

2020
VISION

Forecasting the future

Let us point you in the right direction -
There are signs everywhere if you know where to look.



CORPORATE SOLUTIONS | ENVIRONMENTAL STRATEGIES

Micro-Area-Partnerships (MAPS)

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Our Knowledge is your Property



GOING GREEN

► COMMUNITY CONCERNS

- Restricted views and reduced sunlight
- Questionable businesses
- Lower property values
- Less open space
- Loss of neighborhood character

► BENEFITS OF GOING GREEN FOR THE COMMUNITY

- More open green spaces
- Attracts green businesses into community
- Positive community image
- Increased property values
- Preservation of community character

► BENEFITS OF GOING GREEN FOR DEVELOPERS & LANDLORDS

- Improved corporate image
- Faster return on investment
- Tenant retention
- Quicker pre-leasing
- Tax incentives
- Higher asking rents
- Lower operating costs
- Expedited permitting

UNION SQUARE PROJECT



HEY! YOU'VE GOT YOUR GREEN IN MY COMMUNITY

While going green offers great rewards for the planet, it is also good news for developers, businesses and communities. With the green movement, a change has been occurring—developers, residents, cities and other interested parties are talking and collaborating with one another. The result is that green buildings are being erected in these same communities—some directly across the street from conventional (read: not green) projects with similar uses that were rejected by these same residents just a short time ago.

With an increased trend to develop environmentally friendly buildings that are home to companies with sustainability initiatives, there will be greater acceptance of green projects by community leaders and residents. To preserve the livability and values in their neighborhoods, residents are now recognizing the benefits of having these projects in their communities. After all, why would they be opposed to a project that brings clean jobs and enhances the surrounding lifestyle and landscape?

“When developers and communities collaborate to introduce green projects into a neighborhood, a beneficial balance is created between the environment, the residents and the success of the venture.”

Ruth N. Darby, MBA/GM, Colliers International

GREEN AS A MINDSET

Green is much more than an environmental strategy. True green is a mindset that recognizes the interwoven nature of the planet, the environment, our workplaces and our communities. In addition to the usual concerns, developers are addressing neighborhood livability issues. How will the project affect the community? What type of building (office, industrial, retail, hotel) is it? How tall will it be and how big is the footprint? How will it affect property values? Who will it bring into the neighborhood? Are there too many of that type of building in the neighborhood? And, perhaps, one of the most important issues is—will the project adversely affect mom-and-pop businesses that have been in the area for ages? Communities also want restaurants and shops that are unique to their area, rather than only national chains.

COLLABORATIVE COMMUNITY DEVELOPMENT

Many developers are approaching future projects with a green mindset—one based on communication and collaboration with communities and residents. By considering the opinions and concerns of those who live and co-exist in the community with these buildings, developers will find that residents can actually become allies. The individuals in a neighborhood have a vested interest in their communities. Some are raising families, others have been in the same neighborhood for generations, and some are small business owners who depend on the community for their livelihood.

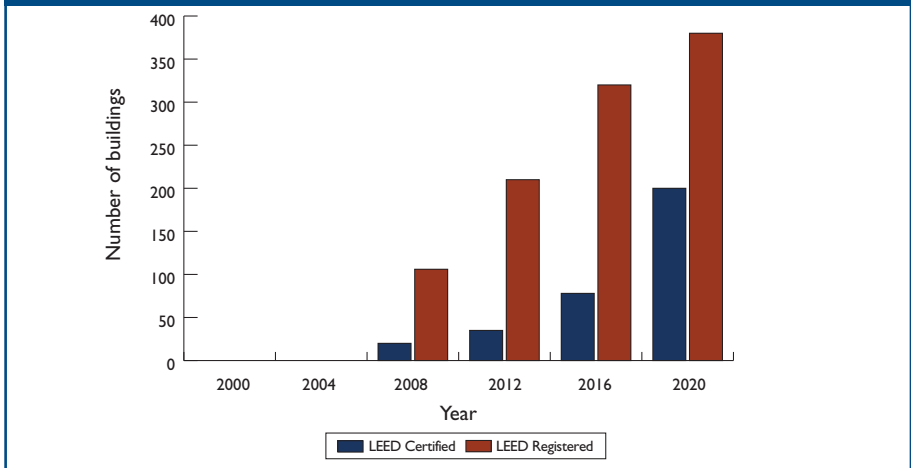
“Community is never complete but is always emergent.”

Habermas

Developers can tap the residents' extensive knowledge about that community just as if it were a built-in research department. While residents may not know traffic counts or land values, they do know what has been built, how it affected their community, and what might be a better fit. They can offer insight as to whether or not neighbors would patronize a project. When the research is done and the community is working together toward a common goal, positive things happen with both new and redevelopment projects. Although this may seem like a great deal of effort for the developer, the benefits to the approach will outweigh the effort required.

With the advancement of the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED®) for existing buildings, properties that were once community annoyances can become useful, healthy structures that retain the character of the neighborhood and attract high-quality tenants. Although green building development positively impacts the environment, the redevelopment of existing buildings to green is absolutely critical in significantly decreasing the amount of carbon emissions. In addition to the environmental benefits to the community, the increased revenue from owning a green building opposed to a conventional building cannot be ignored.

► **FIGURE 1: NUMBER OF LEED-CERTIFIED (Completed) VS. LEED-REGISTERED (Planned) BUILDINGS IN METRO PHOENIX**



Source: U.S. Green Building Council & Colliers International

HOW MUCH “GREEN” IS THIS GREEN GOING TO COST ME?

This is a popular question and somewhat of a moving target since a number of factors must be taken into consideration. Costs depend on what stage you are in when the decision is made to build green and whether or not you are using LEED-qualified professionals who can work through the process with you, saving a considerable amount of time and money. Although there are always exceptions, experienced developers will generally see from 0.5 percent to 2 percent increased costs for a LEED-certified or LEED Silver building. Costs can range from zero to 10 percent or more for Platinum level certification. Why the large gap? Experience! There is a learning curve for building green and there are cost-saving benefits to utilizing companies with green construction experience. Lower operating costs, higher rental rates, and faster pre-leasing can offset green building costs; and the rate of return on investment is potentially higher than with conventional buildings.

So, instead of asking, “how much ‘green’ is this green going to cost me,” ask instead, “how much is it going to cost me if I don’t build green?”

IT’S JUST GOOD BUSINESS!

With all the environmental benefits to building green, the question still remains—how will it affect my bottom line? The answer—there is a triple bottom line benefit to building green—financial, social and environmental—translating into increased revenue!

The Window of Opportunity is Now!

► (continued on back page)

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TENANT CASE STUDY

Property: 10,000 square feet,
Class A office building

Conventional Building

Rent: \$28 per sf nnn
Expenses: \$6.00-\$7.50 per sf
Vacancy Rate: 25%

Green Building

Rent: \$30 per sf nnn
Expenses: \$3.00-\$3.50 per sf
Vacancy Rate: 0% to 5%

Annual Savings: \$10,000*

Additional Benefits:

- Reduction in employee sick days
- Increased productivity
- Increased ROI

*Large multi-national corporations with millions of square feet of real estate will realize millions in savings over time.

“The demand for sustainable development is growing and has become a vital business driver in the real estate industry. By going green and knowing green, we are being the change that we want to see—real estate that makes a bigger impact with a smaller footprint. Through our actions, we accelerate the long-term success of our clients, our community and our world.”

Doug Frye
President & CEO
Colliers International

COLLABORATIVE & COMMUNITY-MINDED GREEN DEVELOPMENTS

These projects are being planned and developed in partnership with the surrounding communities.

Tempe Transportation Center, Tempe

It doesn't get any greener than the Tempe Transportation Center at the base of the well-known "A" mountain in Tempe! Currently seeking LEED® Platinum certification, the Tempe Transportation Center is a stellar example of incorporating the needs of the surrounding district to create a building of which the community can be proud.

Union Square Project - 11th Street & Washington, Phoenix

Union Square is an 11-story hotel with office, retail and condo components that is seeking LEED® Platinum certification. This area of downtown Phoenix is primed for redevelopment and we should expect to see a number of green projects as redevelopment occurs.

Jackson Street Entertainment District – Jackson Street from Central Avenue to 4th Street, Phoenix

This popular downtown project is due to break ground in late 2008 or early 2009. It is a mammoth community project that will take living, working and playing in the downtown Phoenix area to the next level. A high level of communication and collaboration took place between local businesses, the city, the community and a number of interested parties to get this green project off the ground.

TEMPE TRANSPORTATION CENTER



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