

# BROKERS WEEKLY

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## Buyers snap up city's green scene-stealers

### Eco-friendly homes all the rage

By MAGGIE HAWRYLUK

Movie star Leonardo DiCaprio may be New York's most famous "green" resident, but more and more New Yorkers are taking a leaf out of the environmentalist's book and buying an eco-friendly home.

"Green" is one of the most popular search words on Google," said Corcoran's Jeannie Woodbrey, director of sales at The Laurel, who explained, "We have a pretty extensive Web site where we track incoming traffic and it seems that people who are coming to us care about green — it's much bigger than I expected."

Alexico Group, developers of the luxury building at 400 East 67th Street, is not just working toward building a LEED-certified project, but is also focusing on promoting a healthier way of life for its residents with bike racks and storage and a bi-level fitness and triathlon training center. "People are getting more into it," Woodbrey said.

The Laurel is one of a plethora of green

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towers the city has to offer that includes a concentration of projects in Battery Park City where DiCaprio has a unit in the Sheldrake Organization's Riverhouse.

Battery Park is the home of the nation's first LEED certified residential tower, The Solaire and at The Visionaire, the Marketing Directors' Ann Froelich, sales manager for the tower, said she's seen a noted increase in buyers looking for a sustainable building that they can call home.

"We opened last spring, and at that point, I don't even think that 5% of the people coming in cared about the green features," she recalled of the clients coming in to view the Albanese Organization-developed project.

In fact, she said her first buyer, who purchased two penthouse units days after sales opened, basically zoned out when she told him about such features as solar panels, a water treatment and recycling system and wind-generated power supply.

"I tease him that his eyes were glazed over when I was going over all of the features, but it had won him over," she said, laughing. "I was so happy."

But a mere year later, Froelich said she's had two buyers purchase solely on The Visionaire's green aspects, and she has seen a notable majority showing interest in the features.

David Maundrell, president of Brooklyn-based aptsandlofts.com, said that now is a critical time to educate buyers about sustainable living. The campaign at Greenbelt, which is being touted as Brooklyn's first LEED-certified residences, centers

on schooling, with such community programs as an organic fashion show and green cooking classes.

"We have people who are extreme about it, and will buy; and then you have people who learn about it, think it's cool and then buy into it," he said. "The concept was to teach people about Greenbelt because there's more features than are offered at the others."

The building, at 361 Manhattan Ave. in Williamsburg, has wind-powered electricity, floors made from rapidly-renewable materials and solar panels.

"The whole approach is, unless you're a fan, people have a lot to learn," he added. "We teach them about the benefits."

And, according to Woodbrey, we'll all be fans as more and more people become involved in the movement.

"From here forward, developers will lean toward green," she said.

"I don't think they'll have a choice," she added. "We've finally come to a point that people won't just sit by while icebergs the size of Connecticut just melt away. It's way over time that we starting taking steps."

It's not just new developments that are making moves toward greener living. Barak Realty's MaryJo is working with Landmark West, a non-profit community group, to arrange an initiative that will encourage residents to green their outdoor spaces.

The plan, which is in its infancy, would subsidize renovations for Manhattan property owners if they improved their gardens under certain guidelines.

"If you lay the groundwork with certain porous materials, it helps rain-water drain through," said MaryJo. "And if certain trees are planted, they could help lower temperatures by a degree or two."

She added that under the proposed program, an engineer would advise residents as to the best ways to transform their concrete slabs into a garden of green.

Shaun Osher, chief executive officer of CORE Group Marketing, said the majority of projects CORE has in the pipeline are aiming to be LEED-certified.

"Buyers are slowly beginning to be more educated on the value of living in a more sound environment," he said. "Within the next five years, the entire landscape will change, and developers are very open to these changes. They're willing to absorb the costs upfront."

And with this changing real estate landscape, Osher predicts the marketing will change, as well.

"The more buyers become educated about [green living], the less face-time it will get," he said. "It will become more of a footnote with everything else."



The Visionaire in Battery Park City is a top seller among environmentalists.

## Developers: Build it and they will come

By JOHN MAJESKI

It's no secret that green has been the new black within the construction industry.

Customer demand, government regulations and media interest have contributed to the stunning rise in eco-friendly building. But ask five different developers what it costs to build green and you're likely to get five different answers.

The U.S. Green Building Council-New York is currently at work on a study to determine the cost of eco-friendly construction on a per square foot basis throughout the five boroughs. To be completed in the summer, the study will also examine leasing data.

That developers use eco-friendly amenities is simply a given in many instances these days. "Green building is like air-conditioning," said Russell Unger, executive director of the New York chapter. "In large buildings, you just need it."

"Among sophisticated developers, (cost) isn't the issue anymore," he

added. "Their buildings have to be LEED-certified because that's what the market requires."

The question about the bottom line has been around for years, but clearly is still a hot topic in some circles. A 2007 study by the World Business Council for Sustainable Development found that industry workers overstated the costs of green building by more than 300%. Respondents in the 1,400-person global survey estimated that eco-friendly construction costs were 17% more than conventional costs, while the actual figure was around 5%.

Proponents, of course, have repeatedly touted the savings on energy efficiency and other long-term benefits when sustainable techniques are employed. A 2003 report for California's Sustainable Building Task Force noted that increases in upfront costs of 2% for green design would, on average,

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Jeannie Woodbrey

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create a “life cycle savings” of 20% of total building costs.

“For example, an initial upfront investment of up to \$100,000 to incorporate green building features into a \$5 million project would result in a savings of \$1 million in today’s dollars over the life of the building,” the report states.

The Albanese Organization built the Solaire in 2003, which became the first residential tower in the U.S. to achieve gold LEED status. Michael Gubbins, vice president and director of residential management, said using green materials drove up the cost an estimated 15-20%. But factoring in the

eventual energy savings and ability to charge premium rents for eager clients the additional costs dropped to less than 10%, Gubbins said.

“You have to look at the other savings,” Gubbins said.

Albanese is completing the Visionaire green condo development, which is also in Battery Park City.

“People are aware of global warming and negative air quality,” he said of the popularity of going green. “They want to be part of the solution and not the problem.”

Enterprise Community Investment assisted in financing for David & Joyce Dinkins Gardens, a green affordable housing building in Har-

lem. Keith Fairey, Enterprise’s deputy director in New York, said the project had a typical projected cost — green or otherwise.

“It came in at 170-175 (dollars) per square foot,” he said. “That’s a fine construction number.”

Co-developer Jonathan Rose Companies said making the 85-unit structure green — they followed guidelines set up by Enterprise rather than LEED — cost less than 1% of the total construction cost. A rainwater-collection system, energy-efficient appliances and other amenities cut down on savings. Placing the boiler on the roof, rather than in the basement, trimmed expenses by eliminating the need for

a chimney. “When you hear green and think it’s more expensive, it’s because you don’t know how to do it,” said Jonathan Rose.

Predictably, the popularity of green building has had an impact on Enterprise. “There’s a huge appetite for the program,” Fairey said. “It outstrips what we can do in terms of grants.”

Fairey said the cost topic leads to another issue. If green construction allows buildings to operate more efficiently — read: less expensively in the long run — then developers should be permitted to borrow more money from the financial sector, he said.

“The next phase of this is ‘How do you green the financing tool?’ he said.