



COMMERCIAL REAL ESTATE
DEVELOPMENT ASSOCIATION



ENERGY EFFICIENCY AND SUSTAINABILITY

KEY POINTS

- Improving energy efficiency is an important consideration in modern commercial real estate markets. Federal government policy can facilitate the movement toward increased energy efficiency through voluntary and incentive-based programs.
- Properly targeted tax incentives can spur investments in energy-efficient equipment and improvements that will substantially reduce energy consumption in commercial buildings.
- Efforts to promote energy-efficiency improvements through updated state building codes must include considerations for technological and economic feasibility.
- EPA's Energy Star Portfolio Manager enables property owners to track energy usage and compare their building's performance to similar properties on a voluntary basis. This program should be continued and improved.

OUR POSITION

Federal efforts to promote increased energy efficiency in commercial buildings should be incentive-based and market-oriented. Congress should pursue tax policies such as accelerated depreciation for energy-efficient improvements that spur high-performance upgrades to existing buildings. Legislation to advance building code efficiency goals must be based on economic realities and technological feasibility. Voluntary programs, such as EPA's Energy Star Portfolio Manager, should be continued and improved.

- Local economic conditions, tenant preferences and project development costs determine which energy efficiency measures can realistically be utilized in a particular market. Arbitrary nationwide energy mandates that ignore these local market conditions would create disincentives to new development where the costs cannot be absorbed.
- Congress should enact tax policies that promote investment in energy efficiency building improvements, including accelerated depreciation and other targeted provisions to spur these types of investments.
- Federal legislation that encourages states to update energy efficiency codes must include provisions for realistic payback schedules, and requirements that the provisions be technologically and economically feasible.
- NAIOP supports language in the bipartisan Energy Saving and Industrial Competitiveness Act, sponsored by Senators Jeanne Shaheen and Rob Portman, which takes a sensible approach to incentivizing energy efficiency through building code modernization, but does not impose new mandates.
- EPA's Energy Star Portfolio Manager is a voluntary program that enables owners to track and monitor a building's total energy usage. Because dozens of states, cities and municipalities require building owners to use Portfolio Manager to comply with local energy efficiency ordinances, ensuring that the program's underlying data is accurate is of utmost importance.

FOR MORE INFORMATION, CONTACT:

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