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FINANCIAL FOCUS



Lane Gorman Trubitt, PLLC
Accountants & Advisors

Your Accounting for a New Economy

Going Green to Make Some Green: How LEED Certification Can Impact Resale

With increasing popularity, incentives, and regulations regarding LEED and other green certifications more and more companies are considering the impact of converting their current properties to green buildings. Upgrading your properties today could actually help you find tenants or a new buyer tomorrow.

As energy prices rise and federal, state and local governments begin to crack down on energy usage the demand for green buildings will continue to climb. This simple truth will drive commercial property owners and operators to establish energy efficient retrofitting initiatives at unprecedented levels. But how does this push to go green affect the leasing and resale of commercial property?

- Less energy efficient buildings have already dropped in demand
- Less energy efficient buildings have a greatly reduced prospective tenant pool
- Rising energy prices are a major concern for triple-net lease tenants
- New regulations and building energy codes may have an impact on a Commercial Property Condition Assessment
- Potential investor demand for the identification of energy efficiency retrofit opportunities with compelling ROI and payback terms and asset enhancement value
- Increased Investor/Tenant demand for LEED Certified property

Despite all the benefits associated with making a current property more energy efficient, there are still some questions you should answer before taking on any project of this magnitude.

- How will you assure a potential investor that your property is LEED certified?
- What level of LEED certification is most desired by in your property's location?
- Once you obtain LEED certification, how will you assure potential investors that you have maintained the level of energy efficiency necessary to retain certification?
- What safeguards are in place to help you determine if/when your property falls below LEED certification standards?

The legal landscape of the last few years has been littered with lawsuits addressing the misrepresentation of energy efficient certifications and credentials. It's important that you have a plan in place to protect both yourself, and your potential investors.

If you have any questions, do not hesitate to contact your trusted LGT advisor or Richard Trubitt, the partner-in-charge of LGT's Real Estate Group at (214) 461-1433 or by email at rtrubitt@lgt-cpa.com.