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Big Apple ripe for green development

Midtown and downtown come in at Nos. 3 and 7, respectively, in new index ranking cities by their potential for environmentally sensitive building.

By **James Comtois**

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Recent city legislation that requires new and old buildings to adhere to stricter environmental codes means New York could be among the nation's leaders in "green" building, according to a study released Thursday by Cushman & Wakefield and the Northwest Energy Efficiency Alliance's BetterBricks initiative.

Cushman's new Green Building Opportunity Index ranks top U.S. office markets on a combination of real estate fundamentals and green development considerations. On the index's ranking of the 10 office markets with the greatest potential for green development, New York didn't top the list—that honor went to San Francisco—but it did win two spots. Midtown came in at No. 3, and downtown at No. 7.

In December 2009, four new laws were passed in the city mandating basic requirements for environmental retrofits on older buildings, as well as stricter codes for new developments.

Theddi Wright Chappell, managing director at Cushman & Wakefield and co-author of the report, said that New York tenants and landlords are becoming more conscious of buildings being LEED-certified, particularly from a cost-benefit perspective.

"Tenants are looking for a good location in a building that's efficiently run," Ms. Chappell said. "Building owners have to look at retrofitting strategies to be cost-efficient."

The study also included a detailed profile on midtown Manhattan. Among other things, it noted that the area is already densely packed with buildings. The main challenge for midtown landlords is retrofitting those buildings—some of them a century old—to follow new environmentally-friendly codes.

"In New York, those buildings are going to be there for years to come, so it benefits owners to make the best of them," Ms. Chappell said.

The index focuses on the primary factors that influence successful development, retrofitting, leasing and sales of investment-grade "green" office buildings in the 25 largest business districts in the U.S. It compares a market's relative position to its peers in six categories: office market conditions, investment outlook, green adoption and implementation, local mandates and incentives, state energy initiatives and green culture.

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