

Energy Efficiency in Buildings Making Sustainability Profitable

**Climate Leaders Partners Conference
Chicago, Illinois
October 7, 2008**



The Tower Companies

- Washington DC metro, family owned since 1947
- Large purchaser of Green Energy in US
- Purchase wind for 100% of portfolio
- 12 years of Green Building experience
- First large Green Developer in DC area
 - Over 1.25 million Green square feet
- Currently leasing 336,000 LEED Gold/Platinum sq. ft. (Suburban and Downtown)



Perceived Benefits of Green to Businesses

- Designed and built with state of the art technology
- Corporate values reflect personal values of the employees: Health and Wellness
 - Recruitment, Retention, Return on Values (ROV)



Marketing Challenges

1. End users of the product are not the decision makers
2. Little direct evidence of the benefits
3. False assumptions about Green Buildings
 - Cost to develop
 - Design
 - Rent expense



Marketing Challenges Answered

- 1. Cost to develop are significantly higher**
 - “...there is no significant difference in average cost for green buildings as compared to non-green buildings.”
- 2. Cost to rent is significantly higher**
 - No assigned market value
- 3. Green buildings have limited architecture**
 - Green is not a design feature

* Cost of Green Revisited July 2007 Davis Langdon



What does Green Look Like?



Marketing Challenges Answered

4. There is little direct evidence on the benefits of Green Buildings:

"A demand for scientific proof is always a formula for inaction and delay and usually the first reaction of the guilty ..."

– A tobacco company scientist (S J Green 1980)



Marketing Challenges Answered

5. End users are not the decision makers

Who are the decision makers?

***Corporate Executives – CFO's**

What are they concerned about?

***Profitability** - Employees are a company's biggest expense; 88% for employees vs. 8% for rent expense.



1050 K St., NW Washington, DC

- 136,000 SF
- \$45/sf NNN
- LEED CS Gold Registered
- 100% wind power
- Green build out desired, not required
- 60% Leased





DESIGNED TO EARN THE ENERGY STAR

The estimated energy performance for this design meets US EPA criteria. The building will be eligible for ENERGY STAR after maintaining superior performance for one year.



2000 Tower Oaks
Boulevard -
First Building in
Maryland to
achieve this
designation

Score of 87
41% more energy
efficient.



2000 Tower Oaks Boulevard

Fortune-Creating (sm) architecture

Rockville, MD

- 200,000 SF
- \$45/sf full service
- LEED CS Platinum Registered
- 100% wind power
- Mandatory green build-out
- 35% Leased



The Tower Building Rockville, MD

- 264,000 SF
- Energy Star 2006
- LEED EB Silver Registered
- 100% wind power
- Mandatory green build-out
- 100% Leased



Millennium Building - 1909 K Street Washington, DC

- 236,000 SF
- Energy Star 2003
- LEED EB Silver Registered
- 100% wind power
- Mandatory green build-out
- 100% Leased
- Added 4 floors



Blair Towns

First LEED Certified Apartments in U.S. Silver Spring, MD

- **Smart Growth**
 - Urban Infill
 - Transit Oriented
- **Energy Efficient**
 - 35% Reduction in Energy Consumption
- **Water Efficient**
 - 20% Reduction in Water Consumption
- **Environmentally Friendly**
 - 63% of Products Sourced Locally
 - Over 50% Recycled/Recyclable Materials
 - Low VOC paints and materials



THE TOWER COMPANIES

Transcend

2008 WINNERS OF:

MEMBER FIRM OF THE YEAR -

US GREEN BUILDING COUNCIL NCR

CORPORATE GREEN LEADER -

WASHINGTONIAN MAGAZINE

GREEN COMPANY OF THE YEAR -

WASHINGTON BUSINESS JOURNAL

