

## Building Performance and Occupant Satisfaction Tied to Green Investment in New Report

Findings from multi-year study by CB Richard Ellis, McGraw-Hill Construction and the University of San Diego unveiled at Greenbuild



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CHICAGO, Nov. 17, 2010 /PRNewswire/ -- At its core, a green building is a better performing building. It uses fewer resources and offers a better place to work through improved energy and water efficiency, better air quality, and access to natural daylight—but do green buildings make dollars and sense for investors? The [Business Benefits of Green Buildings SmartMarket Report](#), released today by [McGraw-Hill Construction](#), [CB Richard Ellis](#) (CBRE) and the [University of San Diego's](#) (USD) Burnham-Moores Center for Real Estate during the U.S. Green Building Council's (USGBC) [Greenbuild Expo](#) in Chicago, says yes.

As the second phase of an ongoing study initiated in 2009 by CBRE and USD, the report offers a comprehensive look at how commercial building owners, managers, tenant firms and occupants perceive the benefits of green buildings and reveals bottom-line and human factor (health and well-being) benefits that are driving green building growth in the U.S. The findings show that sustainable buildings generate stronger investment fundamentals than their traditionally managed competitors.

"The value of green is undeniable—and delivering during a recession," said Harvey M. Bernstein, vice president, Global Thought Leadership and Business Development, McGraw-Hill Construction. "Owners of green buildings consistently report financial benefits, such as 5% building value increase and 4% ROI, as leading motivators for building green. We also found that people care about the health features of green buildings, driven by access to daylight and better indoor environmental quality."

From a financial perspective, owners of sustainably managed buildings anticipate a 4% higher return on investment; 5% increases in building value and occupancy; 8% drops in operating costs; and 1% rise in rental income. Roughly 79% of owners surveyed believe that green helps them attract and retain tenants, a distinct competitive advantage in a difficult economy. Furthermore, over 70% of surveyed office building owners are already engaged in greening a significant percentage of their portfolio.

"This study underscores the viability of sustainable buildings as smart investments," said Dave Pogue, national director of Sustainability, Institutional and Corporate Services, CBRE. "In addition to the higher occupancy and rental rates we've seen throughout the study's two-year history, the study demonstrates that sustainable practices yield measurably better investment fundamentals. CBRE is proud to work with McGraw-Hill Construction and USD to support greater change within the industry and promote the positive future green building provides."

Greater productivity, satisfaction, health and well-being are also supporting green building growth. 10% of green building tenants have seen improvement in worker productivity, and none reported decreases. Tenant satisfaction increases after green upgrades, with 94% of managers seeing higher satisfaction levels after green projects. But most of all, people care about the health impact of green buildings, including access to daylight and better indoor air quality; 83% of tenants believe they have a healthier indoor environment as a result of green efforts.

"The impact of green on human health and productivity is the holy grail of green building results," Bernstein added. "While this study measures significant benefits perceived today, further measurement is needed to fully capture it. We look forward to continuing to work with CB Richard Ellis and the University of San Diego to track these buildings over time in the pursuit of even more answers."

The largest and longest running study of its kind, this ongoing analysis benchmarks and measures green building benefits and economic outcomes as a framework of investment criteria for retrofit activity. A full update to the 2009 report, [Do Green Buildings Make Dollars and Sense?](#), should be released later this year.

This report follows McGraw-Hill Construction's [Green Outlook 2011 Report](#), which provides a view of the green building market for the past five years and predicts its size in 2015 (\$135 billion), and two publications released by CBRE earlier this month, USGBC's *Green Operations Guide: Integrating LEED into Property Management*, a guide that enables building owners and managers to better understand LEED EB: O&M benefits, and *Law Firms Build a Case for Green: Recent Trends in Law Firm Sustainability Practices*, which highlights sustainability practices among U.S. and global law firms, including a trend toward pursuing LEED certification, and considers costs versus yield of select sustainable strategies.

*The Business Benefits of Green Buildings: Building and Occupant Performance Driving Green Investment in Existing Commercial Buildings SmartMarket Report* is produced by McGraw-Hill Construction, with support from premier partner CBRE and its research partner, USD's Burnham-Moores Center for Real Estate. The corporate contributor is Autodesk. The association partner is the USGBC. The study defines a green building as those with LEED certification at any level or those that bear the EPA ENERGY STAR® label. All of the ENERGY STAR® buildings in the survey group have been awarded that label since 2008. Most of the buildings included in the research have also adopted other sustainable practices like recycling, green cleaning and water conservation. Visit [http://construction.com/market\\_research](http://construction.com/market_research) to purchase a copy of the report. More information is available at McGraw-Hill Construction's Greenbuild booth #801, or visit CBRE at booth #1727.

#### **About CB Richard Ellis:**

CB Richard Ellis Group, Inc. (NYSE:[CBG](#) - [News](#)), a Fortune 500 and S&P 500 company headquartered in Los Angeles, is the world's largest commercial real estate services firm (in terms of 2009 revenue). The company has approximately 29,000 employees (excluding affiliates), and serves real estate owners, investors and occupiers through more than 300 offices (excluding affiliates) worldwide. CBRE offers strategic advice and execution for property sales and leasing; corporate services; property, facilities and project management; mortgage banking; appraisal and valuation; development services; investment management; and research and consulting. Please visit our Web site at [www.cbre.com](http://www.cbre.com).

CBRE was recently ranked #30 among *Newsweek's* greenest companies in America, and #1 among the financial services sector. The U.S. Environmental Protection Agency has named CBRE an ENERGY STAR® Partner of the Year for the past three years, including recent recognition for Sustained Excellence. The U.S. Green Building Council has awarded CBRE its Leadership Award for Organizational Excellence and the industry group, CoreNet, recognized CBRE with a special commendation for Sustainable Leadership and Design Development.

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**About University of San Diego's Burnham-Moores Center for Real Estate:**

Founded in 1993, the University of San Diego's Burnham-Moores Center for Real Estate is committed to delivering outstanding education, industry outreach, career and research services to advance socially responsible leadership in the real estate profession. As part of the University's School of Business Administration, the Center offers a Master of Science in Real Estate degree, an undergraduate minor in real estate, a Certificate in Real Estate Finance, Investments and Development, a Certificate in Land Use and Sustainable Community Development and several major industry conferences throughout the year. For more information, visit [www.usdrealstate.com](http://www.usdrealstate.com).