

PAINTING RETAIL GREEN

SHOP!'S ANNUAL SURVEY SHOWS RETAILERS ARE LAYERING ON GREEN-BUILDING STRATEGIES

By Jo Rossman

Retailers are coating their projects in green hues, with 82% of their projects this year incorporating at least some sustainable strategies, according to the 2016 Shop! Green Building Survey. That's back up to the level seen in 2013, though retailers are still reporting more "light green" projects than the deeper shades of green seen in their projects three years ago. Still, the rise in certification-seeking projects over the past couple of years may indicate that commitment levels are on the rise.

Design firms, too, report an increasing share of their clients' projects incorporating sustainable strategies. In many cases, of course, the design firms themselves push these strategies—occasionally, without even giving the client a choice. It's a choice they have made in order to lead market change.

Indeed, more design firms are committing to the 2030 Challenge, a commitment to achieve carbon neutrality for new-building and major-renovation projects by the year 2030. While a fifth of design firms responding to our 2015 survey had joined the cause, this year that number rose to nearly a third of responding design firms.

Similarly, the percentage of supplier companies indicating they've committed to the newer corresponding 2030 Challenge for

Products more than doubled, from 7% in the prior year to 15% this year. These manufacturers commit to cutting the embodied carbon-equivalent footprint of their products in half by 2030. Organized by the nonprofit group Architecture 2030, the challenges include incremental goals, and companies report their status annually.

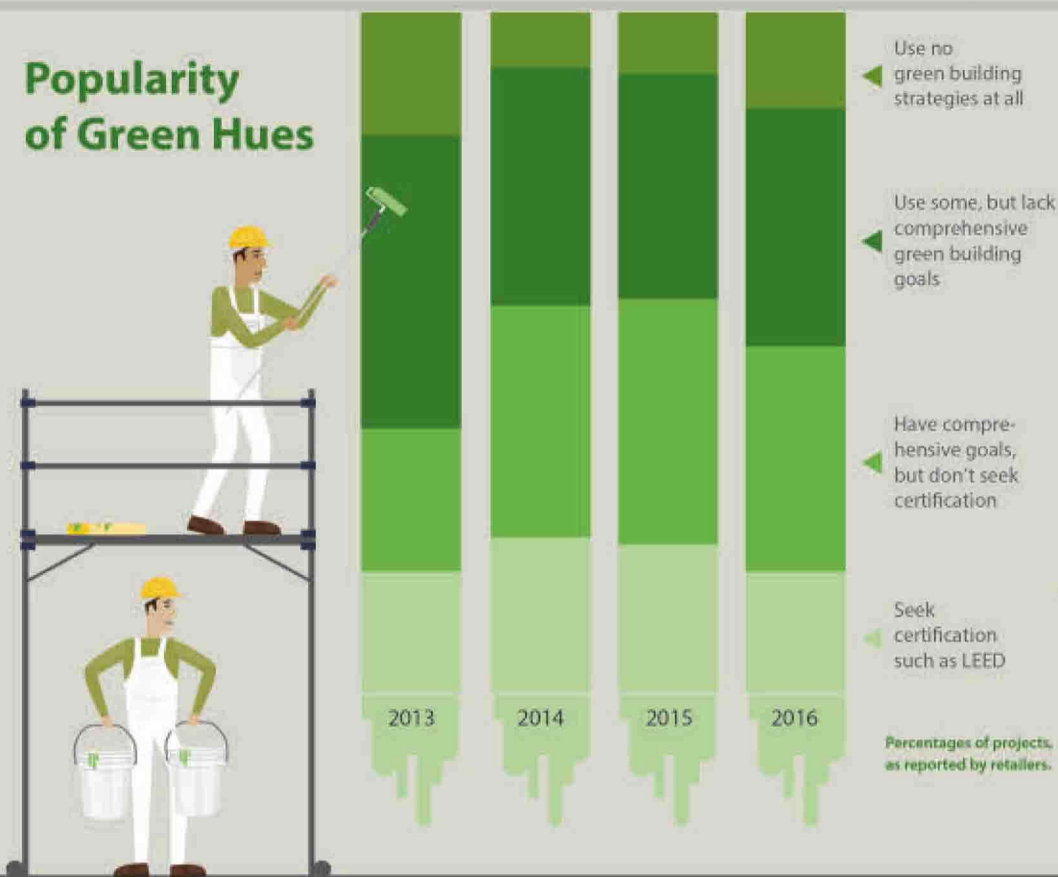
PRODUCT SPECS DROP AMID COST PERCEPTION

Running counter to the trend this year are product specifications. Suppliers are seeing fewer requests for green products, the Shop! survey found. With projects more likely to be "somewhat" green than to be registered for certification, retailers incorporating just a few strategies may be focusing on energy rather than materials.

A perceived cost differential also may be decreasing specifications for green materials. Initial cost and ROI continue to dominate specification decisions, according to responding designers and retailers, though retailers this year rate vendors' quality just as highly as ROI in influencing their decisions. A perception of higher initial costs was cited as one of the top three obstacles to green building in 11 of the 13 featured countries in Dodge Data & Analytics' *World Green Building Trends 2016*. While the report is not limited to retail projects,

Top obstacles worldwide: lack of public awareness, lack of political support/incentives, and perception that it's only for high-end projects

Popularity of Green Hues



What's being specified



Source: Shop's Green Building Survey

shopassociation.org

it provides general insight. The study involved more than 1,000 survey participants from 69 countries, including 13 with statistically significant results.

The cost perception is particularly prevalent in the U.S. (where 70% of respondents name it among their top three obstacles), Colombia (where 67% did so), and Mexico (where 54% did so). Other top obstacles worldwide are lack of public awareness, lack of political support or incentives, and a perception that green is for high-end projects only.

EMERGING MARKETS PRIMED FOR GROWTH

On the other hand, respondents to the Dodge study expect their green new and retrofit projects to lower operating costs by 9% the first year. Operating costs over five years are expected to be 13% lower for retrofits and 14% lower for new builds. These and other benefits are leading to a doubling of green building every three years, the report notes.

The authors point to emerging markets for much of this growth. “Emerging economies like Brazil, India, Saudi Arabia, and South Africa will be engines of green growth in the next three years, with development varying from twofold to sixfold over current green building levels,” the report predicts. “Expansion will continue in developed countries like the U.S., Germany, and the U.K. Across all regions, many respondents forecasted that more than 60% of their projects will be green by 2018.”

A significant share of that growth may be retail. Worldwide, 46% of new commercial construction and 20% of commercial interiors projects over the next three years are expected to be green. In comparison, only 38% of new institutional, 27% of new low-rise residential, and 25% of new high-rise residential construction will be green.

Whatever the cause for the decline in specifying green products in Shop!’s survey this year, it seems likely that, as projects are painted greener, more suppliers will be asked for eco-friendly building products.

A BROADER BRUSH

Sustainability is a trinity: people, planet, profits. But while this threefold aspect is well-established, the uninitiated often focus on environmental strategies and benefits, oblivious to the human and business aspects. For retail, those less-discussed aspects are painting a new picture that could win over even the most skeptical specifiers.

In the newly released *Health, Wellbeing & Productivity in Retail*, the World Green Building Council maintains that people and profit are intertwined, and retailers can prove it to themselves. The authors have outlined a Retail Metrics Framework to help them do so.

“There is emerging evidence ... that sustainable retail environments are becoming more attractive and profitable,” the report notes. “Using data and expertise that retailers already have, the Framework shows companies how to better understand the impact of place on profit.”

Shopping environments that are healthy for store associates and customers perform better than their less-healthy counterparts, the report suggests. But retailers often fail to see the connection. “Money continues to be spent on improving the sustainability of stores (e.g., energy efficiency or renewable technologies), but these decisions are often taken in isolation from the primary mission of retail—namely, providing an experience that makes people want to come, stay, and spend.”

The authors identify actions for each party within the retail real-estate space to inform design and building decisions with metrics.

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¹PAINTING ²GREEN ³BY ⁴NUMBER

GBCI'S FAMILY OF CERTIFICATION SYSTEMS

By Beth Feinstein-Bartl

Nearly a third of retailers have used LEED to benchmark their green building efforts, according to retail respondents to the Shop! 2016 Green Building Survey. And almost half of design firm respondents have used LEED for their clients' projects. The most popular building-rating system worldwide, LEED is the most recognizable system administered by the Green Business Certification Inc. (GBCI).

But the certification and credentialing body has been growing its roster of building-rating systems. Today, its certification programs recognize differing needs of buildings, occupants, and visitors—from improving work habits to optimizing power-system performance. Additional certifications administered by GBCI are:

1 WELL:

Developed with people's health and wellness at its core and grounded in medical research, this building standard addresses behavior, operations, and design. More than 100 features applied to each project are designed to improve occupants' nutrition, mood, sleep patterns, and performance. Performance standards are set for seven categories: air, water, nourishment, light, fitness, comfort, and mind. The retail pilot standard applies to both owner- and tenant-occupied projects, and to both those in standalone buildings and those integrated into larger structures. The restaurant pilot standard only applies to dining spaces. There is a separate program for commercial kitchens.

2 EDGE (Excellence in Design for Greater Efficiencies):

This green building certification system for new residential and commercial buildings enables design teams and project owners to assess the most cost-effective ways to incorporate energy-

and water-saving options. Certification is available in more than 140 countries. An innovation of the International Finance Corp., EDGE calculates operational savings and reduced carbon emissions for your building as measured against a base case. EDGE requires a projected minimum reduction of 20% in energy use, water use, and embodied energy in materials. The EDGE interface understands the climatic conditions of specific locations and how the building will be used by its occupants. Users can view hypothetical capital costs and a prospective payback period for commercial buildings.

3 SITES

(Sustainable Sites Initiative):

Designed to protect and enhance the benefits people derive from healthy functioning landscapes, this program defines sustainable sites, measures their performance, and ultimately elevates the value of landscapes. The rating system can apply to development projects located on sites with or without buildings, including open spaces, streetscapes and plazas, commercial, residential, educational/institutional, infrastructure, government, military, and industrial.

4 PARKSMART

(formerly known as Green Garage Certification):

This rating system defines, measures, and recognizes high-performing, sustainable garages for new and existing facilities. Parksmart assesses projects in parking structure management, programming, design, and technology. Parksmart's framework guides projects toward using innovative, solutions-oriented strategies that reduce their environmental impact, increase energy efficiency and performance, offer better lighting and ventilation, and promote alternative modes of transportation. These certified green garages save money in operational costs, along with

offering many other benefits for building and property owners, drivers, tenants, and local communities.

GBCI also administers PEER, an adaptive rating process for sustainable power system performance. And its subsidiary, GRESB, assesses environmental, social, and governance performance of real-estate portfolios and infrastructure assets for investors.

For more information on GBCI certifications, visit gbc.org.

OTHER RATING SYSTEMS USED BY RETAIL PROJECT TEAMS

Aside from LEED, **EnergyStar for Buildings** (energystar.gov/buildings/about-us) is the most used rating system among respondents to the Shop! 2016 Green Building Survey. Operated by the U.S. Environmental Protection Agency, EnergyStar focuses on energy efficiency. Other systems retail project teams have reported using:

- **Green Globes**, a global system: greenglobes.com
- **Living Building Challenge**, a global system: living-future.org/lbc
- **GreenChill**, a U.S. system for refrigeration efficiency: epa.gov/greenchill/greenchill-store-certification-program
- **BREEAM** (Building Research Establishment Assessment Method), a U.K. system: breeam.org
- **SKA Rating**, a U.K. system: rics.org/uk/knowledge/ska-rating-
- **SBTool**, a global system: iisbe.org/sbmethod
- **CASBEE** (Comprehensive Assessment System for Building Environmental Efficiency), a Japanese system: ibec.or.jp/CASBEE/english/overviewE.htm
- **Green Star**, an Australian system: gbca.org.au/green-star/green-star-overview/
- **Regional systems** such as Portland, Ore.'s Earth Advantage: earthadvantage.org

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