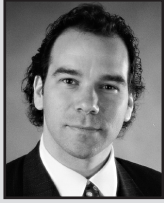


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It's easy being green: Former Chairman of Federal Reserve Greenspan visits recent BOMA convention

ry Richard Yaffe



Triangle Properties

I learned some startling facts during the BOMA convention. Office buildings contribute almost one-fifth of the country's carbon dioxide emissions. Energy costs top a building's operating expenses, and are valued at about one-third of a building's total expenses. Such costs add no commoditized benefit to a building – tenants assume that when they flip the switch, the lights will turn on. Yet high energy costs directly impact the bottom line.

When Alan Greenspan speaks, people listen. Well, most people, anyway.

Two weeks ago, I attended the Building Owners and Managers Association (BOMA) convention and office building trade show at the Javits Center in N.Y.C. There are about 16,000 members of BOMA International, with 91 local chapters throughout the U.S. plus members in nine countries. As the treasurer of BOMA Long Island, I participated in various meetings relating to the current state of our business, exchanging ideas about many relevant topics.

After attending the trade show, it was clear to me that green is the most important color of the moment.

Green, as in decreasing the footprint that our buildings leave on the environment.

Green, as in the color of money.

Green, as in the former Chairman of the Federal Reserve, Dr. Alan Greenspan.

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dioxide emissions. Energy costs top a building's operating expenses, and are valued at about one-third of a building's total expenses. Such costs add no commoditized benefit to a building – tenants assume that when they flip the switch, the lights will turn on. Yet high energy costs directly impact the bottom line.

As more and more tenants are seeking out those properties that are "green," many of the BOMA trade show exhibitors either spoke about what their company was doing to lower their customers' energy costs or were promoting their products as eco-friendly. This included everything from paper towels made from recycled product to compliance with the EPA's Energy Star program, which offers guidelines that can help real estate owners achieve energy efficiency. There are low-cost ways to reduce energy consumption, including replacing incandescent bulbs with low wattage fluorescent bulbs, or adding occupancy sensors. More

costly measures, such as replacing mechanical units, retrofitting older T-12 fixtures with newer T-8 or T-5 bulbs and ballasts, or utilizing alternative methods of heating and cooling may carry financial incentives from the local utility or tax benefits under the Energy Policy Act of 2005.

Educational seminars and panel discussions were well-attended. Seminar topics included negotiation tactics, building intellectual capital, making effective presentations, globalization and property management, and asset repositioning. There was a panel discussion that included some top real estate practitioners, moderated by Bruce Mosler, CEO of Cushman & Wakefield. The lively discussion touched upon the recent mergers and acquisition activity, debt market tightening, the flattening of the world, and diversification into the global market. No longer is real estate owned by various local dynasties controlling a fair share of the market. Players from around the world are tapping into the

U.S. market as the dollar loses its value to foreign currency.

But I digress. I wanted to mention a few things about Alan Greenspan who was interviewed by BOMA chairman Kurt Padavano. Greenspan was received warmly by the thousands in the audience. As the conversation on stage began, suddenly the applause stopped, and for those who remember the old E.F. Hutton commercials, when Greenspan spoke, people leaned a little closer and concentrated on his every word. That is, except for the gentleman sitting next to me. On stage, arguably the most powerful person in the world (formerly) was sharing his opinions on the nature of the education system in the U.S., the lack of skilled workers produced in this country, the resiliency of our financial markets to terrorism and other crises, and the increased competitiveness in technology and science from other countries. Greenspan spoke in a deliberate, methodic tone, never retracing his steps, always knowing what his thoughts were, and stating them unequivocally.

The person next to me, however, seemed more concerned with playing spider solitaire on his cell phone. I contemplated telling him to turn it off and pay attention. When else would he have the opportunity to see and hear the wisdom of Greenspan. But I stopped myself. He had a striking resemblance to Ben Bernanke.

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