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Green Building Certifications at All Time High in Nation's Largest Metros

Chicago Repeats, Widens Lead as Nation's Greenest City

LOS ANGELES--(BUSINESS WIRE)-- The nation's largest cities are getting even greener, according to the fifth annual [U.S. Green Building Adoption Index](#) by [CBRE](#) and [Maastricht University](#). Researchers have found green certified office space across America's 30 largest metros has reached 41 percent of market totals – the highest in the index's history.

This press release features multimedia. View the full release here:
<https://www.businesswire.com/news/home/20180823005204/en/>

"Green" office buildings in the U.S. are defined as those that hold either an EPA ENERGY STAR® label, USGBC LEED certification or both. According to the report, 11.5 percent of all buildings surveyed are ENERGY STAR labeled, while 5.2 percent of buildings are LEED certified, both at all-time highs for the five-year study.

Chicago again claimed the top spot with nearly 70 percent of its space green certified. In addition to defending its title as the nation's greenest city, Chicago saw a difference of nearly six percent with second-place San Francisco, the largest spread ever recorded in the Green Building Adoption Index. Atlanta maintained the third spot with more than 58 percent of all space green certified, while a surging Los Angeles claimed fourth – up from sixth last year. Minneapolis rounds out the top five with 55 percent of office space certified.

"From moving to 100 percent renewable energy in our public buildings, to supporting our private partners as they work to reduce emissions, Chicago is showcasing to the world the impact that cities can have on climate change for their residents and for people around the world," said Chicago Mayor Rahm Emanuel. "This national recognition is a testament to the progress and success of our efforts to improve our environment while bettering communities across Chicago."

RANK	MARKET	TOTAL # OF BUILDINGS	TOTAL SQ. FT.	TOTAL # GREEN BUILDINGS	% OF MARKET CERTIFIED GREEN
1	Chicago	1,435	236,516,240	265	69.8%
2	San Francisco	1,386	120,434,025	286	64%
3	Atlanta	908	132,828,235	251	58.4%
4	Los Angeles	1,664	206,051,367	363	56.3%
5	Minneapolis	476	69,950,658	102	55%

Continued improvement in average energy efficiency for the nation's commercial buildings also prompted the EPA to change the underlying calculations for ENERGY STAR scoring this year. This change is expected to lower average scores for office buildings by as much as 10 points next year. These changes may have a significant impact on next year's Green Building Adoption Index rankings, particularly for markets whose ENERGY STAR certifications comprise the bulk of their green space.

"Green building certifications have become an important proxy for sustainable practices, recognized by all stakeholders. Any significant change to one of these major certification programs can have a significant impact on the buildings affected. We will be closely watching for the results," said David Pogue, CBRE's Senior Vice President, Global Client Care.

Green Buildings Certification Influencing Capital Markets

CBRE and Maastricht University researchers note that building certification has become a more recognized and important part of a building's profile. As these programs reach maturity, the capital markets are increasingly incorporating these certificates into loan pricing and alternative financial instruments such as green bonds. And, according to additional research by Green Building Adoption Index co-author Rogier Holtermans, buildings certified by ENERGY STAR and/or LEED have been shown to transact for about 10.1 percent more than non-green certified buildings.

In fact, in 2018, for the first time in the four-year history of [CBRE's Investor Intentions Survey](#), more investors said sustainability is an important criteria in asset selection than said it was unimportant. This reflects a gradual trend of increasing investor interest in sustainability.

On the lending side, there have been significant advances to integrate green building certification into financing programs, and some lenders, like Freddie Mac and Fannie Mae, are adapting their rates based on the presence or absence of green building certification. Freddie and Fannie are providing pricing breaks in the range of 10-30 basis points to multifamily assets that are rated by one of eight different green rating schemes.

"For investors and lenders in the commercial real estate sector, green building certification affects their cost of capital. The rationale is that such buildings have a more attractive risk profile, and may be more resilient when economic headwinds arrive," said Dr. Nils Kok, associate professor at Maastricht University.

This is the fifth release of the annual U.S. Green Building Adoption Index. Based on a rigorous methodology, the index shows the growth of ENERGY STAR- and LEED-certified space for the 30 largest U.S. office markets, both in aggregate and in individual markets, over the previous 10 years. A feature again this year is a geographic mapping platform that highlights the name, location and details of the specific green certification for each building in all 30 markets. View the study's findings [HERE](#).

About CBRE Group, Inc.

CBRE Group, Inc. (NYSE:CBRE), a Fortune 500 and S&P 500 company headquartered in Los Angeles, is the world's largest commercial real estate services and investment firm

(based on 2017 revenue). The company has more than 80,000 employees (excluding affiliates), and serves real estate investors and occupiers through approximately 450 offices (excluding affiliates) worldwide. CBRE offers a broad range of integrated services, including facilities, transaction and project management; property management; investment management; appraisal and valuation; property leasing; strategic consulting; property sales; mortgage services and development services. Please visit our website at www.cbre.com.

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CBRE Group, Inc.

Robert McGrath, +1-212-984-8267

robert.mcgrath@cbre.com

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