

An Industry Finds Its Voice
By Nora Sherman

As policy makers' interest in energy-efficient building operations grows, the New York City real estate and property management industry is charged with transition — can the community find a common voice as it navigates this challenge?

Changes to the energy management practices of the commercial real estate industry represent tremendous opportunity to cut NYC's carbon footprint in the next several decades. Mayor Bloomberg's PlaNYC promises to revolutionize the way that energy is used in the city's largest properties, first, through offering incentives and, later, mandating appropriate activities and technology. Among the city's initiatives is a proposal for an [Energy Planning Board](http://www.nyc.gov/html/planyc2030/downloads/pdf/report_energy.pdf) http://www.nyc.gov/html/planyc2030/downloads/pdf/report_energy.pdf that will “work with the State and Con Edison to centralize planning for the city's supply and demand initiatives.” But the city's plan does not indicate how the leaders of the real estate industry and representatives of the workforce will participate in the great changes that could take place.

In April 2007, two energy think-tanks, the Rocky Mountain Institute and CoreNet Global issued an “[Energy Challenge](http://www.sallan.org/pdf-docs/Globenet_Kneeland.pdf).” http://www.sallan.org/pdf-docs/Globenet_Kneeland.pdf Their report calls for greater personnel involvement and cooperation at the decision-making level, including CEOs, corporate real estate executives, and facility managers, as well as corporation boards, architects, engineers, and lenders. In short, “new corporate and industry players need to step up.” How does greater participation come about? And how does a welter of individual actions come to be heard as more than cacophony?

At about the same time, the [Building Performance Lab](http://www1.cuny.cuny.edu/ci/cius/bplab.cfm), <http://www1.cuny.cuny.edu/ci/cius/bplab.cfm> a program sponsored by the CUNY Institute for Urban Systems with support from NYSERDA, convened a Stakeholder Consortium to address this same issue. One of its models was the [New York Academy of Science's Harbor Project](http://www.nyas.org/programs/harbor.asp), <http://www.nyas.org/programs/harbor.asp> a consortium of industry leaders, scientists, and members of the public that has been collaborating on pollution prevention strategies in the New York and New Jersey Watershed since 2000. According to a synthesis report on the project that will be published next year, the strength of the consortium model is that it “provides an open forum to share information and data.” The stakeholder process represents a new, inclusive paradigm that “contrasts with the old paradigm of regulatory agencies deciding, communicating, and then defending their policy decisions.”

Just as the Harbor Project has leveraged a broad and influential base of stakeholders for community outreach and strategy development, the Building Performance Stakeholder Consortium aims to raise awareness and increase the utilization of energy-efficient practices in commercial buildings. Stakeholders – a cross-section of commercial real estate and property management professionals, workforce leaders, utilities and government agencies – meet three times a year to discuss the challenges of “going green”

and specific next steps for reducing the carbon footprint of more than a billion square feet of NYC commercial real estate. By reaching consensus views, the Consortium will directly inform the Building Performance Lab's (BPLab) research and educational agendas. However, coming to consensus and presenting a unified voice is the immediate challenge.

In the first Consortium meeting, stakeholders came to the table with very different perceptions of the foremost challenges of the industry and what they believed should be the priorities of BPLab. In her role as discussion facilitator, Nancy Anderson asked stakeholders if tenant satisfaction is a surrogate measure for energy issues, touching off a lively debate. The perception of the role of the tenant is one of the most contentious topics within the industry, and the way that the issue was treated in Consortium discussion is an excellent example of the consensus-building process.

Some stakeholders seemed to view tenants as an obstacle to efficiency while others saw them as catalysts for change. One stakeholder observed that tenant satisfaction usually leads to increased energy use; others pointed out that a growing number of tenants are demanding that their spaces be energy-efficient. Even by "bundling" relatively incremental energy-efficient changes, the monetary savings may not be sufficient motivation, especially to wealthy tenants like hedge funds. Other possibilities suggested by stakeholders were to connect energy savings with "intangibles" such as aspects of indoor environmental quality that could lead to improved worker productivity and – there it was again– tenant satisfaction.

With such different takes on the role of the tenant, can the industry present a unified voice?

A comment from a commercial real estate broker began to steer the conversation in a new direction. "We've found that an increasing number of tenants say they want to help save energy," the stakeholder said, adding, "The simple answer is that it comes from individuals." Marilyn Daveport, the Real Estate Board of New York's vice president for regulatory affairs, noted that the broker's remark highlights the need for education, allowing tenants to make informed decisions. It was clear that this take rang true for many stakeholders. With further discussion, stakeholders concluded that education on energy-efficient tools and techniques for high-level decision makers is one of the most pressing needs of the building industry. As an energy services executive remarked, "The elephant in the room is that every organization has a leader. If the leader gets it, then the organization follows suit. Question is: what flips a leader?"

At the end of the meeting, stakeholders were asked to fill out a tally sheet of priority topics that should be undertaken by BPLab on behalf of the industry. The matter of executive-level education – a "write-in" candidate unanticipated by BPLab staff – won the most votes, leading to BPLab research on available education and training and the eventual creation of a curriculum to encourage business leaders to seek out and demand energy efficient building systems.

Out of initial disunity came agreement and a clear mandate to BPLab to pursue applied research. Through the stakeholder process, the industry voiced its priorities and laid the foundation for a permanent platform for future cooperation as New York pursues the goal of becoming the greenest city in the U.S.

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