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GOING GREEN

Energy Efficient Investments Pay Off For Apartment Owners, Managers

Residents' Involvement Boosts Recycling, Water Conservation Efforts

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SPECIAL TO BANKER & TRADESMAN

Green practices and sustainable design and construction have long made sense for real estate companies seeking to be viewed as avant-garde and good neighbors.



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But today, going green is much more than an investment in good will. For property owners and managers, sustainable, environmentally friendly practices increasingly are leading to bottom-line profits and enthusiastic residents.

Chestnut Hill Realty, which in 2007 rolled out a comprehensive Live Green initiative to educate its staff and the more than 10,000 residents at its properties about sustainable practices.

The most straightforward and large-scale area in which apartment owners and managers can make a difference in the environment is through their buildings' heating, ventilation and air-conditioning equipment and controls. Installing modern, energy-efficient boilers goes a long way toward saving energy, while boiler controls and thermostats help ensure heat is not produced needlessly and wastefully.

Property owners/managers also

should pay careful attention to the building envelope. There are many ways to make a building more energy-efficient, but adding good insulation in roofs and walls and ensuring your property has well-sealed sliding glass doors plugs the largest holes in terms of heat loss. As an added incentive, landlords often are eligible for rebates of up to 50 percent of the costs when installing better insulation and well-insulated windows and doors at their properties. Better insulated apartments also increase resident comfort and satisfaction, which results in lower resident turnover. We have found that the best building envelope projects can provide returns on investment of greater than 25 percent.

Finishing Touches

Environmentally friendly apartment finishes are a third area worth examining. The best bang for the buck are water saving devices – toilets, showerheads and aerators – some of which cost less than \$1 apiece. These items usually provide a complete return on investment in less than one year. CHR also has used recyclable carpets and zero-VOC (volatile organic compounds) paint at its properties, although these particular green choices are not cost-effective. We have, however, been able to aggressively bid for these products to minimize their costs and maintain our com-

mitment to the environment.

Finally, our favorite – and unquestionably most cost-effective – green initiatives have been educational programs, contests and events for our apartment residents. Encouraging our residents to recycle through education, incentives and convenient collection of recyclables is clearly the right thing to do. It also pays off in the bottom line.

Every ton of material recycled diverts that much trash from transfer stations, incineration or landfills, saving us \$82 per ton in disposal costs. Likewise, a recent resident pizza party to educate residents on conserving water, followed up by a competition designed to engagethan 10 percent reduction in water consumption. And the lessons seem to stick; the savings rate held up for several quarters after the competition ended.

Clearly, while there are many steps a landlord can take independently to save money while going green, the best results are realized when educating, informing, involving and incenting residents to become part of the process. A few recent examples of what CHR has done under our "Live Green" program include:

A "Green Monster Social" at Waterfall Hills Apartments in Canton, Mass. The May 2011 event kicked off a competition to see which resident household could reduce its

water usage the most, with the winner receiving a Kindle e-reader.

Distributing shower timers to every household at Kilsyth Manor Apartments in Brighton, Mass., along with a challenge to reduce water consumption. The winning resident received a Kindle e-reader.

Encouraging residents to recycle their plastic shopping bags. The first 20 residents to do so received reusable shopping bags and an energy-efficient compact fluorescent light bulb.

Since 2006, CHR has shaved a total of 2.125 metric tons from its carbon footprint, achieving our goal of an 11 percent reduction in BTUs. Over 425,000 therms of energy have been conserved by replacing older, inefficient equipment, installing new controls, tightening building envelopes and changing resident behaviors. And in just about all cases, the company is realizing a return of greater than 25 percent on our capital investment.

CHR plans more conversions from fuel oil to natural gas planned for 2012, as well as installation of high-efficiency heating systems at several properties. Our efforts to conserve energy and resources are a continuing process. The rewards of green investing are plentiful, including how both residents and employees feel about our company. But more than ever before, enlightened, green policies makes smart financial sense. ■

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