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Pamela Lippe, President, e4



MARCH 01, 2005 -- Pamela Lippe is president of e4, a New York City-based firm offering consulting services to developers on how to construct high-performance, energy-efficient buildings. She was the environmental consultant on the The Durst Organization's 4 Times Square, the nation's first green skyscraper, and is the author of *The Costs and Benefits of High Performance Buildings*. She spoke recently with Bryant Rousseau, *MHN's* editor-in-chief, about the benefits multi-housing developers can realize by going green--and how they can keep costs down when doing so.

MHN: Is there an increasing interest among commercial real estate developers in general, and multi-housing builders in particular, to design environmentally friendly buildings? If so, what are the primary factors driving this trend?

Lippe: The meteoric growth of the U.S. Green Building Council, and its Leadership in Energy and Environmental Design [LEED] certification program, is one indicator of an increasing

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MARCH 30, 2005 -- NAI Hunneman Commercial negotiated the sale of a 30-unit apartment building here for the seller, Ocean Street Realty Trust. Ocean ST LLC purchased the apartment for \$1.9 million, or \$64,500 per unit.

[Deal of the Day: Mountain Funding Steps in With \\$10M Mezz Loan](#)

MARCH 29, 2005 -- Mountain Funding LLC closed a \$10.1 million mezzanine loan for the Seaside Key West Residences, a 96-unit, luxury, seaside townhouse complex here. The developer is Bob Butler of The Argonaut Group. Day Star Capital and Housing America Realty were the procuring brokers.

[Equity Residential Embraces MITS Standard to Update Its Listings on Apts.com](#)

MARCH 28, 2005 -- As a real-world example of the benefits that can be delivered by the industry's drive to create data standards, Equity Residential and Apartments.com have automated all of the REIT's property listings on this Internet listing service (ILS) by using the Multifamily Information and Transactions Standards (MITS).



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willingness of developers and designers to build environmentally responsible buildings. LEED began to certify projects in 2000, and in four short years, over 1,800 projects have registered for LEED certification, and 167 have been certified. The primary driver is the increasing recognition that it's really not as much about "green" buildings as it is about "better" buildings.

In addition, new residential projects in New York City, such as The Solaire in Battery Park City and The Helena on West 57th Street, have been marketing their green features and filling up rapidly. As the public is learning that healthier, more resource-efficient and environmentally responsible properties are available, they are flocking to them.

MHN: The primary resistance to green building is the perception that it greatly increases costs. On average, just how much more does it cost to construct a building that meets LEED's various certification levels (certified, silver, gold, platinum)? Are costs declining, and if so, why?

Lippe: Happily, we are now at the point that LEED has been around long enough that comprehensive cost analyses can be done. There are studies available which absolutely refute the idea that green buildings have to greatly increase construction costs.

One study, based on 40 buildings in California, showed the average cost premium for a certified building was 0.7 percent. Silver averaged a 1.9 percent cost premium. Gold buildings had an average premium of 2.2 percent and

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[5 M & M Deals in Calif. Top \\$120M](#)

MARCH 28, 2005 -- Marcus & Millichap Real Estate Investment Brokerage Company handled the sale of the 416-unit Woodcreek Apartments here for \$38.8 million, or \$93,269 per unit (with a 6.41 percent cap rate). The seller was a New York-based investment group, the buyer, an Irvine, Calif.-based investment group.

[Senate Passes Bankruptcy Bill That Ends "Free Ride" for Tenants; Enactment Expected Soon](#)

MARCH 28, 2005 -- Housing industry groups are hailing the passage by the U.S. Senate of a bill to reform current bankruptcy laws. The House could pass the bill as soon as this week, and President Bush has vowed to sign it.

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Platinum 6.8 percent. In other words, you can build LEED inexpensively or expensively, depending on your choices.

[In general], costs tend to decrease based on increasing experience. The first time will always tend to be more expensive. So it can save money to have one or more people on a team who can help coach those who are relatively new to LEED through the process.

MHN: Why should multi-housing developers consider going green? What are the bottom-line benefits?

Lippe: Increased marketability and retention of tenants are two of the strongest arguments for going green. If you can differentiate yourself from the competition, fill up twice as fast and retain your tenants longer, going green has substantial direct bottom-line benefits. The advantages to the occupants, such as lower utility costs and a healthier indoor environment, give your property an edge.

MHN: What tips could you give to help developers control the costs/maximize the benefits of building green?

Lippe: Start early. Before anyone has put pencil to paper, integrate your design team and bring in additional expertise, explore alternatives, use sophisticated computer simulation programs. Powerful tools, such as DOE-2 [a computer program that calculates the hourly energy use and cost of a building given information about its climate, construction, operation, utility rate schedule and HVAC equipment], can help you make better decisions based on thorough analysis rather than gut

instincts.

MHN: Describe some of today's latest and greatest products and systems that are making buildings more environmentally responsible.

Lippe: Distributed generation and combined heat and power make a lot of sense for residential projects since they have a steady thermal demand. If you can generate power closer to the load, and recapture rather than waste the thermal energy, it is possible to reach much higher overall efficiencies.

It is often possible to generate enough power onsite to substantially shave your peak demand and provide all your hot water heating for free. With sufficient forethought, the system can be designed to provide emergency power during extended blackouts [for] one elevator, stairwell lighting and/or pumping energy to keep the water running.

Black- and gray-water plants are difficult to financially justify as long as the cost of potable water is so undervalued. But as reality begins to catch up with public policy, municipalities will probably begin to reward buildings that dramatically decrease their demand by treating their waste water and reusing it on site. If you think about it, the idea of using drinking water to flush toilets in an era of decreasing clean water resources is a waste.

Increasing attention is being paid to improving the energy performance of the building envelope resulting in substantial energy savings for the building owner and tenants, and improved comfort for the occupants. Electrochromic glass,

which automatically darkens
when direct sunlight hits it and
clears when the sun goes down,
holds enormous promise for the
future.

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