

LEED Logic for an Existing Building Portfolio

Background

A global financial company with real estate holdings and asset management services faced the challenge of developing a strategy that would maximize the effectiveness of its investment in sustainability for its portfolio of approximately 160 properties. The company contacted Chelsea Group, which offers a streamlined, cost-effective method to evaluate building portfolios and to direct the LEED certification application process.

Chelsea Group, Ltd. and the financial company came to an agreement to assess, improve and certify a select group of its existing buildings under the U.S. Green Building Council (USGBC) Leadership in Energy and Environmental Design (LEED) for Existing Buildings (EB). LEED-EB provides a system of benchmarking to show that certified buildings offer high quality indoor environments, minimize waste to sewer and landfill, and use water and energy efficiently. At present, LEED-EB provides what might be termed the “gold standard” for sustainability in commercial real estate.



Chelsea Group recommended a simple, step-by-step approach that provides immediate and ongoing assessment of the portfolio: first, determine the feasibility for each property to meet the prerequisites for LEED certification; then, establish a current US EPA Energy Star ranking for each property, which is a critical element of LEED certification and benchmarking of building energy efficiency; and finally establish a LEED certification strategy (certified, silver, gold, or platinum) and preliminary cost and savings estimates for each selected property. Selected buildings then proceed through a combination of an investment grade LEED audit and retro-commissioning by Chelsea Group. As specific properties near the potential for LEED-EB certification, Chelsea Group prepares registration and final application for certification with USGBC.

The key differentiator of the Chelsea Group LEED-EB program is its set of online tools for rapid assessment of key sustainability factors. The financial company recognized the high value in having a series of screening steps that cost-effectively allowed the company to meet this challenge. The financial company used the outputs from Chelsea’s online assessment tools as a guide to establish priorities among buildings and to move forward on sustainability projects and LEED-EB certification.

The Process

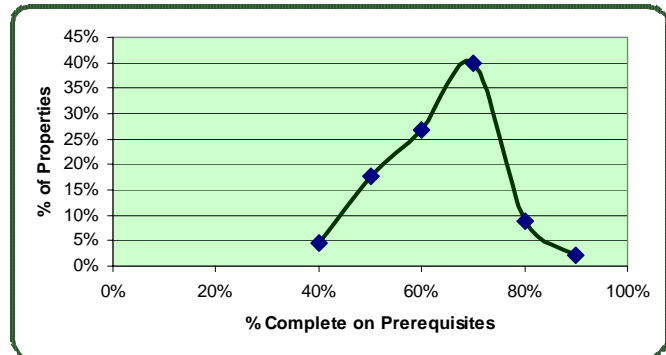
Building Prescreening for Basic Sustainability Factors

Having reviewed the Chelsea Group process, the financial company quickly started about one-third of their properties on the first step. This is an efficient screening to rapidly determine the feasibility of achieving

LEED certification for existing buildings at participating properties. The property manager and building engineer at each property worked together to complete an on-line prescreening process that takes about 20-30 minutes.

Prescreening of the properties produced an overall assessment of the degree to which managers in each building had completed prerequisite elements of the LEED-EB program. Chelsea Group prepared a report of the analysis of the data collected from the on-line prescreening questionnaire, including weighted numeric performance analysis and ranking, description of areas appearing to meet LEED-EB prerequisite requirements, and suggested actions to meet each prerequisite.

The reports were delivered to the building managers at each property and the financial company management. At regular intervals results from all of the participating properties were summarized in a portfolio report that provided a ranking of properties based on their status relative to achieving LEED-EB prerequisites.



In the early stages of the assessment process, the company was able to quickly and efficiently organize and prioritize its portfolio. They could begin to determine whether it would be cost effective to pursue any form of LEED certification for each property. Based on the strategies determined by management with the guidance of Chelsea Group's LEED experts, the properties are beginning to filter through the next steps, working their way toward LEED-EB certification.

Immediate results: The prescreening process allowed the company to determine the highest priorities for implementing sustainability projects among their properties. The process took minimal time away from the normal duties of the property manager and building engineer at each site. The result was data and analysis with value well in excess of cost.

ENERGY STAR RANKING AND LABELING

The second step in the LEED-EB process relates to one critical prerequisite item – screening each property for its Energy Star rating from the US EPA. Chelsea Group assisted in an Energy Star review, beginning with compilation of utility data and a wide range of information about the building. That information was entered into the US EPA Energy Star “target finder” program to obtain a preliminary report on building energy performance. Chelsea Group then provided engineering analysis required by the Energy Star program for buildings to achieve Energy Star Labeling under the US EPA program.

Immediate results: Qualifying properties received their Energy Star Label, an immediate indication of their energy efficiency that represents a valuable marketing tool for leasing space at labeled properties.

Checklist Assessment and Gap Analysis

The third step in the program is a checklist assessment of how each selected property will score in the LEED-EB certification process. Assessment of the top ranking locations based on the prescreening process, plus other strategically selected buildings, was done in on-line meetings of the property manager and building engineer at each subject property with a LEED expert from Chelsea Group. The meetings, which require about four hours of team effort, produce data and bring consensus decision making on what LEED credits are easily attained, which should be pursued, and which items are not feasible.



Chelsea Group then prepared a report based on information gathered during the meetings that allowed management to determine whether or not to proceed to certification and if they wished to pursue higher levels of LEED-EB certification (silver, gold, or platinum). The report includes clear discussion of specific actions required to bring the subject property up to LEED-EB requirements, as well as a preliminary cost and savings estimate to implement such a program. Sufficient detail is provided to guide both portfolio level decision making and planning on site for future sustainability efforts.

Immediate results: The checklist assessment prepared the selected properties to move into the LEED-EB certification process smoothly and efficiently. Based on the reports, decisions about when and how to proceed can be consistent and cost effective.

Ongoing Results

The reports developed from prescreening and checklist assessment show some of the anticipated benefits of applying Chelsea Group's program and pursuing LEED-EB certification:

- Reduce operating costs
- Return on investment
- Improve energy use
- Smaller carbon footprint

Corporate management found that following Chelsea Group's process emphasizes their company's focus on sustainability to participating managers and engineers. This message of the importance of sustainable practices is imprinting on other areas of their building management.

Decisions will be forthcoming on which projects to register for LEED certification and then proceed with an investment grade LEED audit and retro-commission, a combined process that optimizes both functions and has an anticipated payback of less than one year from resulting operating savings.

As specific subject properties near the potential for LEED-EB certification, Chelsea Group will play the critical role of the LEED Accredited Professional (LEED AP). Chelsea Group will assist in the completion of the registration of the project and submittal of related documentation. Chelsea Group can then assist in the development and implementation of site-specific projects that will enhance energy performance and sustainability. These projects and related documentation will be assembled by Chelsea Group and submitted to USGBC for certification.

By simplifying the process with online tools Chelsea Group has been able to offer this company a cost-effective means of moving through the process. That saves money to invest in real improvements that will enhance the sustainability of their properties, not just paperwork.