

# Energy Efficient Buildings: It's the Law (and a Good Idea Too)

BY BRYAN E. POWELL

**E**nergy efficiency and sustainable building development and management are no longer viewed as a novel but impractical concept, or something only environmentalists long for. Improving existing buildings and constructing new structures that achieve high levels of energy performance is now a way of life. End users of nearly every type of building product now demand energy efficiency, conservation and sustainable building management practices for leased or newly-acquired space.

Today's marketplace promotes environmental stewardship and sustainable operations as companies look for office and retail space which improves the health, well-being and improved user experience for workers, guests and customers. To be sure, many companies, universities, medical complexes and entertainment venues (just to name a few categories of vocal end-users) tell landlords and building developers that green and sustainable energy efficiencies are a cornerstone of their leasing and occupancy requirements.

Energy use is typically the single largest operating expense in commercial office buildings, representing about one-third of a typical operating budget and accounting for almost 20 percent of the nation's annual greenhouse gas emissions. By embracing energy efficient systems, real estate owners, investors, tenants and users can reduce operating expenses, increase asset value, and enhance the comfort and user experience of building occupants. Owners who can demonstrate a commitment to helping the environment by reducing pollution and harmful greenhouse gas emissions often have a leg up in attracting users looking for space.

In addition to marketplace drivers, tax benefits, favorable investment returns and simply feeling good about reducing one's carbon footprint, new federal, state and local laws continue to be enacted requiring more energy efficiency in buildings.

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By way of example, in April of this year, Congress passed a bipartisan bill known as the Energy Efficiency Improvement Act. A key element of the new federal law is the creation of the "Tenant Star" voluntary certification and recognition program run by the U.S. Department of Energy and the Environmental Protection Agency to promote energy efficiency design and occupancy performance of leased space. One objective of the new law is to encourage green construction and development, which in turn yields improved returns over reasonable pay-back periods while saving businesses money on future energy costs through energy conservation. The new law garnered broad support among various organizations, including the Real Estate Roundtable, Natural Resources Defense Council, American Institute of Architects, National Association of Home Builders, Sierra Club and U.S. Green Building Council to name a few.

Many states, Oregon included, now have laws and regulations in place that require increased energy efficiency in buildings by reducing consumption of electricity, natural gas and fossil fuels. An ever-increasing number of states are adopting energy efficiency mandates for public buildings through legislation or executive orders. Nearly every state in the country now has energy efficiency requirements for state-owned or publicly-funded buildings that go way beyond current energy codes. Specific energy saving requirements must now satisfy efficiency standards promoted by groups such as the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) for new and renovated facilities.

Even at the municipal level, new laws and regulations are taking effect. Portland has recently become the 12th city in the nation to mandate energy reporting by commercial building owners. The new policy requires commercial buildings of a certain size to track and report building energy use. Not surprisingly, building owners and operators often find ways to reduce energy use by making minor adjustments after a quick review of the data that is being tracked and reported.

Simply put, having and encouraging energy efficient buildings is a good policy for responsible building ownership, ultimately improving the end-user experience and the bottom line. ■

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