

January 2007

Dear Colleague,

Is Green Going Mainstream in 2007?

Is 2007 the year that green development goes mainstream? For decades the environmental movement has claimed "green" as its own, turning off many in the process. Builders have historically recoiled at the costs or coercion to build green. But numerous factors suggest that 2007 may be the tipping point. Rising energy prices, greater access to more affordable materials, improved construction techniques, and a greater push by cities and trend-setting green consumers are part of the shift. Other builder incentives range from fast-track status for plan checks on green projects, to measurable cost-savings on the back-end.

The larger public is paying more attention as well. Headlines pronounce the environmental impact of industrializing countries like China and India. Commuters slog home on crowded freeways, many miles from work. If he has his way, three-time Pulitzer Prize winner, Thomas L. Friedman, will redefine green as the new "red, white and blue" of patriotic endeavors for the average American.

Urban Land Magazine asked Thomas Friedman, "What can we do to make green building development the rule and not the exception in the United States?" (Urban Land June 2006).

Friedman acknowledged that this movement must extend well past government to the business community in order to be effective. He doesn't care what motivates businesses, as long as they engage. Friedman cites Wal-Mart as a mega-corporation that has been hammered for its business practices, and is developing a whole green package.

Among his "wish list" for the building industry, edited for length:

- Demonstrate to developers how offering people a truly green building is highly effective marketing and branding
- Embrace and expand the exciting trend in the shopping center industry for consolidating and converting older centers into multi-use town centers
- Have every architecture student attend at least a year of courses on sustainable design and energy-conserving design
- Program every architect to ask: "How do I design energy and mass out of whatever I'm building?"
- Have every real estate developer and local regulatory agency take a course called, "Up, Not Out," to help stop urban sprawl
- Have every public official and regulator also go to "green" school

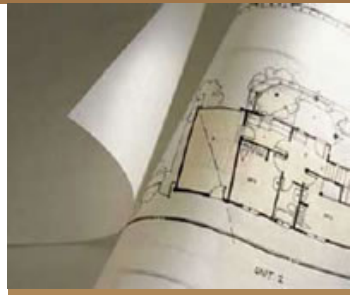
Other industries appear to be engaging as well. The insurance industry is considering offering better rates for green buildings. Certain banks are reviewing the possibility of granting special loan rates.

Snow Properties will continue to monitor the "green" landscape throughout 2007. In a future newsletter, we will explore what exactly green means. The two current main guides are ENERGY STAR, a program of the EPA, and LEED, headed by the U.S. Green Building Council.

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Snow Properties is a consultant to developers, financial institutions, owners and managers of real property assets in Southern California. Its expertise spans three decades and all stages of real estate development.

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What Makes a Building Green?

A green building is a high performing, energy, water and resource efficient building.

For example:

- The site is environmentally preferable, i.e., close to mass transit
- The building conserves water and energy
- Environmentally preferable or recycled construction materials are used
- Indoor air quality is considered
- Non-toxic materials are used throughout the design and construction
- Landscaping is beneficial, i.e., uses native plants

(source: www.epa.gov)

Websites with information on Green Buildings:

www.energystar.gov

www.usgbc.org

www.sdcounty.ca.gov/dplu

Labs and Cabs

General Contractor John Millett, President of JW Millett Construction, writes us: "I relax by taking two of my three Labrador Retrievers to an open field by our home to do blind retrieves with bumpers. They are ecstatic. Watching these powerful, beautiful animals in action melts the stress away. Please email us your relaxation tips at: info@snow-properties.com

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