



The Apartment Report™

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DEVELOPERS PUMP GREEN

Most developers go green these days for obvious reasons — apartments with LEED certification or GreenPoint programs maintain higher rental and occupancy rates and sale prices. Post Properties Inc. adds green components to all of its new developments, including full recycling programs. The **Women's Housing and Economic Development Corp.** (WHEDCo) and Jonathan Rose Companies use sustainable materials, efficient building, clean power and sustainable transportation in their projects. The number of green building programs climbs by 418% since 2003 as more cities get on board and offer more incentives.

Forecasts indicate green building will skyrocket from \$2B to \$20B over the next five years. High development costs for LEED certification has some developers incorporating fewer green elements or GreenPoint programs instead. The GreenPoint program keeps costs low and makes green development more feasible with easier implementation. Developers used to pay 15% or more of total development costs to add green.

Consultant Nathan Krantz from CTG Energetics Inc. finds that applying the GreenPoint program early on in the construction phase can add anywhere from 1% to 5% of the total cost. Also, those who use the GreenPoint program early qualify for credits. Firms look for materials offering a smaller carbon footprint, preferably those extracted and manufactured or recycled locally. In California, developers can find local concrete, stucco and brick, but wood comes from up North, while steel travels from the East Coast or China.

Some other green features include the elimination of irrigation by using Xeriscape, green roofs to minimize heat and limit water runoff and water absorption, courtyards and closeness to parks, trails and mass transit systems. Durability is another factor. Firms should use materials that will last more than 20 years. Architects use design principles that encompass shade, shape and building orientation according to the angle of the sun to create a more sustainable product. Nowadays, architects include the GreenPoint programs in the project, even if they aren't added. Another incentive: lenders create financing packages for green developments.

Look for Post to break ground on three new projects even as it oversees seven other projects currently under construction. About 10 of Post's projects incorporate sustainable products and energy-saving appliances. The upcoming Phase II of Post Carlyle Square in Alexandria, Va., includes a green roof, energy-efficient appliances, a recycling program and a Xeriscaping system. The 332-unit transit-oriented complex is being developed on a former industrial site near an Amtrak stop. Post EVP of Construction and Development Charles Konas counts on the area's

high-density, corporate parks and the federal government offices as it expands its reach. Expect construction to start by the end of this year and take two years to complete.

Post also includes green components in its latest complex in Atlanta's Buckhead district. Post Alexander has five stories with 307 luxury units atop two levels of 530 parking spaces. Green amenities include a green roof garden, which likely cost less than 1% of total development costs. Rents range from \$1,080 to \$2,670. Post targets renters by choice and units go from 670 s.f. to 1,549 s.f. Post recently completed the Eastside, a 14.8-acre mixed-use development with 435 doors in Atlanta, and green elements like Xeriscaping, proximity to transportation and an urban vegetable garden for residents. On its operational side, the company recycles all its fluorescent light bulbs and other materials, saving the company approximately \$100K/year.

WHEDCo builds a 100%-affordable green apartment in South Bronx. The 128-unit Intervale Green costs \$45M and consists of 19 ones, 62 twos and seven threes. Energy-efficient appliances should lower residents' energy costs by 35%. WHEDCo Executive Director Nancy Biberman leads by example in an area that needs affordable housing. She sees multiple benefits from a project like this: It reduces CO2 and saves residents money, uses non-toxic materials such as recycled materials, low-VOC paints, sealants and caulks and the community around benefits from the ¼ acre of green space with trees, shrubs and gardens.

Intervale's two green rooftops collect storm water and absorb solar heat. Unit amenities include low-flow showers, energy-efficient boilers and air-sealed rooms, as well as double paned, argon-filled windows and Energy Star appliances. Residents also get computers and wireless Internet access in every unit. The building is two blocks away from the train system. Rents go from \$782 to \$1,090. WHEDCo consults with Steven Winter Associates and New York State Energy Research and Development Authority for the green implementations. Expect residents to start moving in this fall.

Jonathan Rose breaks ground on Phase I of its Metro Green Residential in Stamford, Conn. The developer showcases the project as a smart growth model in the area by pursuing LEED certification for the 238 planned units, both mixed-income rentals and for-sale residences. Construction of the 50-unit Metro Green Apartments and a 17-story, 350,000-s.f. office building should cost approximately \$20M. The former industrial area in Stamford's South End is one of the few affordable neighborhoods in the county today. Close to a regional train line and downtown, Metro Green will feature a rainwater harvesting system which will be used to irrigate plants and filter rain water for washing machines, as well as a high performance building envelope roof, high-efficiency double windows, energy-efficient appliances and a parking garage with a green roof. W&M Properties partners with Jonathan Rose on this project. P Morgan Chase, GE Capital, the Connecticut Housing Finance Authority and the City of Stamford finance the project.