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Industry Shift Reduces LEED Costs

BY ALEX SPILGER

“To go green or not to go green?” — that is the question. And within that seemingly simple question there is the underlying unknown of “how much will it cost?” While there is no simple answer, there have been hundreds of case studies over the past several years that suggest the additional cost to build a green building can be kept to under a 1 to 2 percent premium, and even these costs continue to come down.

The Leadership in Energy and Environmental Design standards have transformed the marketplace over the past decade and set the bar for high-performance buildings. As the LEED rating system is adopted by a growing number of local and state governments, it’s all the more important for the building community to be aware of the costs and benefits involved in sustainable construction.

While the overall costs to pursue LEED certification are quite competitive in most cases, a recent trend in the green building marketplace has begun to reduce the “soft” costs even further.

To quantify this reduction, it’s helpful to first distinguish between what’s referred to as “hard” and “soft” costs. Simply put, hard costs refer to the nuts and bolts of what goes into the building: the price premium for a dual-flush toilet, a high-

efficiency HVAC system or daylighting controls. These costs may fluctuate slightly with market demand, but for the most part they remain predictable. The best approach to reducing the hard costs associated with building green is then to evaluate which strategies will provide the most bang for your buck. For example, the price of installing flow restrictors on lavatory faucets pales in comparison with installing high-efficiency toilets or waterless urinals, yet flow restrictors alone can contribute to more than a 20 percent reduction in water usage.

Soft costs refer to the time and intellectual energy spent evaluating, designing, calculating and documenting all of the green elements that go into a project. These soft costs are a little trickier to quantify but can offer opportunities for significant savings if the project team knows what they are doing when it comes to designing and constructing a green building.

In the case of LEED projects in particular, one of the variable line-item soft costs often listed in the budget relates to the time and effort involved in managing the LEED documentation process. Over the past decade an entire LEED consulting industry has grown out of this need for LEED expertise and guidance. In fact, there are now dozens of organizations within the Bay Area alone that offer some form of LEED management services.

In the past, LEED support was commonly provided by specialized consulting firms that charged fees occasionally upwards of \$75,000 to help teams navigate the LEED process. More recently, however, many architects, engineers and even a few forward-thinking contractors have begun offering full-scale LEED management services in-house on their respective projects, providing a valuable service to their clients at a fraction of the cost of hiring a specialized consultant. This industry shift was subtle yet inevitable as more industry professionals gain experience with the LEED certification process. Considering the fact that fees for outside LEED consultants occasionally represented as much as 3 percent to 4 percent of the overall construction budget, this industry shift has resulted in a significant decrease in the soft costs involved with pursuing LEED.

So just how much does it cost to pursue LEED? While the exact answer may depend on many factors, with the right team on the project going green can be a lot less expensive than you think.

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