

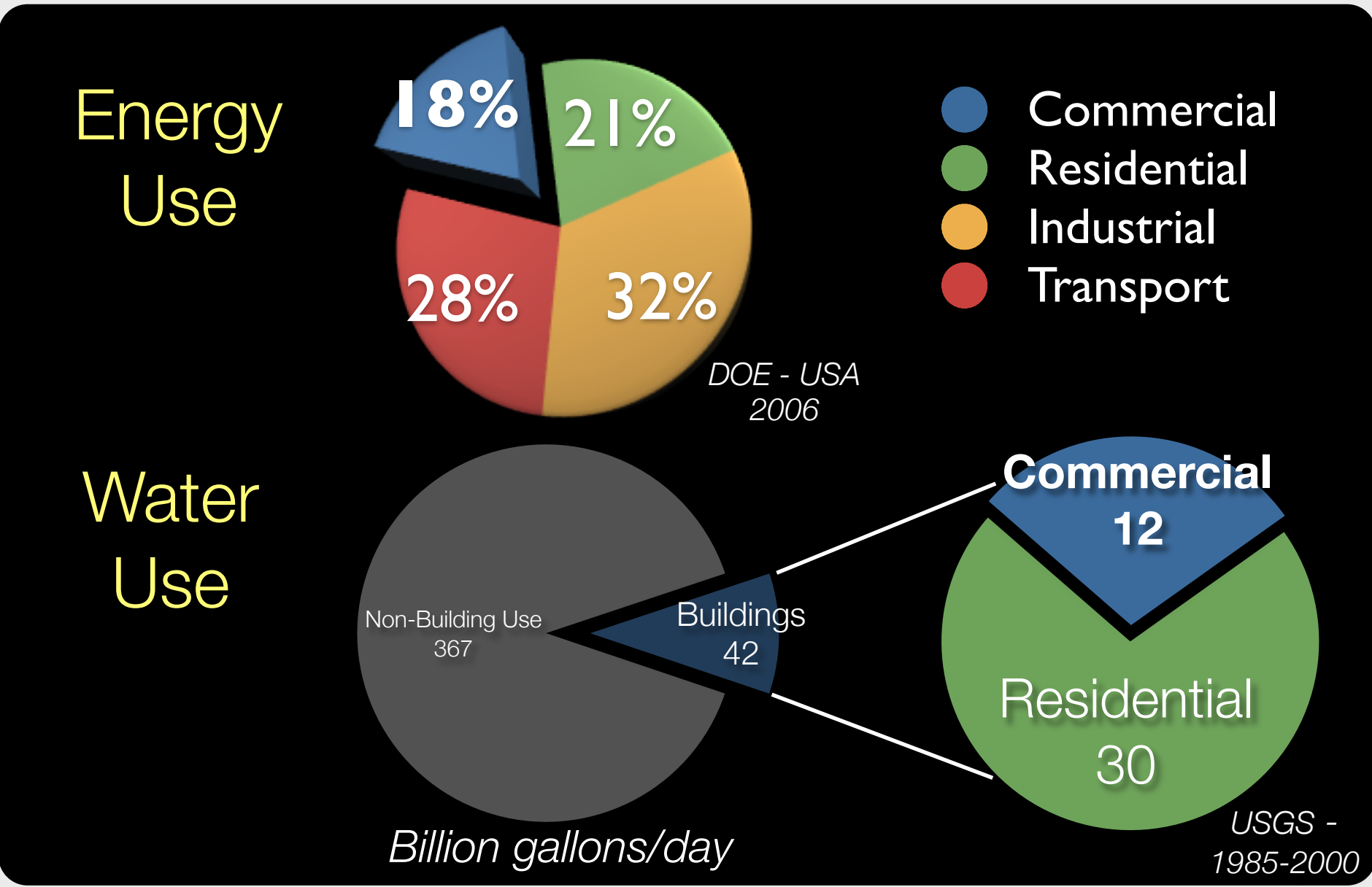
# Sustainable Property Rewards Initiative:

## A Corporate Strategy for Greening Commercial Property Management



### PROJECT OVERVIEW

Despite the economic and technical feasibility of green building improvements, many existing commercial buildings do not utilize best management practices. The Sustainable Property Rewards Initiative (SPRI) seeks to leverage the market share of Yardi Systems, a leading property management software firm, to improve the performance of the domestic commercial building stock. In order to provide our property management audience with the information and tools necessary for the implementation of green building improvements and sustainable management practices, SPRI has developed the Interactive Resource Manual (IRM). This resource integrates the knowledge and experience gained from extensive background research, a localized audit process and a nationwide survey of Yardi Systems' commercial clients. Our corporate strategy maximizes the effectiveness of the IRM through the design of three deployment programs, which include audit support, software integration and co-marketing. Together, these components of SPRI can achieve measured reduction of the environmental impacts associated with the U.S. commercial building sector.



### Development Team

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### BUILDING AUDITS

The SPRI commercial property audits assessed the current efficiency level of the technologies and operational practices of four properties in the Santa Barbara area. Audits set a baseline metric for the performance of the property for future improvement and is a key first step in the development of a customized sustainable improvement strategy that provides the greatest return on investment.



Commercial Property Type	Build Date	Area (Sq. Ft.)
Multi-tenant Office Building	1981	48,880
Multi-tenant Retail Shopping Center	1976-1982	125,041
Multi-tenant Office Park	1912-1935	92,586
Single-tenant Office Building	2004	61,000

### CASE STUDIES

The four property audits conducted by the SPRI team were developed into case studies to serve as a resource for property managers to model in the assessment and improvement of their own buildings of similar type and performance. For example, this multi-tenant commercial office building had incorporated assorted efficiency upgrades since its construction in 1981, yet holds the potential to implement low cost improvements that provide significant reductions in energy and water usage as well as operating costs.

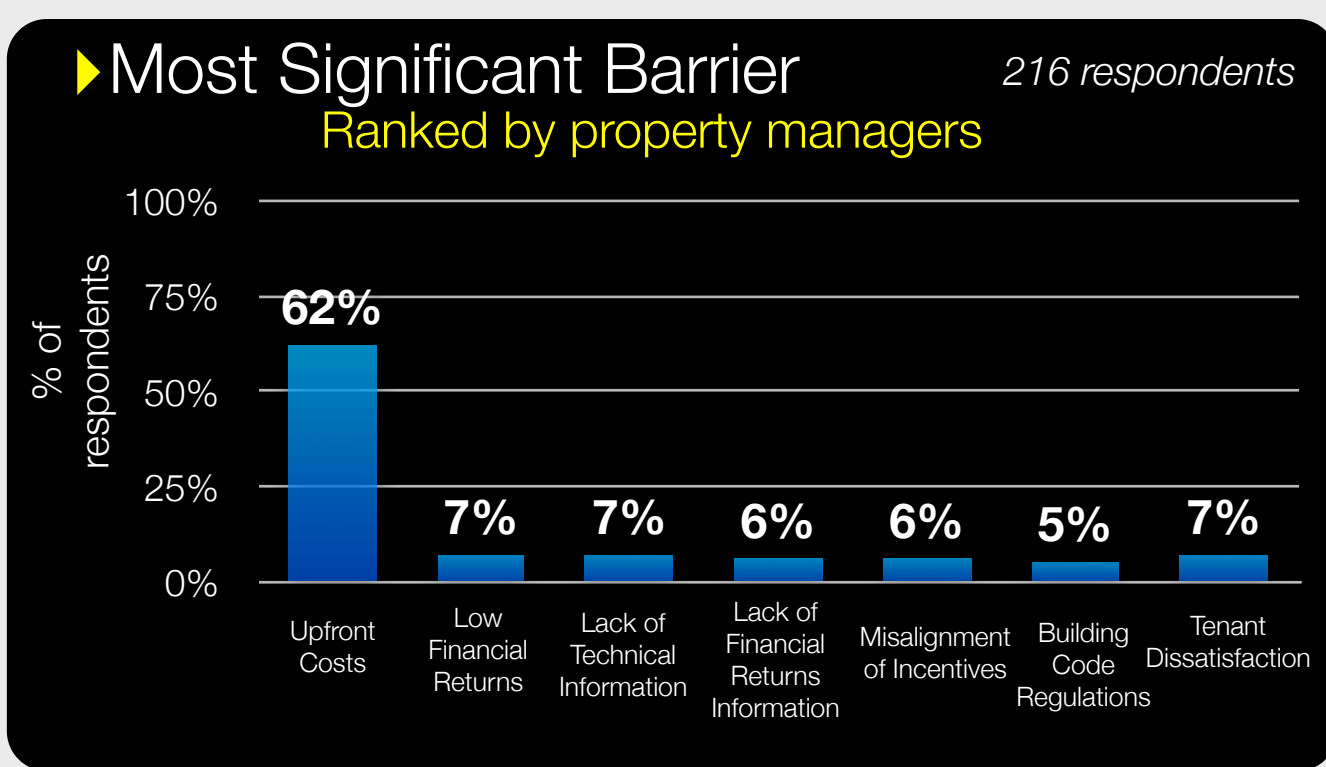
Case Study: Multi-tenant Office Building

Division of CO <sub>2</sub> (Metric Tons)	147
Annual Energy Savings (kWh)	25,911
Annual Water Savings (Gallons)	66,000
Investment Cost	\$2,298
Annual Cost Savings	\$3,354
Payback (Years)	0.69
Annual Return on Investment	146%
Increased Net Operating Income	\$3,354
Capitalization Rate	7%
Increased Building Asset Value	\$47,914.29

### NATIONAL SURVEY

The survey identified barriers and incentives faced by property managers when considering green building upgrades. Major findings included:

1. Survey respondents are representative of Yardi Systems' commercial client base
2. The amount of property managed (square footage and number of units) does not significantly affect decision making drivers of property managers
3. The most important incentive driving building improvements varies according to past upgrades
4. Barriers, incentives, and information valued by property managers focused consistently on financial obstacles and rewards



## Interactive Resource Manual (IRM)

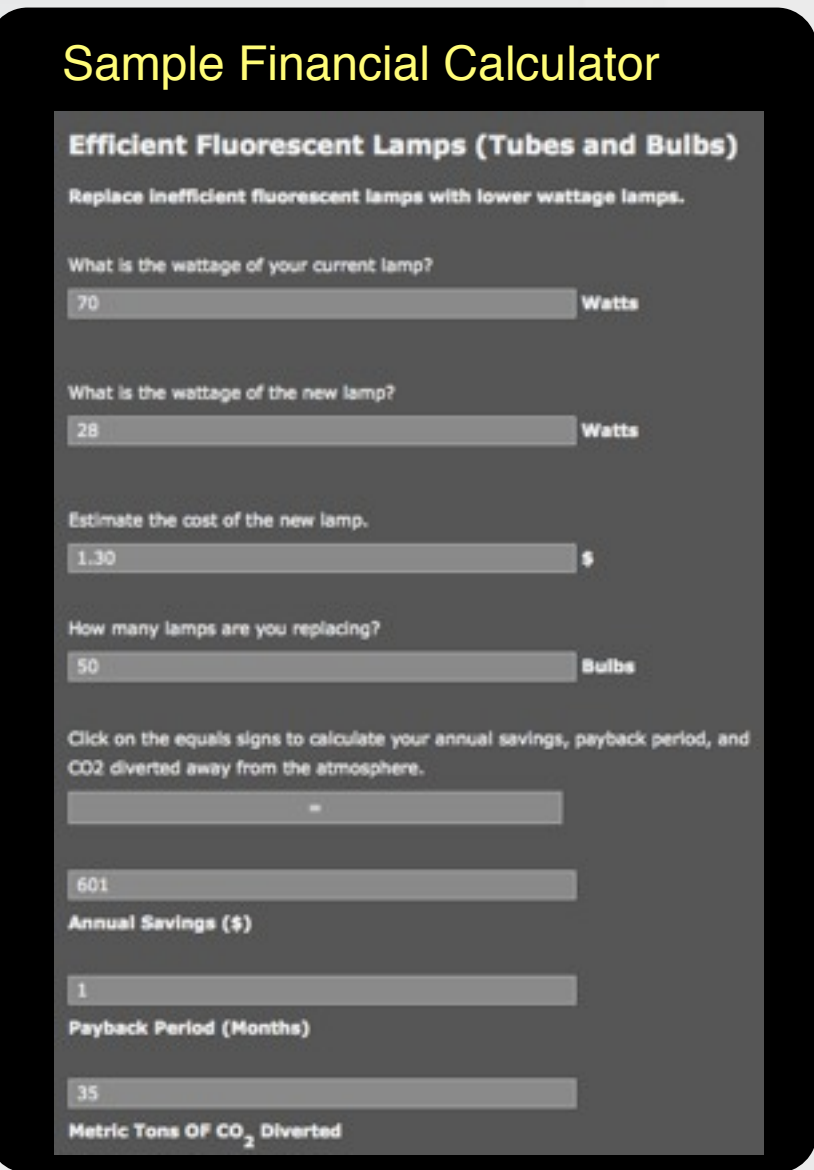


### IRM

The data collected from our building audits and survey allowed SPRI to target our Interactive Resource Manual (IRM) to best meet the needs of property managers when making green building improvements.

Core components of the IRM include:

- Self-Auditing Toolkit
- Financial Calculators
- Informational Resources
- Environmental Benefits
- Tax Credit and Rebate Information
- Best Practices
- Case Studies
- Green Leases
- Survey Results



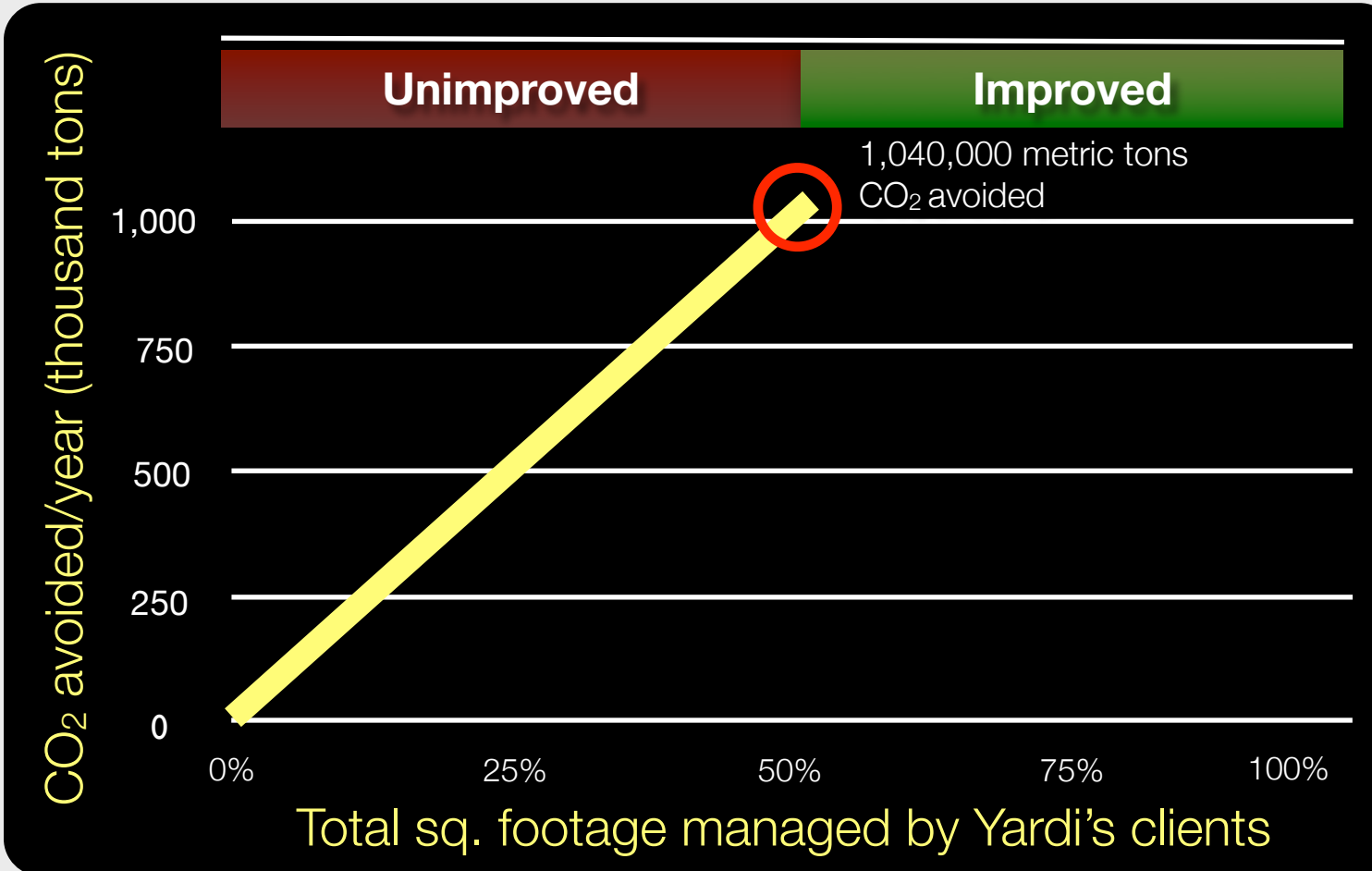
### MARKET PROJECTIONS

Yardi Systems' U.S. clients manage over 7 billion square feet of commercial space translating to nearly one tenth of the nation's total. As the Interactive Resource Manual (IRM) is also available industry-wide, SPRI not only has the potential to improve the sustainability of Yardi Systems' client base, but the entire commercial building sector as well.



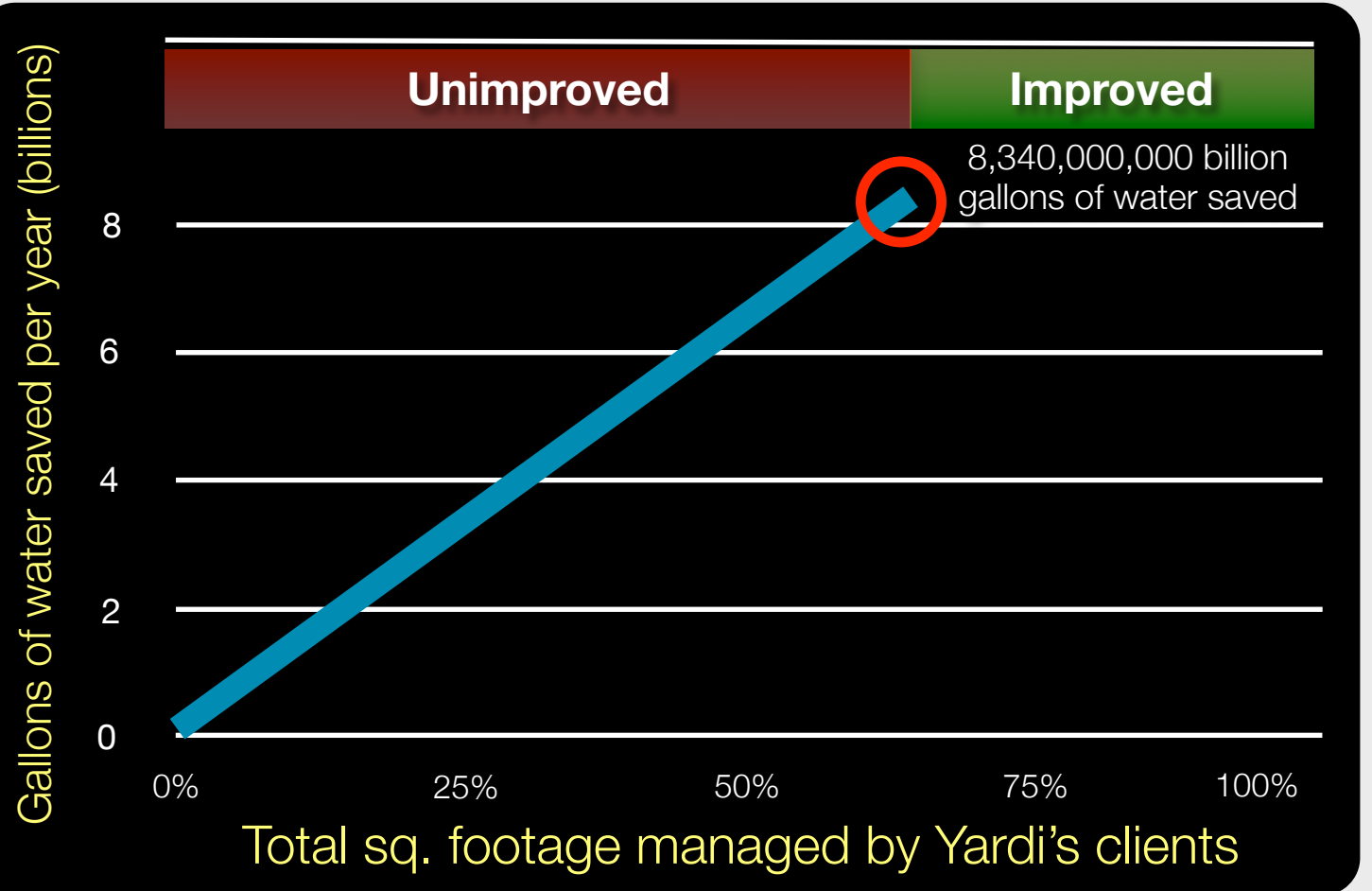
#### Energy

SPRI survey results indicate that approximately 50% of commercial square footage managed by Yardi Systems' client base has undergone lighting efficiency upgrades. A sensitivity analysis of modest lighting upgrades on varying proportions of the remaining unimproved space demonstrates the potential for substantial CO<sub>2</sub> diversion.



#### Water

Survey results indicate that approximately 36% of commercial square footage managed by Yardi Systems' client base has undergone water efficiency upgrades. A sensitivity analysis of moderate water efficiency upgrades (flush and flow fixtures) on varying proportions of the remaining unimproved space demonstrates the potential for significant water savings.



SPRI currently exists as an independent initiative to Yardi Systems' existing product offerings. In future development cycles, Yardi Systems will consider a variety of features to be included in new software versions. In each of these cycles, components of SPRI can be incorporated into their software package; such as utility tracking, carbon accounting, and Energy Star integration.

