Boston is one of the windiest cities in the nation.)
- \* **Design Efficiencies:** Integrating the environmental characteristics of water, sunlight and air into building designs and operations. While they may seem futuristic, The Bahrain World Trade Centre (WTC) in Manama, Bahrain and Pearl River Tower, located in Guangzhou, China, are both examples applying design elements that reduce energy consumption, feature self-generated power installations, and have energy recovery and re-use elements present and in operation.
- \* **Water Conservation and Waste Reduction:** Currently, building renovations are designed to reduce energy consumption and water waste. Reducing water waste is an important element in energy conservation, as water distribution and treatment is the sixth largest source of energy consumption in the US. Energy efficient lighting, occupancy sensors, modern ventilation systems, and low flow bathroom fixtures have dramatic impacts on energy and water consumption. Additional progress in these areas is ongoing and expected to continue to drive efficiencies.

In conclusion, the opportunity to address climate change and sustainability is embedded in the real estate process and property operations. As efforts to take sustainability and "greening of real estate" evolve further, the ability to achieve carbon neutrality and self-sustainability will be a combined effort of these new technologies and societal change that moves business away from the traditional fossil

fuel based, automobile centric economic model.

#### 2014 Calendar of Events

March 25: "New Legal Twists in Commercial Real Estate," Greenberg Traurig offices at One International Place, Boston.

- \* 2014 Midyear National Meetings, May 4-7 - The Four Seasons - Austin, TX.
- \* June Summer Social Event - Date and Location TBD.
- \* "Hot Topics" Luncheon, September, TBD.
- \* 2014 Annual Convention, October 26 - 29 - Fairmont Copley Plaza, Boston.
- \* November and December Events TBA.

#### 2014 New England CRE

##### Chapter Officers

- \* Jill Hatton, TurtleRock Investment Mgt., chapter chair and secretary;
- \* Peter Nichols, NorthStar Ally LLC, vice-chair;
- \* John Baczewski, Real Estate Fiduciary Services, LLC, treasurer;
- \* Donald Bouchard, Lincoln Property Company, membership vice chair;
- \* Julie McIntosh, Capital Crossing Servicing Co., LLC, board member;
- \* Martha O'Mara, Corporate Portfolio Analytics, board member; and
- \* Harris Collins, CB Richard Ellis - NE Partners, board member.

Jill Hatton, CRE, is the 2014 New England/Upstate N.Y. CRE chapter chair, Boston, Mass.

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The New England Counselors wrapped up their year of activities with the Annual Holiday Reception at the Algonquin Club in Boston on December 13, 2012. The first meeting of the 2013 will feature Ray Torto, CRE, Ph.D. and Global Chief Economist in Global Research and Consulting at CBRE. Ray will provide his Commercial Real Estate Economic Outlook to the New England Counselors at a Luncheon on January 22, 2013 at his offices. Invitations have been sent to CRE members.

Following are CRE New England Chapter Officers for 2013.

##### 2013 Chapter Officers

Jill Hatton, Real Estate Consultant, Chapter Chair

Peter Nichols, NorthStar Ally LLC, Vice-Chair

Robert E. Costello, Capital Crossing Servicing Co., LLC, Board Member

Martha O'Mara, Corporate Portfolio Analytics, Board Member

Harris Collins, CB Richard Ellis - NE Partners, Board Member

John McLaughlin, McLaughlin Investment, Inc., Board Member

John Baczewski, Real Estate Fiduciary Services, LLC, Board Member

