



Seeing green

A green building revolution is inspiring legislation, forcing property managers to take note

by Pamela V. Rothenberg, Esq.

With oil prices close to \$80 a barrel, heating and energy costs soaring and seemingly no end in sight for such increases, a green movement is taking hold and will likely accelerate.

Government authorities are progressively inserting green building requirements into building codes and standards. At least 43 cities and 14 states have adopted measures to encourage the use of environmentally-friendly materials and construction methods and energy efficiency. Many cities are adopting the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) standards.

LEED certification is currently the most recognized seal of approval for an environmentally designed building. To comply with LEED standards, buildings must satisfy specific requirements involving, among other things, electricity and water use, choice of construction materials and interior finishes, indoor air quality and transit access.

In October, 2005, New York City enacted the Green City Buildings Act, requiring nonresidential projects costing \$2 million or more meet the U.S. Green Building Council's silver LEED standards. Also in 2005, the City of Pasadena, Calif., adopted an ordinance requiring all new commercial and resi-

dential construction to meet the minimum LEED certification levels. In Chicago, green building designs must now be integrated into public building construction plans. The city also requires any residential buildings receiving city assistance to incorporate a green system.

Real estate owners and managers will soon have no choice but to accept the green movement is here to stay and adjust their courses accordingly.

Washington, D.C., is also considering green building legislation. The District of Columbia's Green Building Act would require any new construction or renovation involving 20,000 square feet or more to meet green-building energy-efficiency standards. Even refinishing the interior of a 20,000 square foot space in an aging office building would require compliance with the latest green building standards, possibly mandating the

replacement of building operating systems with more energy efficient equipment.

Real estate owners and managers will soon have no choice but to accept the green movement is here to stay and adjust their courses accordingly.

Real estate companies should become educated about what green means, specifically in the context of their real estate portfolios. They should anticipate the need to integrate green concepts into new developments, and develop plans for retrofitting existing buildings to incorporate green technology.

They should also make a concerted effort to stay on top of the changing green regulatory landscape so they are not caught unaware of legal requirements applicable to their existing buildings or planned projects.

Seeing green does not have to mean the expenditure of funds with no returns. Since an increasing number of buyers and tenants want their homes and offices to possess green virtues, paying attention to the green movement will also provide real estate owners and managers with a competitive advantage and a meaningful marketing tool. □

Pamela V. Rothenberg (prothenberg@wcs.com) is a member of the Real Estate Development and Real Estate Technology Groups at Womble Carlyle Sandridge & Rice, PLLC, and the managing member of the firm's Washington, D.C. office.