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## TWO BILLION TONS TO GO

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The worldwide real estate industry has the potential to reduce CO<sub>2</sub> by an estimated two billion tons over three years—close to three times the amount of CO<sub>2</sub> scheduled to be reduced under the Kyoto Protocol, according to a report by The United Nations Environment Programme Sustainable Construction and Building Initiative. This surprising statistic presents an important opportunity for the real estate industry and a real need for policymakers to collaborate with the private sector to make buildings more energy efficient.

A recent Urban Land Institute report states that the economic downturn has dealt a significant blow to the real estate industry's efforts to address energy usage and climate change concerns. More than 75 percent of leaders in the real estate investment community count climate change and energy issues as only somewhat important or not important to their business decisions. As in most industries, weathering economic challenges often trumps longer-range business considerations.

The real estate industry will survive, and the market will rebound. Yet if we don't seize this transformational moment, our natural environment will not. Public officials and industry leaders must now begin the dialogue that will refocus our industry on this important task.

Government incentives are a proven first step to generating business activity.

Historically, incentives have helped attract large employers to our state, including Scripps Research Institute and the Burnham Institute as cornerstones of the state's new biotech industry. Government incentives can play an equally important role in driving green building.

For example, density bonuses and the relaxation of height restrictions are two simple governmental tools that would inject immediate value into "green" projects, and at no cost. These two changes would reward developers for building up, rather than out, thereby limiting the use of undeveloped land. Further tax incentives and tax exempt financing mechanisms should be considered to support the retrofitting of existing buildings with more efficient cooling systems and water saving technologies, reducing operating costs for building owners and tenants while cutting emissions.

Incentives should be made specifically available for developers whose projects employ certified green building practices, including standards developed by the Florida Green Building Coalition and the U.S. Green Building Council.

The next step is getting private industry to recognize the value of sustainable development and making it a core part of business decisions. The Urban Land Institute report found that while industry leaders are generally not factoring climate change into their business decisions, they are preparing for it. Nearly 60 percent of those surveyed said they have funded professional development in green building, 40 percent have appointed specialized staff and 35 percent



have reallocated operating budgets. While encouraging, the report findings confirm that more must be done.

In Florida, we are seeing promising development. Babcock Ranch in Southwest Florida is on track to be the first city powered by the sun. And Miami has just become the first major U.S. city to adopt form-based codes, which promote efficient use of land, energy and public transportation.

As the real estate industry recovers, public-private collaboration must help reduce those two billion tons of CO<sub>2</sub> emissions.

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