



## **NEWS RELEASE**

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## **Quiet Revolution in Commercial Real Estate**

PHOENIX -- With little fanfare, a marriage of financial and environmental sustainability has occurred in the commercial real estate industry. Chelsea Group, Ltd., announced today it had completed Phase II of its sustainability management programs for a seventh major commercial real estate portfolio this year.

Chelsea Group, Ltd. is a Hawaii-based Illinois corporation with operations in Honolulu, Phoenix and Chicago.

Some of the best known names in the real estate industry have quietly used the Chelsea Group approach to define a sustainable path to the future, identifying, quantifying and beginning to reap both environmental and financial benefits in the process.

The numbers are big. Across the seven real estate portfolios, a total of 108 properties comprising over 51 million square feet of commercial real property were thoroughly evaluated for their sustainability performance and potential. Asset categories include commercial office, retail, industrial, hotel, multi-use, and multi-family residential apartments.

"Beyond the motivation of doing good, which is where this all started," explained Chelsea Group CEO George Benda, "these leaders in the commercial real estate industry had the vision to see both that future tenants would demand environmental sustainability for their properties and that implementing the projects that would 'green' those properties would cut operating costs."

The estimated total investment to optimize sustainability performance in these properties is about \$59 million. Resulting annual savings from the investment will be about \$19 million.

“Across just these 108 properties, the owners will realize a net present value (NPV) on these investments of over \$134 million,” explained Benda. He added that there are several ways to look at those numbers: in addition to the financial benefits, the environment wins with carbon emissions reduced 60,000 tons per year, the equivalent of over 9 million trees planted or over 4,500 cars taken off the road. Another way to look at the benefits is through the U.S. Department of Energy “green jobs” calculator which shows that this work would generate or preserve 640 jobs in the building trades.

Putting hard numbers to the sustainability opportunities in diverse asset categories required groundbreaking approaches and highly disciplined consistency, according to Benda. But the reward was clear, actionable data that could be grasped by non-technical asset managers, the investment professionals who make decisions on what investments will be made at commercial real estate funds.

“Like many things in the technical universe,” Benda said, “the simpler the end product is to grasp and use, the harder it is to get there. We took the wide range of variables both in the features people consider to reflect sustainability and the diverse systems and designs among buildings, and we found the common denominators to benchmark and project sustainability performance improvements.”

### **About Chelsea Group**

Chelsea Group is a leading firm in building science consulting, providing engineering, architectural, and industrial hygiene services to the owners of commercial and institutional real estate since 1990. The firm’s work includes property condition assessments, energy conservation, indoor environmental assessments and remediation, flood recovery, and LEED Certification support.

### **Available additional information resources**

Presentation by George Benda, case study on office property sustainability:

<http://www.chelseagr.com/pdf/Chelsea%20Group%20Sustainability%20in%20Existing%20Buildings.pdf>

Names of commercial real estate industry representatives familiar with the process are available on request.

Address any inquiries to <http://www.chelsea-grp.com>.

### **Contacts**

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