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Your Accounting for a New Economy

LEED Certification for Existing Buildings: Could Going Green be the Key to Reducing O&M Costs?

“The greenest building is the one already built.”

Over the last few years the Real Estate industry has seen a lot of attention given to Leadership in Energy Environmental Design (LEED) rating system for New Construction (NC), but the benefits of LEED NC pale in comparison to the potential shown by LEED Certification for Existing Buildings (EB). Since the U.S. Green Building Council (USGBC) released its LEED EB rating system 5 years ago, they have seen a marked increase in interest among owners of existing buildings. Initially existing buildings registered and certified by the USGBC represented only 2% of the overall total, however recently that number has grown to a national average of 10%. North Texas has continued the trend with existing buildings making up 9% of all buildings registered and certified by the USGBC in the Metroplex.

When you look at the data the advantage for the USGBC to focus on existing buildings as opposed to new construction is clear. The vast majority of LEED EB's are made up of commercial and corporate real estate with an average Gross Square Footage (GSF) of over 450,000. This stands in stark contrast to the GSF for LEED NC which averages to a paltry 175,000 GSF. Any gains the USGBC makes in the EB sector is 80 – 100 times larger than the gains made in the NC sector. This means they can make a much larger impact over a much shorter period of time. Is there any wonder why the USGBC has dedicated so many of its resources to LEED certification and testing to existing buildings?

However, for owners of existing buildings looking to use the rating system and reduce some of their own operational costs, the standards detailed in LEED EB O&M 2009 are stringent.

For example:

- Historical energy usage must be reduced by 20%.

- More efficient plumbing and fixtures are required than those used in most existing buildings.
- Waste sent to landfills must be reduced by increasing the recycling of durable goods and ongoing consumables.
- Usage of more environmentally responsible products must be increased.

To bring an existing building up to LEED EB standards can mean a significant initial investment requiring a retrofit of many of a building's most vital systems, such as energy and plumbing, but the improvements in air emissions, waste disposal, and energy and water consumption can make it well worth your while. In addition, many state and local governments offer tax credits and/or incentives for the placement of energy efficient components in existing buildings. The Database of State Incentives for Renewables & Efficiency (DSIRE) identifies tax incentives available from each state at www.dsireusa.org/summarytables/finee.cfm.

For more information on LEED EB O&M 2009 you may visit the USGBC website at www.usgbc.org or you can visit the main DSIRE website at www.dsireusa.org.