



NEWS TO KNOW

Does Green Building Mean More Greenbacks?

by Michael J. Pratico, Jr., Chairman of the Hamilton Partnership

As the green building wave sweeps the commercial real estate market, many developers (read: skeptics) have asked the question, "Does this make economic sense, or is it just a passing fad?" At the September meeting of the Hamilton Partnership at Roma Bank I posed this question to an esteemed panel representing the development, professional consulting, and municipal communities.



September's expert panel along with Hamilton Partnership President Michael Pratico, Jr. and Executive Director Jack Rafferty

With over 15,000 projects in the process of securing LEED certification with the US Green Building Council (USGBC), the panel agreed this is beyond a fad. Patrick A. LaCorte, a panelist speaking on behalf of the USGBC, commented that the hype of reducing long-term operating costs and only nominal increases in development costs is becoming a reality locally. The jury is still out on exactly what the increased soft and construction costs are. That means there is still real risk for a developer going green. The data is also thin with respect to what premium, if any, tenants and buyers are willing to pay for green space. A study undertaken by CoStar suggested that rents and sale prices increased significantly. In this market, can companies afford any premium? Perhaps the better question is, can they afford not to?

Richard Carroll, a Trenton-based architect and LEED AP, noted that while some of the more cutting-edge materials and approaches may meet resistance, most municipal officials are embracing green building concepts. A case in point is Hamilton Township. Under the mayor's guidance, Richard Balgowan and Richard Watson, along

with other township offices, members of the development community, and the Hamilton Partnership, Hamilton is in the process of developing one of the first LEED (Green Building) ordinances in the area. It will likely be an incentive-based system that encourages green building principles in the private and public sectors.

Building green represents somewhat of a dichotomy in construction. On one hand, some basic green principals have been in practice for some time (take igloos, for example). On the other hand, we have only begun to scratch the surface of the potential of new technologies and practices. The developers and businesses that look to build green are paving a new path, but I believe it is one that will continue to be well traveled.



The presentation drew a number of community leaders including Hamilton Mayor John F. Bencivengo

About USGBC

The U.S. Green Building Council (USGBC) is a non-profit organization committed to expanding sustainable building practices. USGBC is composed of more than 15,000 organizations from across the building industry that are working to advance structures that are environmentally responsible, profitable, and healthy places to live and work.

About The Hamilton Partnership

The Hamilton Partnership, a nonprofit corporation, is a vital forum for the advancement of Hamilton Township's economy. For 20 years, the organization has fostered a critical dialogue with local officials to retain local businesses, attract new commerce, and help business owners capitalize on emerging opportunities while conveying and preserving the spirit and values that are part of Hamilton's quality of life. For more information about the Hamilton Partnership, please call (609) 947-6187.