

Derek Abma | Commercial | Green | Property Biz Canada | Residential | 2012-04-06

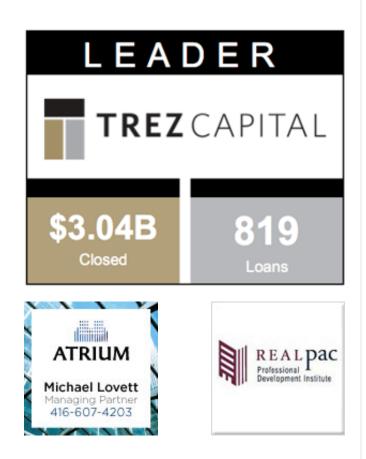
Green

The coming glut of vacant office space in Ottawa could be an opportunity to green up the city's office buildings, particularly in the downtown core, says one of the national capital's authorities on the subject.

That's one of the messages James McNeil, vicepresident of Cushman & Wakefield Ottawa's green real estate practice group, brought with him to The Better Buildings Breakfast held at the recent <u>SustainaBUILD</u> Conference in Ottawa.

Some of the things at play for Ottawa is the current downsizing in the federal government, which McNeil said owns or occupies 64 per cent of the approximately 60 million square feet in office space in the region. As well, there is construction underway on five new buildings that will add 5.2 million square feet of office space over the next two years, he added.

There is also consolidation of the Department of National Defence's various operations into the 2.2-million square foot former campus of Nortel Networks Corp., west of the city's core.



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"What do we have here?" he asked rhetorically during an interview on the sidelines of the conference. "Is it an opportunity for decline or is it an opportunity for rejuvenation?"

40 Per Cent of Ottawa Office Space Not Renovated in 25 Years

He said about 40 per cent of the office building space in Ottawa has not been built or renovated within the last 25 years. But he added: "There's a major push within the building owners to green their portfolios and green their buildings," noting the amount of green-certified office space in Ottawa more than tripled from about 3.7 million square feet in late 2009 to more than 12 million square feet as of the first quarter of 2012.

What's in it for building owners and managers, he said, is a chance to attract top-notch tenants to make up for what the government will be leaving behind. Also, he noted how many world-class companies, such as Microsoft Corp. and HSBC, have made sustainability a core part of their mandate and would be more likely occupy buildings that reflect this value.

"How do you now take a downtown core, repackage it and align it to be able to attract leading companies?" he said.

LEED® For Existing Buildings Frustrating But Absolutely Worth It

Greg Johnston, vice-president of property management with Colonnade Management Inc., which oversees about 3.8 million square feet of office, industrial and retail space in the Ottawa area, gave an overview during the SustainaBUILD Conference of his company's retrofit of a 45-year old, 21-storey downtown office building to make it LEED® certified under the CaGBC Existing Building program.

Johnston said there were lessons learned from the experience, and that depending on the building, he doesn't recommend this process in all situations.

He noted how the exercise, which the company started in 2007, took more than a year longer than planned as certification came just last November. As well, he said the overall cost was about \$140,000 compared to the initial estimate of \$86,000.

Nonetheless, he said it was all worth it to make this the first existing building in Ottawa retrofitted to get certified at the LEED® silver level.

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"It was absolutely worth it," he said in an interview after his formal remarks.

"I'm hopeful that a lot of the lessons we learned or frustrations we went through related more to the timeline as to when we started the process," Johnston said, noting these were the early days of the LEED-certification system when efforts began in 2007.

Johnston said there will be financial benefits in the way of cost savings on utility usage, but it's too early to say what the extent of that will be. As well, he said there's no proof yet that tenants are willing to pay higher rent for LEEDcertified space, but that could change in the future.

Throughout his address, Johnson compared a commitment to LEED® certification to marriage, noting that the rules can change during the process, unexpected costs come up and there's an ample amount of documentation.

Minto: Sustainability Is The Right Thing To Do

The keynote speaker at Ottawa's Better Buildings Breakfast held at the SustainaBUILD Conference was Greg Rogers, executive vice-president of investments with the <u>Minto Group Inc.</u>, a builder and manager of residential and commercial space in Ottawa, Toronto, London, Ont., and Florida.

Rogers talked about Minto's dedication to the principle of sustainability and how it is a core value of the company. This shows, he said, in the \$2 million annually it invests in research and development into how to build more efficient buildings, and how the firm's CEO Roger Greenberg and board make people within the organization accountable for living up to their environmental ideals.

"The CEO has said he wants sustainability as a part of everything we do," Rogers said.

Asked after this address about what the company's motivation is for making sustainability such an important value, Rogers said: "Our motivation is the long-term viability of the company. This is a legacy begun by the Greenbergs (the company's controlling family) in the 1950s. The intention is to keep (the company) alive for the Greenbergs of 2050. . . . Companies last a long time when they do the right thing."

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