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## Taking the LEED?

Commercial real estate professionals lack consensus on need to pursue U.S. Green Building Council's certification

Austin Business Journal - by [Kate Harrington](#) ABJ Staff



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Andy Sarwal is lead developer of University Park, which is seeking Leadership in Energy and Environmental Design certification.

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The continually growing interest in building sustainable office space has prompted debate about what standards are best and necessary for green building: Is it worth the time and money to pursue certifications, particularly Leadership in Energy and Environmental Design designations developed by the U.S. Green Building Council, or is it more effective to incorporate green building techniques without the LEED process?

The answers vary widely in Austin's development community as building managers, developers and architects are responding to concern about their buildings' carbon footprints with a spate of green building and retrofitting.

There is no doubt that sustainability in building and design is here to stay, said Dave Tworoger, president of Aspen Properties.

"Many developers will build green because they understand the potential for ongoing operating expense savings and environmental benefits," Tworoger said. "Others will go green because it is being heavily advocated by the federal government and increasingly mandated by cities and local governments."

But Tworoger also said many or all of the green standards and techniques required for LEED designation can be achieved without actually pursuing LEED certification.

"In other words, you can enjoy the benefits of a green building without the administrative burden and related expense of going through the LEED approval process," Tworoger said.

There are also many other standards and designations, said John Sutton, assistant vice president of corporate services for Texas Guaranteed Student Loan Corp. That company wanted to remodel and get LEED certification for its new interior, Sutton said.

“As we progressed through the process, it became more and more apparent that the cost of getting the certification and commissioning was more money than we were willing to pay,” Sutton said.

The company was looking at \$150,000 for the LEED certification process, Sutton said, and the company instead used the Energy Star rating system to measure its sustainable features and energy efficiency.

### **What’s in a name**

Others find that because LEED is a nationally and internationally recognized standard, it’s worth the cost and time to pursue some level of certification.

Heather Case, vice president of operations with ClayDesta Corp., said tenants are becoming more and more aware of the types of sustainable features in buildings, and often want a recognizable standard. ClayDesta acts as manager and partial owner for the Terrace, an office complex in South Austin. Two of those buildings are pursuing LEED certification. Green is great, Case said, but LEED is a well-known standard across the country.

Andy Sarwal, the lead developer of the University Park development, said tenants now want to know what developers are doing to be green.

“Being LEED certified immediately conveys your project met a high degree of green standards and practices,” Sarwal said.

University Park is seeking LEED certification for its site, and each of the buildings that will be in the development.

There are several LEED certified buildings in Austin.

Austin’s City Hall has LEED’s gold certification, while the Seton Family of Hospitals’ Dell Children’s Medical Center has attained platinum LEED certification, as has the nearby Ronald

McDonald House. Both are in the Mueller redevelopment. Also in Mueller, one of Seton’s new administrative buildings has attained silver LEED certification.

### **The cost of green**

The weak economy may give developers pause in pursuing LEED certifications, said Jessica

Lockhart, marketing coordinator with Davis RKP Architects.

“The current economic conditions press LEED certification to a distant thought,” said Michael Krentz, a principal and project designer with Davis RKP. “Most developers in a build, lease and sell

scenario shy away from the certification process based upon their pro forma understanding of the additional costs involved in design, construction and documentation of the building.”

Case said LEED costs can vary widely, depending on whether a building’s team is pursuing LEED from the start of construction or retrofitting an existing building. For ClayDesta’s two Terrace properties, existing buildings, costs so far have ranged from \$60,000 to \$100,000.

LEED costs generally total 1 to 2 percent of a construction budget, Sutton said, so budgeting for LEED costs from the beginning of new construction projects can appeal to developers.