

ENVIRONMENT®

Chelsea Group's Newsletter of Building Science Applications
For Owners, Asset Managers, and Property Managers of Real Property

Second Quarter, 2009

HIGHLIGHTS

Breaking Story:

"LEED Version Change Spurs
Early Registration"
See article on Page 1

Portfolio Strategy:

Sustainability Investment
Remains as Rare Bright Spot
See article on Page 2

Award Winning:

Dave Munn wins AEE
Region V Award
See events on Page 2

Learning Opportunities:

"BOMA Hawai'i Sustainability
Week"
Honolulu, May 11- 15

"Building Sustainability and Asset Optimization"

Honolulu, July 10th

Available on the Web:

www.chelsea-grp.com

"BOMA of Greater Phoenix: Right on Target"

"Asset Optimization in a Highrise Building"

"Annual IAQ Monitoring at a Midwest Office Building"

"In the LEED at World Trade Center 7"

"LEED Logic for an Existing Building Portfolio"

SPECIAL EDITION:

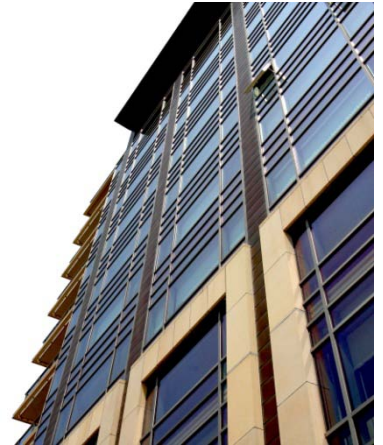
LEED VERSION CHANGE SPURS QUICK REGISTRATION – ACT NOW

The US Green Buildings Council announced its new 2009 version of LEED for Existing Buildings and will close registration for the 2008 O&M version on June 26, 2009. For building owners and managers assessing their potential for LEED certification, registration on or before June 26 will allow greatest flexibility in choosing the best path for their building.

"With every version change comes uncertainty and added cost to buildings that are in the process of developing their strategies," said George Benda, CEO of Chelsea Group. "We STRONGLY recommend registering in the 2008 O&M version to allow yourself the flexibility to apply the most cost effective approach in pursuing your sustainability goals," he added.

Chelsea Group, with now more than 400 commercial buildings comprising over 125 million square feet moving forward in its sustainability management process, is working on projects around the country, many facing the decision of when to register for the LEED process with USGBC. "There are plusses and minuses on both sides," remarked Lois Grobert, National Accounts Director with Chelsea Group. "The advent of regional credits may make sense for some projects, but overall the certainty of knowing what is required in the 2008 program makes it worth registering now"

Continuing problems of incomplete information and non-functional forms have made it impossible to quantify changes in the 2009 version. Watch this space for updates as reliable information emerges.



EVENTS**BOMA HAWAII SETS SUSTAINABILITY AGENDA FOR 2009-2010**

The Building Owners and Managers Association, Hawaii, organized a weeklong series of sustainability events cosponsored by local chapters of USGBC, ASHRAE, IREM, CCIM, as well as the Hawaii Green Business program. Supported by extensive corporate sponsorships the events drew more than 200 participants. The week was chaired by Chelsea CEO, George Benda. Speakers included Hawaii Governor Linda Lingle's top policy aid, Linda Smith, and BOMA Hawaii President, Corinne Hiromoto. The final day featured a summit meeting where the assembled group set priorities for the coming year in action for a more sustainable commercial real estate industry in Hawaii.

CHELSEA GROUP NAMED ARIZONA PUBLIC SERVICE TRADE ALLY OF THE YEAR

At a Trade Ally Breakfast meeting on February 19th, APS recognized Chelsea Group's contribution to the Solutions for Business program. APS presented Chelsea's Dave Munn the prestigious Trade Ally of the Year award.

MUNN: AEE REGION V "ENERGY ENGINEER OF THE YEAR"

Dave Munn, Chief Technical Officer at Chelsea Group will receive the award November 3.

UH MANOA FEATURES COURSE BY GEORGE BENDA

July 10, George Benda will teach a seminar on sustainability and asset optimization

OUT OF THE WORST OF TIMES: SUSTAINABILITY INVESTMENT REMAINS AS RARE BRIGHT SPOT

Tough times continue to make headlines. The wise owner, we are finding, sees that "this too shall pass." Eventually the economy will sputter and backfire no more, the engine will start and the economy will gradually roll back into high gear. What, this savvy owner asks, should I be doing while the markets are down?



Our work with Real Estate Investment Trusts, pension funds, and major asset management firms tells us that a large portion of these folks see that repositioning their buildings now will help along the return of good financial times. And the watch word for them is ... sustainability.

There are three motivators working at the same time for these folks.

In one group of office buildings comprising over 7 million square feet, a full on-site sustainability audit showed an overall group investment of \$13 million would yield an internal rate of return of 44% and a net present value in excess of \$24 million

- First, savings on efficiency improvements provide a high return on investment
- Second, there are solid Washington drumbeats that some form of carbon tax is in the offing
- Third, green is the new gold when it comes to building resale

This same portfolio operates 34% below the national average in carbon production per square foot of space. Further, if they implement the outlined programs, in the space of a year, that same portfolio will be 43% below the national average. However the carbon tax impacts commercial real estate, these folks will likely be 43% ahead of the crowd.

Many real estate industry leaders believe that future building selling prices will depend on how efficient and sustainable a property proves to be. The proactive owners are transforming their "energy hogs" into silk purses in preparation for the next buying spree, projected now for 2011.

Immediate improvements in NOI and positioning for future capital gain both come from sustainability actions. Pursue the "green path" now and there may be "gold" in your future.

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