http://www.idsupra.com/post/documentViewer.aspx?fid=cb8a8a7c-c9f3-418d-a3a7-dd0feac347c8

# Green Building Update

an Allen Matkins market intelligence publication

# Allen Matkins

attorneys at law

December 31, 2008

# Lower fuel and home prices stall some green homes

The Associated Press - Dec 26

Since July, the cost of oil has plunged from \$147 a barrel to about \$36 and home prices continue to fall. Together, these headwinds have stalled many low-energy housing developments around the country, including projects by Meritage Homes and Shea Homes. "The [green] program doesn't necessarily pencil out at the moment," said Scott Kramer, a forward planner for Meritage Homes Corp., which builds homes in Texas, Arizona, California, Nevada, Colorado and Florida.

### The recession is poised to help green homes

Green Building Elements - Dec 18

While new building construction has ground to a halt and the subprime mortgage fiasco resulted in plummeting home values, leaving many builders with homes that were worth less than the cost of construction, the green building market has been slowly increasing its share of the overall construction market. Green building is poised to provide a much needed spark in the construction market through a new public works program proposed by Barack Obama that will include a focus on energy efficiency in buildings. With a national movement toward green building practices, there is a very real possibility that once the current recession is over, the majority of new commercial buildings and houses will be much more energy efficient, sustainable, and healthier than current building standards.

# **Green Building Focus**

#### **Buildings without AC: the latest green building trend**

Greentech Media - Dec 22

Air conditioners consume large amounts of energy and are not very efficient. To curb energy consumption, architects with projects in temperate cities, such as Seattle, Portland, and San Francisco, have started to design buildings without mechanical air conditioners. These buildings will have heaters in all likelihood, but not air conditioning. This shift comes courtesy of two trends. The first trend is that building developers and contractors have latched onto green buildings as an economic opportunity. The small additional cost of building green is more than offset by higher rents, better property valuations and other factors that green and sustainable buildings produce. The second trend is that buildings and the appliances inside them gobble up around 39 percent of the energy consumed in the U.S. - that is higher than transportation, which consumes close to 26 percent. Air conditioning and heating consume about 40 percent of the power in buildings. Put another way, heating and cooling gobble up approximately 16 percent of the total energy in the U.S. Accordingly, architects are focused on reducing that consumption. Economically, reducing consumption makes sense. Despite the decline in fossil fuel prices, most experts believe electricity prices will continue to rise

### Subscribe

#### Have a suggestion?

Tell us what you think.

Bryan C. Jackson Editor

#### **Michael Kostecka**

Associate Editor

Sponsors

# **BOMA of Greater Los Angeles**

Enhancing value for commercial real estate

<u>Urban Land Institute (ULI)</u> - Orange County

#### **About Allen Matkins**

Allen Matkins Leck Gamble Mallory & Natsis LLP, founded in 1977, is a California law firm with over 240 attorneys practicing out of seven offices in California. The firm's broad based areas of focus include construction, corporate, real estate, project finance, business litigation, taxation, land use, environmental, bankruptcy and creditors' rights, and employment and labor law. More...



Allen Matkins #1 Real Estate Law Firm in California Chambers and Partners 2002 - 2008



Trading Markets - Dec 22

The insurance industry is taking green and sustainable construction seriously, but is still lacking the right products for green-certified construction projects, according to officials with Aon Environmental Services Group and Marsh & McLennan. Rodney Taylor, managing director of Aon Environmental Services Group, explains that underwriters have shown resistance to expanding professional and commercial general liability insurance to address certain green design and construction-specific issues, such as an architect's guaranty that a design will achieve LEED certification or whether or not a contractor's failure to achieve LEED certification qualifies as a construction defect.

# CIO's looking beyond green IT to deliver green buildings

The CIO - Dec 24

For many Chief Information Officer's (CIO's) green IT is a given. Now, many CIOs are looking beyond green IT and towards leveraging the IT infrastructure to control the building environment, from heating to airconditioning and ventilation through CCTV and access control. Rakesh Kumar, Gartner research vice president, says, "A small but select group of CIOs, probably about less than five per cent of the clients that we deal with, realize that their responsibility lies in being able to green the entire business."

# First homes to meet DOE's "Builders Challenge"

US Department of Energy - Dec 19

The U.S. Department of Energy (DOE) announced on December 19th that four newly constructed homes in New Orleans, Louisiana, are now the first in that city to meet the energy performance goals of the "Builders Challenge". Builders Challenge is a voluntary national energy savings initiative introduced by the DOE that calls for the U.S. homebuilding industry to construct 220,000 high-performance, energy-efficient homes by 2012. In order to qualify as a "high-performance home" under the Builders Challenge requirements, a home must use at least 30% less energy than a typical new home built to meet the standards of the 2006 International Energy Conservation Code, which is a generally recognized voluntary industry standard.

# <u>President-elect Obama names energy and environment</u> leaders

Greentech Media - Dec 22

President-elect Barack Obama named Nobel Prize-winning scientist and noted renewable energy advocate Steven Chu as his choice to lead the DOE, calling the appointment "a signal to all that my administration will value science" in building a "new hybrid economy." Obama also named Lisa Jackson as the chief of the U.S. Environmental Protection Agency, Nancy Sutley as head of the White House Council on Environmental Quality and Carol Browner as the head of a newly-created White House position to coordinate energy, environment and climate change policies across federal

agencies. "The nominations of Dr. Steven Chu and Carol Brown are excellent signals that the new Administration is going to be very serious about developing a national energy policy which is strong on alternative fuels, on using domestic resources and on conservation," said oil billionaire T. Boone Pickens.

#### Few hotels achieve LEED status

Plan Your Meetings - Dec 17

The hospitality industry has not only caught up to the green trend, in many ways it's leading the industry. Currently, more than 400 hotels have adopted the USGBC's building requirements and registered for certification, but far fewer actually achieve LEED-certified status. While many hotels boast of their commitment to sustainability, not all of them are truly green. "Greenwashing" — where more money or time is spent advertising being green, than is actually spent on environmentally sound practices — may exist in the hospitality industry.

# **Green Building Council sets new LEED guidelines**

US Green Building Council - Dec 23

Commercial builders around the country will soon be required to follow a new set of guidelines in order for their work to be certified by the U.S. Green Building Council. The changes are being called the biggest thing to happen to the USGBC's Leadership in Energy and Environmental Design certification program since its inception eight years ago. Dubbed LEED 2009, the new version of the USGBC's green building certification program for commercial buildings includes the creation of a new uniform 100-point scale for various types of construction and the adoption of regional credits to account for important local issues.

#### Notable green building projects...

### DOE awards up to \$80 billion in green projects

US Department of Energy - Dec 18

The Department of Energy (DOE) announced the award of 16 new "Indefinite Delivery Indefinite Quantity Energy Savings Performance Contracts" that could result in up to \$80 billion in energy efficiency, renewable energy, and water conservation projects at federally-owned buildings and facilities. The federal government is the largest single user of energy in the United States and these contract awards are meant to save energy, reduce federal energy costs, cut greenhouse gas emissions, bring more cutting-edge technologies to use, strengthen national security, and create a stronger economy.

#### California approves controversial Sunrise Powerlink

Sign On San Diego - Dec 19

The California Public Utilities Commission (PUC) cleared the way for construction of the Sunrise Powerlink, a contentious transmission line that promises to bring more reliable and renewable power from the Imperial Valley to San Diego. The 4-1 vote allows San Diego Gas & Electric Co. to move forward with the 123-mile, \$1.9 billion power line project, which could deliver enough electricity to serve 650,000 households. The battle over the transmission line has been drawn out

over three years, generating numerous marathon public hearings by the PUC and 11,000 pages of environmental studies.

© 2008 Allen Matkins Leck Gamble Mallory & Natsis LLP. All rights reserved. This email is intended for general information purposes only and should not be construed as legal advice or legal opinions on any specific facts or circumstances. This email was sent by: Allen Matkins Leck Gamble Mallory & Natsis LLP, 515 S. Figueroa Street, 7th Floor, Los Angeles, California 90071. To stop receiving this publication, just reply and enter "unsubscribe" in the subject line.