

Buildinggreen

MICHELE LERNER

for Today's Consumers

Recycled materials, low-flow faucets, and upgraded mechanical systems are just some of the sustainable strategies being incorporated into green multifamily housing today.

Though climate change may have stolen the headlines in 2007, green housing did not grab the attention of all consumers: to date, only a few environmentally savvy buyers and renters have sought housing employing a wide range of sustainable building practices. A larger number are primarily interested in energy-efficient features alone because of the long-term cost savings they provide, while many more consumers have little understanding of green building and its personal and social benefits. For those buyers interested in choosing an environmentally friendly home, the question of whether that home will be affordable ranks as their biggest concern.

A green roof, which helps manage stormwater and lower rooftop temperatures, will double as an amenity at the Visionaire, a 35-story condominium building being developed by the Albanese Organization in New York's Battery Park City.

Nonetheless, a few forward-thinking developers have already built condominiums and apartments that offer green features, and more are gearing up to do so as general concern about the environment increases. These developers offer myriad reasons why they decided to engage in sustainable construction. For some, particularly those focused on affordable housing, the financial benefits of energy efficiency for renters and homeowners are of paramount importance. Other builders concentrate on sustainable design because they simply believe that it produces higher-quality structures. Tax incentives and local laws that encourage construction of sustainable buildings also influence choices.

Meanwhile, better materials and strategies are making it easier for developers to give consumers a green product, as are new guidelines and tools tailored to residential construction. Among the new residential guidelines are the U.S. Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED) for Homes program, which was introduced in December (see "Is LEED Certification Worth It?" page 32), and the National Association of Home Builders' (NAHB) National Green Building Program, which was launched in February and includes an online scoring tool (www.nahbgreen.org).

The Albanese Organization

Based in Garden City, New York, the Albanese Organization began building sustainable buildings as a public/private partnership eight years ago, starting with the 27-story, 293-unit Solaire, which was completed in New York City's Battery Park City in 2003 and became the first residential apartment high rise to be LEED certified at the Gold level. The Verdesian, another New York City rental development, recently became the first LEED Platinum-certified residential tower in the United States. The 27-story, 254-unit building was completed in 2006. The company also hopes to achieve Platinum certification for its current condominium project, the Visionaire. This 35-story, 251-unit building, also in New York City, is expected to be completed this year.

"There's been a technological evolution since we started green building, with advancements in materials that are available now, such as formaldehyde-free wood products and FSC- [Forest Stewardship Council-]

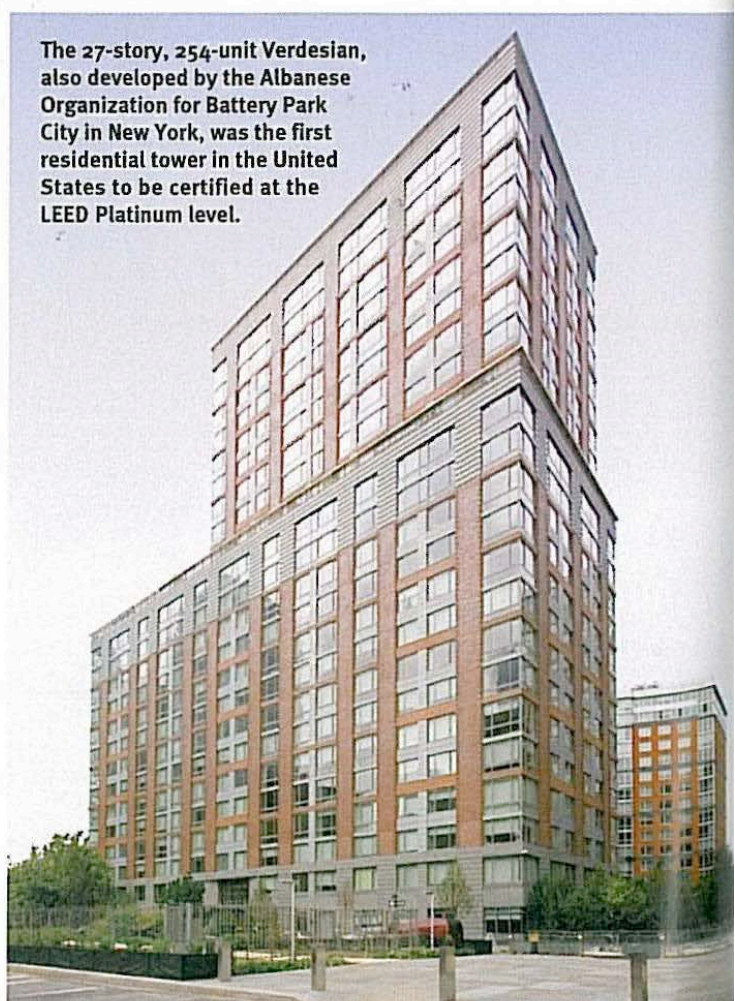
certified flooring," says Russell Albanese, president of the Albanese Organization. "Just a short time ago, contractors complained that ecofriendly paints were not as good quality, but now they are preferred by everyone."

Albanese says a minority of buyers in the past asked for green features, but now environmental considerations have become more important. "Buyers want to make responsible purchases, and while the view, the size of the apartment, and the location are still important, green elements are now part of the criteria," he says. "In New York City, buyers are looking for good air quality and air filtration, energy efficiency, and a high-quality HVAC [heating, venting, and air-conditioning] system."

In New York City, energy costs are relatively low compared with housing costs, Albanese says, so the long-term operational savings associated with energy-efficient features are not very important to buyers of market-rate housing.

According to Albanese, some of the green elements in the company's portfolio of buildings were shaped by perceived buyer demand. For example,

The 27-story, 254-unit Verdesian, also developed by the Albanese Organization for Battery Park City in New York, was the first residential tower in the United States to be certified at the LEED Platinum level.





though the company had to install green roofs in the Verdesian, the Solaire, and the Visionaire in order to achieve the desired level of LEED certification, it chose to turn these utilitarian elements into roof gardens to create tenant amenities.

Other green elements were not installed to obtain LEED points, but rather to provide what the developer thought potential residents would want. For example, water filtration devices were installed in the kitchens of all three projects to encourage residents to use New York City's high-quality water rather than bottled water, even though LEED offered no points for this approach. Also, in the Visionaire, the developer installed dual-flush toilets and an on-site wastewater treatment system that recycles water to the toilets, even though this also was not part of the LEED program.

The Solaire cost significantly more to build than a conventional building because it was the company's first green building, Albanese says, but now sustainable building costs are similar to those of any high-



quality construction. In addition, the company believes these added features are worth the investment. "We definitely get higher rents than competing buildings because a higher-quality building is in demand and buyers are interested in the green features," he says.

The Tower Companies

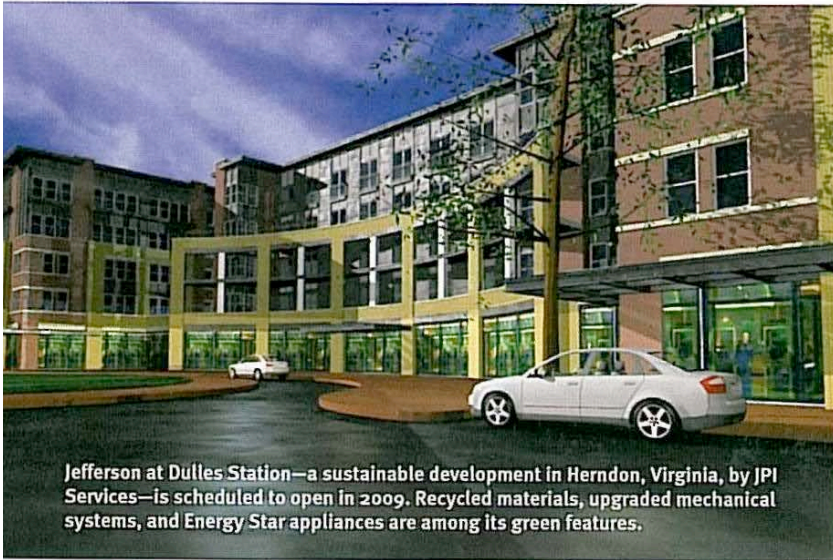
Green building has been a focus of the Bethesda, Maryland-based Tower Companies since 1996, according to Mamie Abramson, principal and director of marketing and public relations. The developer was the first to build a LEED-certified multifamily residential complex—Blair Towns, a 78-unit, townhouse-style apartment project in Silver Spring, Maryland, which was completed in 2003.

Despite its own enthusiasm for the project, the company found that marketing the rental community was a challenge. "We expected that, given the opportunity to move into a green building, people would be interested," says Abramson. "But we had a hard

Blair Towns (above and above left), the first LEED-certified apartment complex in the United States, was built in Silver Spring, Maryland, by the Tower Companies. The development uses nontoxic paints, carpets, sealants, and adhesives; offers Energy Star appliances; and provides a state-of-the-art trash compaction system and recycling program.

time connecting people with what green meant to them. They did not necessarily believe us when we explained that the homes were 30 percent more energy efficient." In fact, recalls Abramson, some of the first tenants of Blair Towns thought their meters were broken because their electric bills were so low.

Even today few people come to Blair Towns for the green features. "On the commercial side, given the opportunity to select the same product, people



Jefferson at Dulles Station—a sustainable development in Herndon, Virginia, by JPI Services—is scheduled to open in 2009. Recycled materials, upgraded mechanical systems, and Energy Star appliances are among its green features.

opt for a green building," says Abramson. "But on the residential side, decisions are made based on [the rental or purchase] price." To help educate potential tenants regarding the benefits of green buildings, the Tower Companies provides them with a printed guide that explains the value of the green features—even those they cannot see.

JPI Services

JPI Services, a national multifamily developer based in Irving, Texas, has seen an increase in interest in the environmental aspects of housing, says Henry Pye, assistant vice president of the firm. "Judging by the high level of Prius sales, we think people want to live in a better, environmentally concerned development," he says. For at least the past 18 months, renters in JPI's communities have been asking about conserving water and electricity and about improving air quality, he adds.

JPI is currently building Jefferson at Dulles Station, a sustainable development in Herndon, Virginia, which will consist of two apartment buildings—one four stories tall and the other five. The development is expected to open in 2009. JPI sees green features as a way of setting its projects apart from the rest.



Enterprise Homes included energy-efficient features and used low-volatile-organic-compound paints and sealants in the affordable rental homes at **New Shiloh Village Senior Living** in Baltimore. The development, which opened in 2007, was designed by **Hord Coplan Macht** of Baltimore.

"In the Herndon submarket where you have 3,000 other apartments, you need to find a way to distinguish your project from everyone else's," says Pye. Construction is also slated to begin later this year on another green JPI development—a high-rise apartment in southeast Washington, D.C.

Recycled materials, waste-management systems, low-flow showerheads and faucets, Energy Star appliances, lighting improvements, better insulation, high-performance windows, and upgraded mechanical systems with better ductwork are among the strategies JPI uses in its green residential projects.

JPI spends 4 to 4.5 percent more to build green buildings than it does on conventional structures,

Pye says, and its renters are willing to pay 2 to 3 percent more for this type of product. The building owners make up the difference with the energy costs saved in the common areas.

It may be harder to justify the additional cost when building affordable homes, Pye says. "Everyone wants green building, but not everyone can afford to pay for it," he notes. JPI looks at developments on a case-by-case basis. "What's critical is doing green building and making money at the same time," he says. "That's the threshold we need to get over—making this profitable."

Pye recommends that developers doing their first green project work with experts in sustainable design. "There are [many] ways to do green building, so it makes sense to work with knowledgeable consultants," he says. "Adding time to the design cycle and working with people with experience can actually limit the cost increases associated with green building. Time costs money, but with any

sustainable project, using a performance approach and making sure everything works together will save more money in the end."

Despite JPI's positive stance, the company acknowledges that only a small fraction of consumers are environmentally conscious. "Only about 15 to 20 percent of the population really knows about green building and wants it," says Pye. "Most of the rest just don't understand it yet. We'll be teaching our leasing individuals how to explain what's different about green features and starting a big educational push to other people interested in responsible design."

Enterprise Homes

Sustainable design has become the norm for Enterprise Homes Inc., says Chickie Grayson, president and CEO of the Baltimore-based division of Enterprise Community Investment Inc. "Our motivation has been due to both our commitment to sustainable design,

as well as a need to comply with the requirements of various lenders," he explains.

Green building features tend to add 5 percent or less to the cost of Enterprise's developments, Grayson reports. In its affordable housing projects, the additional costs are not passed on to renters, but instead are wrapped into the financing through government subsidies and incentives. In the firm's market-rate developments, the added costs are passed on to buyers.

The company focuses on reducing utility costs to residents by installing high-efficiency HVAC systems, Energy Star appliances and lighting fixtures, and low-flow plumbing fixtures.

But operational cost reduction is not the only advantage provided by green housing. According to Grayson, one resident of an Enterprise green home said her asthma disappeared after she moved in. In addition, when site selection is taken seriously, the entire community can benefit. "Building close to public transportation and services means that people will use their cars less," Grayson explains. Limiting the number of vehicle miles traveled translates into a reduction in the amount of greenhouse gases and other pollutants released into the atmosphere (see "Location, Location, Location," page 18).

Grayson believes that people are becoming more in tune with the concept of sustainable design. "We market all our projects as green developments, and what we need to show people are more examples of people like the woman who doesn't have asthma anymore," says Grayson. "There's still some lag time in people's understanding, but I think people are starting to look at environmental issues as affecting their grandchildren and beyond." **MFT**

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