

Filling^{the} 'Green' Chair



***Leading apartment companies
are establishing critical
executive positions that
focus on green management.***

BY KENNETH J. BOHAN, CPC, CTS

A

growing trend in multifamily housing is the process of “going green” in both new developments and retrofits. Companies of all sizes are seeking to effectively decrease expenses while improving the marketability of their portfolios through the implementation of sustainability positions.

Following is insight into green in multifamily from three top sustainability professionals, including advice for breaking into this burgeoning career path.



DeeAnne McClenahan
Senior Director of Procurement and Sustainability
Certified Sustainable Building Advisor
Greystar

Greystar, founded in 1993, is a leading provider of property management, investment and development services in the multifamily real estate industry. Greystar is one of the largest apartment management firms in the United States with 5,300 team members and approximately 200,000 apartment homes under management.

“Sustainability has had a huge impact on new development,” says DeeAnne McClenahan, Greystar’s Senior Director of Procurement and Sustainability.

“USGBC LEED certifications, resident recycling, Energy Star® appliances, WaterSense bathroom fixtures, sustainable landscaping and smart irrigation systems are now commonplace, if not required, in new developments. These are also features that can be added to older communities after acquisition to create significant value.

“Another impact of sustainability has been the popularity of infill and suburban locations that are in walkable neighborhoods and near mass transit and/or major employers. The investment community is also pushing the multifamily industry into enhancing their sustainability efforts; many investment firms that acquire apartment communities expect them to have ‘green’ features and to be operated sustainably,” she says.

McClenahan says that energy conservation has been a focus area at Greystar for some time, initially from a cost-savings perspective. “In the past few years, however, we’ve broadened our focus around sustainability to include a variety of programs at the local (property) level, as well as at a national level,” McClenahan says. “Overall, we’ve been very pleased with the results of our sustainability program.

“We found that many of our communities were already doing a lot of things to promote energy conservation and sustainability. Many of our clients now look to us for recommendations on how to incorporate green strategies into the management of their communities, and Greystar has put into place green policies that set standards for across-the-board practices. These efforts delivered significant savings in utility costs and reduced the carbon footprint for Greystar’s clients and residents.

“Collectively, our efforts have significantly raised awareness around sustainability, both for our team mem-

bers and for our clients. Further, in addition to conserving our natural resources, our clients and residents are saving a tremendous amount of money on utility expenses through energy-saving appliances, light bulbs and thermostats in the units and lighting and smart-controller irrigation retrofits throughout common areas.”

Like other multifamily management companies that have previously focused most of their efforts on resident utility billing, Greystar has stepped up its efforts by consolidating its utility rebilling companies to two, McClenahan says.

“This improves our tracking, benchmarking and reporting capabilities, setting aggressive goals on expense reduction, and continually educating our real estate managers on things they can do to reduce utility costs,” she adds.

According to McClenahan, with utility costs rising far faster than rents and other expenses, sustainability efforts have a huge payoff. “Owners can see it in their bottom line, and residents can feel it in their pockets,” she says.

“Greystar’s Procurement and Sustainability team is a national group who largely attributes their success to the easy-to-implement programs they developed and pushed down to the front lines of the organization at the local level, where the majority of the energy and resources are consumed,” McClenahan continues. “In working with European companies that own apartment communities in the United States, we have found that they are keenly attuned to sustainability programs—Europe has been far ahead of the curve on ‘green’—and they want Greystar to have a comprehensive green program in place on the communities we manage, as do more and more U.S. investors.”

McClenahan says that many forward-looking companies now have sustainability departments, and that it looks like the field of study is growing exponentially.

“Nearly all of the large vendors serving the multifamily real estate industry have devoted significant resources into sustainable efforts in manufacturing, warehousing, shipping and delivery,” she says. “Multifamily property operations have lagged other industries in this regard, but many development and construction operations are gaining fast. This is not an area that is likely to go away over time, but will continue to become more important.”

McClenahan says that, currently, USGBC LEED certification (i.e., LEED Green Associate or LEED Accredited Professional) is a common prerequisite to entering this field, but there are many other sustainable certifications available. “There are degree programs in sustainable studies in numerous universities today for someone who is interested in obtaining a deeper academic background in this area, and real-world experience is key,” she adds.

“The best candidates would have experience in both construction and operations, so they would understand that a lower total life-cycle cost has a greater overall impact on a company’s and an individual community’s bottom line than the lowest installed cost.”



Jeffrey W. Harris
Executive Vice President
Regional Investment Director, East
Post Properties

Post Properties is one of the largest developers and operators of upscale multifamily communities. Based in Atlanta, it operates in nine markets and employs approximately 660 people.

“At Post Properties, we have teams focused on sustainability both within the development/construction groups as well as operations [Green Team],” says Jeffrey Harris, Executive Vice President. “We have been striving to design new projects to meet sustainability guidelines as proposed by the U.S. Green Building Council (LEED), NMHC or the National Association of Homebuilders for the past five years. Each new project is assessed for its potential to meet the relative ‘scorecards’ for each, and any and all sustainable

features which we deem economically feasible are incorporated.”

Harris says that Post recently acquired Post South End, which was North Carolina’s first multifamily project to achieve LEED Silver certification. He says Post’s acquisition efforts are focused primarily on transit-oriented or walkable communities, which often achieve high sustainability ratings. Additionally, Post recently delivered a new project in Alexandria, Va., which is expected to become LEED certified and has several other projects in development that are pursuing NAHB designations.

“Our residents value and appreciate the attention to detail and our investment in sustainable features. They are the primary beneficiaries of water and electricity savings as these utilities are billed separately to them,” he says.



Don Brooks, LEED AP
Sustainable Design/
Due Diligence Manager
The Dinerstein Companies

Founded in 1955, The Dinerstein Companies is a family-owned real estate company with three separate divisions: a fully integrated construction company that has completed over 52,000 apartments in 26 states, a national apartment management company with more than 50 years’ experience and is among the largest off-campus student housing developers in the country.

In 2007, Dinerstein’s Sustainable Design/Due Diligence Manager, Don Brooks, was asked to pursue ways to decrease their carbon footprint and research USGBC’s LEED Certification program.

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“We have had great success in achieving our goal of LEED Silver Certification or better on all projects going forward since our first LEED project in 2008,” Brooks says. “We made the commitment to incorporate sustainability and to seek LEED Certification for all our developments, and have now developed more than \$1 billion in sustainable apartment projects which we consider to be a huge achievement in the green-building arena.”

Along with energy and water efficiency measures, Dinerstein’s projects are typically high density, urban infill developments that are close to mass transit, retail and services so that they reduce the impact of development on local resources as much as possible.

“By developing more durable, energy- and water-efficient projects that reduce our carbon footprint, we also reduce our utility expense,” says Brooks. “Additionally, we have gained national exposure and have been awarded projects because of our commitment to sustainability. Moving forward, some of the next steps will be additional energy management systems and post-occupancy benchmarking being done by property managers.”

Brooks’ advice to someone wanting to venture into this field “is to stay motivated and gain as much paid or unpaid experience you can,” he says. “Get onsite during construction, post construction, and expand your knowledge through continuing education classes so that you are an expert. Pursue getting credentials in whichever green rating system you intend on using, i.e., LEED, CalGreen, HERS, Energy Star, etc. The more experience and knowledge you have, the more marketable you will become.”

The Big Picture

In 2013, residents, investors, and operators better understand the value and therefore desirability of green properties. Historically, we have seen positions in this area more commonly in companies holding large portfolios doing retrofits. With the recent surge in new construction, developers have stepped up and found ways to increase their product’s marketability by including sustainable/green features in new communities, proving both environmental and business performance can be mutually inclusive.

In conclusion, from a career perspective, the multifamily industry is clearly moving toward a greener portfolio. A green industry needs savvy professionals to envision and implement initiatives that bring resource efficient solutions and enhance the bottom line. This will open new doors and opportunities for individuals expanding their career within the multifamily industry, as well as, induct new talent from outside the industry with green expertise. ■■



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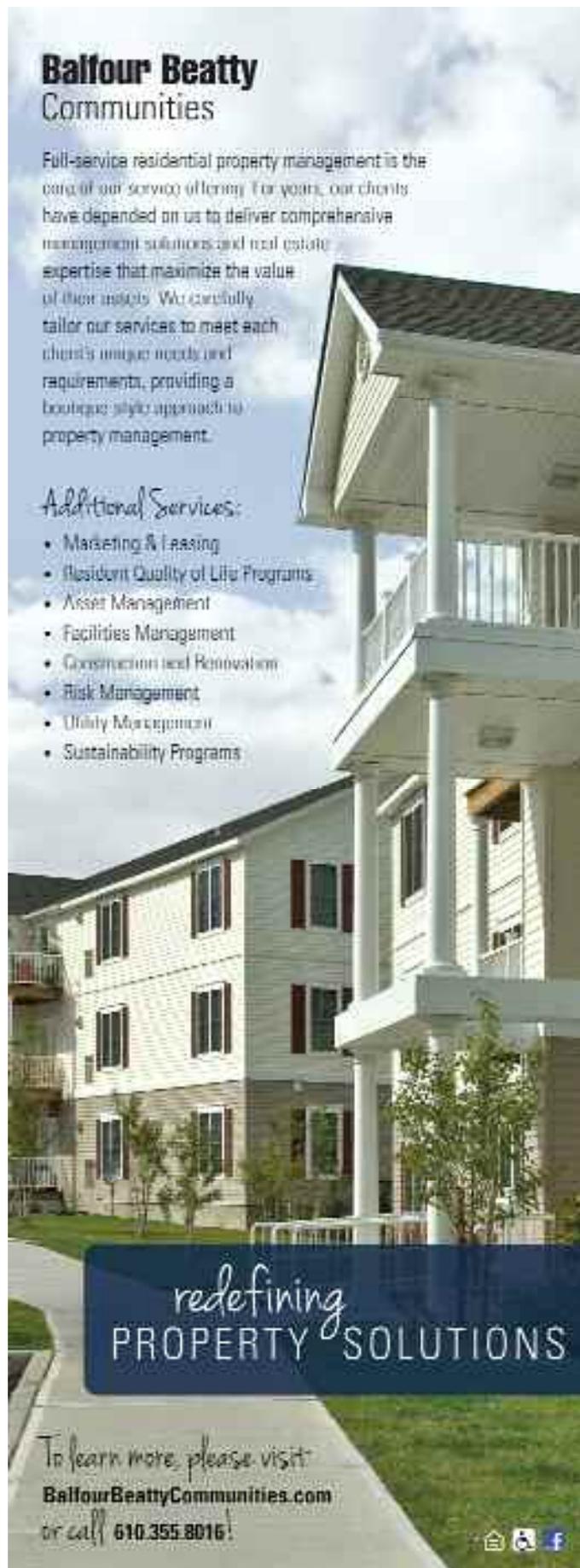


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