



Talking About Energy Efficiency In Commercial Buildings

By the Topos Partnership

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INTRODUCTION

Project Objectives

The goal of this project is to help advocates understand how people in the commercial property sector make decisions about whether to move forward on energy efficiency improvements, and to look for ways to make improving energy efficiency ever more central to commercial property ownership and management.

Primary audiences for this report are:

- city government agencies responsible for designing and implementing building energy use benchmarking and disclosure, auditing, retrofitting and energy-efficient construction policies*
- energy efficiency advocacy organizations working to advance those same policies*
- building industry trade groups and research consortiums*
- funders of climate change, clean energy and energy efficiency initiatives*

Research Approach

Developed over a decade of close collaboration between its three principals – a cognitive linguist, a public opinion strategist, and a cultural anthropologist – Topos’s approach is designed to give communicators a deeper picture of the issue dynamics they are confronting, and of the fundamentally different alternatives available to them, as well as deliver communications tools with a proven capacity to shift perspectives in more constructive directions.

For this project, research involved cognitive interviewing (elicitations) among decision-makers in the commercial property sector. The goal of this methodology is to approximate a natural conversation rather than a highly structured survey. One of the key goals of these semi-structured conversations is to encourage subjects to think aloud about the issue, rather than reproducing opinions they have stated or heard before.

29 elicitations were conducted ranging from 30 to 45 minutes. The first 5 were conducted face to face in Seattle, and the remainder by phone. Half the subjects were drawn from the Seattle area, half from the Philadelphia area, and one additional subject from Chicago.

Participants were chosen to represent many various positions within the decision-making process for commercial properties. They included owners, property managers, sustainability officers, consultants, building engineers, and real estate brokers.

Executive Summary

There is a widely shared, common sense model of energy efficiency in the commercial property sector – and this model is largely independent of beliefs and values about environmental sustainability.

When it comes to issues like sustainability, environmental protection, energy policy and so on, the public discourse is often hampered by a lack of shared ideas about what the issue is actually *about*. Experts in sustainability typically have access to sophisticated conceptual models, but these expert models may be very different than the ones that regular people use or accept. This sort of mismatch can be a problem for communications and outreach.

Making matters worse, the issue is often politicized, so that efforts to save energy are caricatured as "environmentalist" in a negative way.

The good news from this study is that a widespread conceptual model for energy efficiency does exist, is not highly politicized, and is in fact accepted as obvious common sense by most people. The model can be expressed as follows:

**Because energy costs money,
reducing energy use can save money.**

**Because the purpose of commercial property is to earn money,
reducing energy use is good business practice.**

According to the model, saving energy saves you money, and is therefore a "no brainer." The implication of the model is that you are foolishly missing a opportunity for business success if you do not take advantage of energy efficiency opportunities. As one insider put it:

When we look at how we operate our buildings, we believe in this. We believe that if you use energy efficiency and you put that on the front burner, that you're going to operate it better and you're going to reduce your operating expenses, and you're therefore going to be able to lease space for less money and all those good things.

The clear, uncontroversial logic of the relationship, and the perfect fit with business goals have at this point been made clear to people throughout the commercial property sector. Additionally, another very important aspect of the model is that for professionals, such as owners, property managers, operations managers, and building engineers this model is something that they think about and use as they do their jobs.

Energy efficiency is part of your job

Professionals like the ones interviewed generally have strong motivations to do their jobs well, so when they see attention to energy efficiency as important or even central, they bring those motivations to bear on the task.

When the people we talked with reasoned about energy efficiency they sometimes referred to the "big picture" of environmental sustainability, carbon footprints, global warming, etc. At the same time, however, close analysis of the discourse makes clear that for most people, the environmental perspective did not drive their thinking on this issue – or their professional decisions and practices. Instead, the default business model of Energy Efficiency is, in most cases, relatively "free standing" – it is applicable, motivating and relevant irrespective of the value system of environmentalism.

At the same time, this model is not always applied in situations where it could be. Owners or property managers may not know all of their options, or data may be lacking, or the expense of an investment might go to one party, but the benefit to a different party, or organizationally a company may not be set up to reward innovations or take advantage of these opportunities. For these and other reasons, the model sketched above does not get applied as often as it should.

Our central recommendation is therefore that advocates explore practical ways of "extending the reach of the model" – i.e., making it a part of managers' thinking and practice in more contexts and situations when they're actively making decisions related to energy efficiency. We discuss a number of potentially helpful approaches for doing this.

Note that continuing to build a case among the public and corporations for sustainability *per se* is an important task, but we saw little evidence that a sustainability discourse has immediate potential to motivate change among rank and file property owners and managers. For the time being a sustainability discourse will continue to be an "external" force applied to the commercial property sector, whereas this research looks at ways in which the already existing model can be strengthened to stimulate change from within.

It's just dollars . . . We won't just do it because we want to be more energy efficient. A decision is made based on safety, cost, and reduction in overall cost over time.

The Need to Extend the Model

Among the people interviewed, there is broad agreement that the relevant actors are getting more sophisticated about energy efficiency and more attentive to the dollar-savings potentials of efficient energy use. The trends are moving in the right direction.

A crucial part of the expert model of sustainability / energy efficiency has already been accepted by commercial property actors and integrated into their practical business model. People are already deeply committed to this model and it is not necessary to increase people's loyalty to the model, give them a bigger picture, or appeal to other values, such as environmental stewardship, for example.

Owners are getting more on board with doing capital upgrades to reduce energy consumption . . . It reduces the overall amount of rent that the tenant has to pay, 'cause they pay their portion of the operating expenses. So, if we can bring those down, it does help get tenants in there and retain tenants.

At the same time, this model is not always applied in situations where it could be, and the commercial property sector can and must do better at taking advantage of improvements in energy efficiency. Owners or property managers may not know all of their options, or data may be lacking, or the expense of an investment might go to one party, but the benefit to a different party, or organizationally a company may not be set up to take advantage of these opportunities. For these and other reasons, the useful model sketched above does not get applied as often as it should.

To this end, advocacy groups, municipalities, legislatures, and commercial property insiders should pursue strategies that not only make use of this pre-existing conceptual model, but make it more sensible, obvious, unavoidable, and central to the process up and down the decision-making chain.

In the following section we explore some promising possibilities for doing this.

Getting smarter about energy efficiency should be an important part of professional and career development

One striking finding is that as people in this sector grow more sophisticated about energy efficiency, they feel they are getting more competent and more effective at their jobs. In other words, energy efficiency initiatives can dovetail with the very powerful motivations that people bring to their work and their careers (especially strong for professionals like the ones who make the relevant kinds of decisions).

Notably, these patterns seem to hold throughout the sector in spite of the diversity of job descriptions.

That is, building engineers or operations managers often see themselves as primarily technical problem solvers – who have to keep systems running efficiently and cost-effectively. Landlords and property managers often see themselves as fundamentally serving people – they have employers and clients and tenants, and it is their job to see how people can best be satisfied. An owner may see their task as essentially making the best profit they can, by controlling operating expenses and attracting paying tenants. Yet in every one of these cases it is easy for them to appreciate how saving energy is or ought to be part of their job.

If long-term there's reduction in the cost, it's not only benefitting the landlord, it's benefitting the tenants. The way I look at it is - part of my job. I work for the landlords, but I also would be to a certain extent an advocate for the tenants. And if I can reduce their expenses, that's a good thing.

One of my favorite things is when we do projects or bid out services, and we're able to save the property money and pass those savings onto the tenants. Everybody likes a good deal, right? So, if you can go out there and figure out a way to save money – I don't know. I like that. That's what I find rewarding.

In contrast, brokers see their task as *closing the deal*. Energy efficiency is only a concern for them if it is a concern of their client. Although they are not decision-makers directly, they have the ability to insert energy topics into the relationship between landlord and tenant. It may be worth exploring ways in which the role of the broker could be made more constructive and proactive.

This dynamic offers several opportunities to bring people into a greater engagement with the default model.

Emphasizing professional and career development

Most people interviewed mentioned professional organizations to which they belong and where they network with peers and learn about approaches that are important for them to do their jobs. In this and other contexts, people attend seminars or workshops that inform them of developments in their field – including learning about energy efficiency.

I have my LEED Green Associate. Hopefully we're getting the building LEED existing building certified, and I'm hoping to get my LEED AP after that. [And what are the benefits for that?] . . . The more licenses you have, the more marketable you are in the city . . . to other companies . . . that way I can find a job more easily.

Advocates can continue to demonstrate not only that energy efficiency changes are technically and financially sound, but that this is an area in which professionals need to hone their skills and take advantage of new developments.

Harnessing peer outreach

A number of the people interviewed have already learned about energy efficiency from organizations like the Delaware Valley Green Building Council (Philadelphia sample) or the 2030 district (Seattle sample)

When people who are on-board think about reaching out to peers on the topics of energy and green building, they don't think about changing minds about politics or environmental stewardship. They think about opening up their colleagues eyes to ways that they could be doing their job better. This opens up additional potentially useful avenues of advocacy about energy efficiency in terms of peer outreach, networking, and numerous other contexts where professionals rely on one another for information and advice.

[Are there other benefits to energy efficiency?] Bragging rights. [Who do you brag to?] The other guys. Because, you know, the building over there, the brick building, used to be another company I used to work for's building, and they use a lot more energy than me, so I used to give them a little bit of trouble.

I belong to the Building Owners and Managers Association . . . There's over 500 members in the tri-county area. That gives me at least an understanding of what they're doing or seeing. In addition, we have other networking groups in our office – maybe our sales and leasing person . . . So, that's where my knowledge base comes from. It's more just watching what's going on around us and talking to the people that do the same thing I basically do in other buildings.

For the lighting, it's just basically word of mouth from other guys downtown. If they've done a retrofit, I talk to them, see how it went, and that's about it. It's really just word of mouth and doing a little bit of research.

Staying ahead of the curve

Actors in this sector see themselves in a dynamic and changing industry. One important strength of the energy efficiency model is the perception that trends are headed toward greater emphasis on energy efficiency. Whether people perceive this as a result of government intent, culture change or free market competition, the trends have been toward greater attention to this issue. Organizations and professionals who ignore the trend run the risk of falling behind.

People see a generational divide, where it is characteristic of the younger, up and coming generation of professionals to be more attentive to energy efficiency opportunities (as well as more likely to be interested in sustainability for its own sake).

I really use it as a differentiator for myself as compared to my peers and competitors, so I try to stay as up-to-date on things as I can. I really see it as a value-add to my

clients. I would say the brokerage community as a whole isn't there yet. But they will be once tenants and landlords are requiring them to be.

Communications should stress that thinking about energy efficiency is forward thinking, and that professionals need to stay on top of developments both in order to serve their clients and employers, but also to remain relevant and competent in their careers.

Getting smarter about energy efficiency should be an important strategy for companies to increase profits

In this project Topos interviewed individual professionals rather than corporations, but it is clear that insiders view companies and corporations as in the same boat as themselves. Just as energy efficiency is relevant to their jobs, so too is energy efficiency as an important strategy for companies to improve their bottom line.

Just as professionals come to see energy efficiency as practical, necessary and forward-looking, so too should companies, especially if they want to stay ahead of the curve.

Emphasizing the extent of this smart business model

The default model described in this report already makes clear that energy efficiency is compatible with practical, profitable business practice, and communications should always make that clear. It should always be made obvious that the goal is not to conserve energy *per se*, but to improve the profitability of commercial property by conserving energy.

We're going to look at what's the most energy efficient way to do this . . . because it's tied into reducing overall cost, but it's not for the pure fact of being more energy efficient, it's more driven by how much the spend is and how much we get back with our payback.

To pique the interest of those who may be skeptical, I would start with the cost savings aspects, because everybody, at some level, has to pay an electricity bill and a gas bill . . . It has to be brought down to the level that any individual can understand.

These businesses are diverse, so it is important to be sensitive to the way that energy efficiency may pay off differently and to different degrees depending on their specific business situation. Every business can appreciate saving energy on its electric bill, but an owner who has long-term tenants and long-planning horizons will tolerate a longer payback period on investments compared to an owner who may sell the building in a year or two. A company with a small staff and limited capital may prefer a simpler, more predictable course on energy than would a larger company with more expert staff.

I did an office property - we were doing an HVAC retrofit and it was partially because the equipment was old and it needed to be upgraded anyway, but it partially was for

energy efficiency, and that was a struggle because frankly the owners were more concerned about a big lump sum going out the door up front - that was the bigger concern than what the energy savings was over the long term.

Sensitivity to this calculus of investment, profit and risk is key to communicating with commercial property owners about the opportunities for energy efficiency. Messages may have to be tailored differently depending, for example, on whether the audience is a large property management company, with sophisticated accounting and marketing operations or a small private operator with a handful of buildings and limited resources.

Overcoming the myth that sustainability is too expensive.

The most common misunderstanding cited by interviewees is the myth that sustainability is necessarily expensive and a niche endeavor limited to large, well-capitalized players who can afford to take a hit to their profits – or to players that expect to secure premium tenants, or score points for political correctness.

When you bring up any sort of energy savings systems . . . immediately there's still a portion of the corporate user out there that's saying it's going to cost way too much money and we'll never see the benefit of it.

There's the stigma of, oh, to be green it's expensive, or, oh, that's just greenwashing, it sounds cool but doesn't actually do anything, or our payback's more than 20 years so we're not going to be around that long with this building.

The corporations who are most on board may even encourage this understanding in the messages that they project outwards – to the public, rank and file staff, as well as potential clients. After all, they want to emphasize that sustainability is an important corporate value, which they have committed resources to – even at some inconvenience to themselves. The idea that this is also self-interested business practice is a message that they are more likely to emphasize inwards – to stockholders and senior staff.

To the degree that companies and advocates brag about their sustainability successes rather than their money-saving successes, this can discourage other, less sustainability-focused companies from following their lead.

It is important to emphasize that sustainability initiatives, in particular energy efficiency initiatives, do not harm the bottom line, and instead will enhance it through direct savings. In some cases a commitment to sustainability can also “pay off” in economic rewards for those players who can take advantage of that through marketing, etc.

Following the lead of the bigger players

According to insiders, attention and sophistication to energy efficiency issues is trickling down from the bigger operations. They have the resources and focus to make the best use of new developments in energy efficiency; they often have the human resources to create specialized positions and identify areas for improvement; etc.

The market also looks for it now, versus years ago . . . To be able to talk about high efficiency heating systems and the like actually resonates to them realizing that if they are paying the costs, that by going and committing to higher efficiency equipment, it's to their benefit and their bottom line . . . There's an institutional aspect to it, so the larger players certainly are more attuned to it.

More established corporate companies understand the dollar savings value, because they might have multiple locations, so they can really see straight across their portfolio the opportunity for savings.

Smaller operations, with less capital and fewer resources to apply are to some extent pulled forward by the developments pioneered by the larger players, though smaller players may also see this as something that they lack the resources for – or which would not pay off in the same ways (see overcoming the myth above).

In my experience tenants have not cared at all for energy-efficiency projects - have not asked about it . . . Bigger corporations. They seem to have a little more care of, 'How much is the electric bill. How much will I save?' Smaller tenants . . . just assume that's the nature of the beast, and what they're paying for their electric is what they're paying.

The fact that heavyweights in the industry are creating an inertia for change is a positive development (and further evidence that the default model is working). Moving forward, it will be important to show to smaller operations which parts of this pioneering work are most relevant to their own potential opportunities, and which parts are not, and look for ways to get them the resources they need to follow.

Make the job (of improving energy efficiency) easier

As mentioned above, energy efficiency is potentially an important component of a job well done, and this is how it's experienced by those who are most on-board. The discussion above has mostly focused on the internal motivations of individuals and corporations and how their attention to energy efficiency issues can be improved and sharpened.

People's motivations, ambitions (and anxieties) about their work and careers offer an important lever to enlist their efforts and expertise to push forward on energy efficiency. However, individual motivation only goes so far, if the procedures and practices of an organization do not support it, or if the resources at hand don't enable a person to do the job that they would like to.

The obstacles that I think a lot of property managers face is – we're expected to handle more and more as the years go on and . . . are handling a lot of product and we're pretty busy . . . [So] one thing is making it as stream-lined and as easy as possible because if it becomes a complicated process that is difficult to present to an ownership or to administer, it's just not going to be a priority, because there's just not enough time in the day to make it happen.

Decision-makers can often feel over-whelmed by the complexity of the factors involved, especially when energy efficiency isn't specifically their area of expertise. As one owner put it:

Having somebody to really sit down and go over with you – how much you would save by doing x, y or z . . . How do we make a sane decision with somebody who we can trust, and know, and feel that they will indeed tell us what makes sense in terms of a big investment? . . . You look at your current contractors who are very good and have been with you forever, but . . . do they have the expertise level to really look at integrating the systems and having it be really state of the art? So those sorts of decisions are difficult to make if you personally don't really know the ins and outs of that particular industry. So [what you need is] some source that you would trust to give you that information and help with that.

While companies have an interest in energy efficiency and how it affects their business, they are not always set up to act upon this consistently or maintain it as a high priority. The research points to several ways that governments and advocates can focus on to make the task more manageable for the actors involved.

Improving the quality, accessibility and usefulness of information available

People who do this work are very busy, they have multiple priorities vying for their attention, and most of them cannot be experts in every aspect of energy efficiency. A great many technical resources are made available via government agencies, utilities, vendors, third party consultants and so on. Improvements in metering can create a new flood of information specific to systems, buildings and property portfolios.

Practical, disinterested data and help in sorting all of this out is highly valued by busy people. They are grateful for and make use of these kinds of resources that make their job easier and make it practical to forge progress on energy efficiency.

The hardest part is to get the money from the owners. You've got to make your case, and say we need this because . . . I'm working on how much energy we're going to save based on different brands, or even switching down to 25-watt T8s, because the cost is still pretty high for the LEDs. So you really have to show the cost benefit and the savings and the payback time . . . [and] this building was built in the 80s so there's some unique aspects.

When people don't have ready access to the appropriate information, or they have trouble applying it to the specifics of their own situation it is easy to put energy efficiency concerns on the back burner.

I could spend a ton of money on an automated control system, on a window shading system, on a light load reduction based on dimming, which would all be fantastic, except that you have to rely on an operator to be able to set that properly. And if I can't use my maintenance technicians to do that because the knowledge base isn't there and there's no training option or training feature, then in addition to my maintenance technician I'm bringing on a consultant that I now have to pay to come in and operate that. So then I'm diminishing my returns.

If you could almost dumb down that automation to make it user friendly for everyone, that makes it a no brainer option, you know, I'll sell that every day.

It is not just technical information that people say they are in need of. For example, to what extent are tenants or the rental market sensitive to things like an LEED certification? Are there corporate best practices that help ensure steady progress on energy efficiency? What sorts of energy efficiency investments have the best possible returns?

Current conduits of information include professional organization conferences, trade publications, government, utility and manufacturer websites, in-house experts, peers, vendors and consultants.

We really rely on our contractors and vendors, and EMA is very helpful sending out information. And, BOMA organization, they provide suggestions. And there's different organizations around that have those resources. And we have to renew our real estate license every two years, so as part of that we can take lots of classes . . . [But] I think a lot of it is just general information. If they did more specific education on types of buildings . . . Perfect. And I think I have seen a couple of those out there. I think they're becoming more frequent . . . But sometimes they're a little bit too general where it's like, 'Okay, that's a great theory, but how in the heck do I apply that to my properties?' You know?

Improving the credibility of information for projecting payback periods

Making progress on energy efficiency means not only staying up on what the latest techniques and technologies are, but it also means being able to accurately predict future performance and how quickly energy efficiency investments will pay themselves off.

Compared to five years ago it's a lot easier to get an owner on board with spending the money to upgrade the system to make things run more efficiently. And I think part of that is we're getting better at calculating the payback period for capital projects.

An investment that will pay off in a year or two is an obvious no-brainer, 3-4 is a gray area, whereas a pay-back period of 5, 6 or more years – especially when there is uncertainty – becomes difficult to get approved, even in companies with long-term ownership plans or an express commitment to energy efficiency.

The crucial payback period is essentially a claim about the future. When owners or others don't accept those predictions as sound, then they are unlikely to invest money in energy savings. Key aspects for accurate, credible information include:

- metering, benchmarking, data collecting on energy usage
- precedents and track records of various actions
- comparisons with what others have accomplished
- third-party analysis to supplement the input of trusted vendors / contractors

I'm a very big fan and advocate for benchmarking. I think that in order to create a culture that's paying attention to energy efficiency, you've got to give some kind of data for the market to know how everybody is doing.

It is common to rely upon vendors and contractors for this sort of technical information, especially among those who cannot pay for – or are unwilling to pay for – third party consultants. Relying on people with a vested interest has drawbacks that people are well aware of.

We prefer a third party view of, let's say, someone else who's used the technology, or panel of different folks who have used them, so I prefer seminars through, let's say, the local Green Building Council or educational institution . . . I'd rather not hear . . . only from a vendor, because then that's not as objective of a viewpoint as I would like.

Anything that advocates can do to help improve the credibility of the data on these kinds of projections makes the likelihood of energy efficiency decisions that much greater.

Identifying and encouraging corporate best practices

People are busy and they have many priorities, of which energy efficiency is only one.

Businesses and organizations differ widely in terms of whether they offer resources and support for maximizing energy efficiency, whether they hold people accountable for it, to what extent energy efficiency is explicitly part of procedures, and so on.

A lot of times people think of energy efficiency as belonging to a renovation project . . . but I think much more important than that is to create a culture where energy efficiency is one of the things you think about as part of the life of that asset. So we really try to push that kind of thinking down through the entire organization so that everyone is looking for opportunities that relate to that priority.

When you have someone that's that excited about it and really wants to do the leg work and bring it to you instead of me trying to go figure it out . . . it makes it much easier on me just as far as workload . . . I mean, as a property manager I have a million other things to do besides energy-efficient projects.

[Is there anyone who is meant to have energy efficiency as a focus?] No. It's one job title of multiple ones that I wear myself. [Is it the case that somebody needs to be gung ho?] Yes. Yes . . . But the financial aspect of how much the things cost does factor into our decision-making process more than the gung ho-ness.

One potential avenue for supporting energy efficiency is to encourage best practices, SOPs, and other strategies for maintaining an aggressive and attentive focus on energy efficiency at every stage of decision-making about construction, operations, leasing, etc.

A number of potential areas to focus on were mentioned by interviewees:

- making energy efficiency explicitly part of the mandate of the organization (with or without reference to environmental sustainability)
- establishing that it is a line item or a box to be checked / that it isn't overlooked
- developing explicit plans and procedures for keeping energy efficiency on the front burner
- making it part of the structure of incentives, accountability and reward
- ensuring there is an advocate who has this as a primary or exclusive priority
- moving energy efficiency decisions upstream, where they can have the most impact
- making resources available – budgetary, human resources, informational, etc.

People interviewed often tried to use such strategies for improving the organization's ability to focus on this. But for the most part they seemed to be inventing these things themselves, rather than finding resources that could help them with this.

Where organizational support and standard operating procedures meets with people's motivations to do their jobs, there is potential to push forward on more aggressive and consistent energy efficiency decisions.

Managing sustainability discourse as veneer and value-added

Our recommendation for improving energy efficiency in the commercial property sector is to focus on extending the reach of the basic default model about profits and energy savings. Sustainability represents a very different and competing conceptual model about appropriate energy use. The research shows that:

Sustainability is not an internally motivating model for the commercial property sector.

Nevertheless, it is still important and relevant – sometimes serving as a veneer, sometimes as an external pressure that the sector reacts to with resistance or opportunism.

Sustainability as veneer

Although individually many of the people we spoke with are personally committed to ideas of sustainability, the logic of their decision-making follows the default model that requires energy efficiency to be good for the bottom line. In this context, talk of sustainability is functionally a veneer rather than a central conceptual model or organizing idea. Energy efficiency has to pay off in savings.

The guiding motivation of the commercial property sector is business success. The default model is a model for business success, with which the sustainability model only partially overlaps. This is an important point to keep in mind, because most actors in the sector are happy to embrace a veneer of sustainability when it doesn't interfere with business success, but reject it as an unaffordable luxury, when they don't see a clear benefit toward profitability.

Sustainable operations changes or equipment changes that can pay themselves off in a year or somewhere near that - most owners will do that all day long. But if it's going to be a lengthy payback that they can't recover from the tenants, then the interest is understandably not there, because this is a business. People aren't owning these buildings because it's really a cool thing to do - it's not like owning a pet.

We want to know what the return on investment is going to be. We weigh a lot of components. We weigh cost and time and do we have the bandwidth to do whatever it is that needs to be done, and what's the benefit to our environment, what's the benefit to our residents. There's a lot of juggling going on.

Many of the people interviewed in this project personally buy into a sustainability model, in which conserving energy is a good thing, regardless of whether it creates profits. However, when they think about how to get an initiative approved within their company or about reaching out to peers who could be doing more in terms of energy efficiency, they do not talk about sustainability, the environment, or fossil fuel depletion. Instead they talk about reducing costs, benefiting the company's bottom line and doing their jobs better. They instinctively deploy the dominant, profit-centered model as a way of encouraging people to make decisions that improve sustainability.

[interviewer: There's some people out there that want to save energy because of climate change, and they want to save energy because of oil imports or that sort of thing.] Yeah, they might be, but I don't think it's a driving force. I think that when you get right down to it, it's more of a money decision.

How to push things forward is having good data, and the true cost of what you want to do, because that's the number-one starting point. You can have an idea, but the first question out of everyone's mouth is, 'How much does that cost? What's it gonna cost?' . . . To be vague, and to just have a project in mind, that sounds great is not gonna get anywhere unless the hard facts are there. 'What's it gonna cost?'

The concept of sustainability isn't strictly necessary, since the business logic is clear. In fact, it can have significant downsides when it comes outreach among people who view sustainability as a niche that is irrelevant to themselves.

Sustainability as expensive luxury for niche players

Among people who advocate for sustainability, one of the most commonly cited obstacles to moving forward on energy efficiency is the “myth” that sustainability initiatives are too expensive and complex to be worthwhile for most companies. Sustainability is viewed as something for companies that are motivated by environmentalism or liberal politics, for companies who were trying to be politically correct, or for upscale landlords who are fishing for certain kinds of tenants.

People perceive either sustainable technology to be just a marketing theme, meaning, oh, it's just an elitist thing people want to try to sell to you for a high price, or they do believe that there's merit to sustainability but it just simply costs too much.

In fact, many in the business community are leery of a sustainability model, because it is NOT fundamentally a model for business profitability. The underlying logic of *sustainability* implies that a manager should make decisions based on collective resource management rather than make decisions based on a calculus of private profit. Choosing sustainably grown timber as a construction material, or voluntarily reducing unmetered water use doesn't directly help profitability, but instead can increase costs significantly.

It's likely that corporations and advocates encourage this view in their external communications – highlighting a laudatory commitment to good citizenship and stewardship, while downplaying the profit-seeking motives that lie beneath.

In effect, the mismatch between a profit-oriented model and a collective resource model is top-of-mind for many actors, and when they hear exhortations to turn toward sustainability they suspect that this is more likely to harm their business than help it.

If it's a green building, okay how much is it going to cost me to be in that building, and do I see the economic benefits to my company in being in that building? Do I have to be politically correct? No, maybe I don't have to be politically correct.

I haven't drank the Kool-aid - I don't think you do stuff just because it's a good thing to do without respect to whether it pays - whether it makes any financial sense at all. Some people drank the Kool-aid - the guys who do the zero carbon footprint kind of

buildings - they drank the Kool-aid and they pay the price to get that done . . . but most owners - that's not their goal. The people who built this building I'm looking at over here out of my window - they didn't build that building just so it could be an environmental landmark - they built it because it's going to produce hundreds of thousands of dollars of income every month.

For many in the sector, communications that rely on the term *sustainability*, unless accompanied by an equally convincing case for the bottom-line benefits, are likely to do more harm than good.

Sustainability as value added

In practice, sustainability is valued in the commercial property sector in one of two ways. It either represents a reduction in operating expenses (i.e. savings in energy or materials) OR it represents a value-added characteristic that may be used to increase revenues – by enhancing the reputation and marketability of a company or its property for example. The first version appeals to everyone, while the second may seem a more niche appeal – and can be easily rejected by landlords and others who don't expect to secure a premium from tenants who care about sustainability.

Advocates for sustainability have had some success in demonstrating to many companies that there is more profit potential to sustainability than saving on energy bills.

Corporations tout their sustainability credentials as a way of burnishing their reputations as good citizens, and landlords highlight them as a way of marketing themselves to potential tenants – including being able to appeal to government and corporate tenants that require their landlords to show a commitment to sustainability.

Many people who spoke positively about their company's commitment to sustainability were asked if it would be practical to make an improvement if it saved energy, but was cost neutral. In every case, it was considered not practical. Conservation in and of itself could not be a motivating factor in decision-making.

Once again, however, the motivating model is profit rather than sustainability *per se*.

Everybody wants to do it. Everybody wants to be more energy efficient. I think that the only change that I've seen . . . is the marketing aspect . . . if you have a green campus, if you have a green building, a LEED certified building, an Energy Star certified building, that improves prospects. But again, that's financially driven.

If you're an Energy Star rated building at 95% you're going to get more tenants that want to be there than you're going to get if you have a 60% rating. And now that you have to disclose that [in Seattle], I think that's driving some of the places that are upgrading.

Although the *talk* is of sustainability, the *motivating logic* remains very closely related to the dominant default model – namely that sustainability is acceptable when it results in

higher profits. It is important because *other people* – regulators, clients, tenants, the public – view it as important.

A lot of property owners are really cynical about LEED because to them it's just buying points - just how much do I have to pay to get five more points? That's going to be \$400,000. How close am I to making my target? You need these five to get to whatever you're trying for - gold, platinum, silver, whatever - and they say oh okay, and they spend the money because they want that designation . . . and you hope to recoup that by getting people to pay large rents.

To the extent that sustainability is an important discourse, it is as a reaction to external pressures.

Responding when sustainability clashes with the default model

As discussed above, sustainability policies and initiatives often support business profitability and fit neatly with the default business model.

Sometimes we've had projects that just don't pencil out. And so if they don't pencil out, it's like, okay, let's put that on the back burner and maybe in a year or two, for example, PSE might have a better rebate program that makes it better.

I've read articles that the majority of greenhouse gases come from office buildings and the most important thing we can do is create more energy efficient office . . . [but] when I deal with a lot of these ownerships, I hate to say this, but they don't care about sustainability a lot of times. It's just about what's my NOI going to be, what's my net income, and what kind of return are we going to get on this property?

Many sustainability initiatives, like benchmarking, mandates, regulations and so on, which are not voluntary and which may entail significant costs in money and time, are of a different order. Some companies may be sympathetic to sustainability initiatives, others will simply treat government regulations as part of the natural environment of doing business. Some, however, are likely to resist such initiatives, since they create burdens that violate the normal business model – including that for energy efficiency.

Making a big picture case is problematic for business people who see their mandate as simply to make a profit, not to save the earth. Although we have not tested it, it may be possible to refer to a big picture version of that softens the contradiction in certain situations.

We speculate that to the extent that support of a business community needs to be enlisted – or resistance reduced for non-voluntary regulations, it would be wise to try to articulate this in terms of long-term overall business profitability – making sustainability pro-business rather than anti-business. For example, government mandates about energy efficiency could be treated as something that ultimately makes the business community “more lean” overall when it comes to energy use – and

increases regional competitiveness. Or note that long-term sustainability of profitable enterprises is going to require greater efficiency, given rising energy prices as well as increasing public concerns about the damage of energy use.

Sustainability as influential external model

Advocates will note that the model of sustainability preferred by the commercial property sector is limited in significant ways and leaves out a great deal of the larger sustainability story!

Communications directly with property owners, managers, engineers, etc. about our need to manage energy resources sustainably is unlikely to overturn their decision-making, which is firmly locked into the default business model. Those aspects of sustainability that don't improve the near-term profitability of companies appeal to only a tiny minority of enterprises.

Nevertheless, there are reasons to continue to build public and regulatory support for sustainability, because it does act on the commercial property sector as an outside pressure.

A commitment to sustainability can be important for keeping individuals and companies on the energy efficiency task

A sustainability discourse can serve an important supporting role – by maintaining focus and pushing forward in many of the ways discussed above, such as organizational support, incentives, and energy efficiency best practices – even if the issue of sustainability rarely, if ever, transcends the dominant model. As one property manager who personally buys into sustainability puts it:

I believe in solar [panels]. If you have the money to be able to put it in as an additional thing, I'd rather have solar on the roof than marble on my lobby floor.

An organization's formal commitment to sustainability can help give something like solar panels an advantage over other kinds of potential expenditures that compete for limited investment dollars.

Companies that employ a sustainability director can help ensure, for example, that more energy efficiency opportunities are taken advantage of and not lost in the shuffle among all the other important priorities that decision-makers have to take into account.

For institutional clients sometimes it's – I don't want to say a PR thing, but it kind of is. They want to say, 'Hey, we're not the big, bad corporation. We are trying to make our shopping centers run more efficiently, and use less energy and try to do something good for the environment in addition to the bottom line.' So they require that we have some sort of program in place to see what we can do to be more energy efficient.

There are many ways that a company or organization can invest its resources, in order to increase profits, so it is useful to have someone advocating for energy efficiency and other forms of sustainability as a particularly privileged avenue to pursue.

It motivates the leaders and innovators

It's good to have some true-believers willing to experiment, take risks and lead as innovators and exemplars. Other, more cautious actors look to them to see what is achievable and what might be overreach.

I was involved with . . . an older building and the landlord really wanted to go for a LEED designation . . . At that time . . . it was really at the forefront . . . pretty out there . . . It was a lot of work. It was a lot of submittals, and it was a whole team of people that were involved. It was rewarding to work on but it was a committed landlord who was willing to spend quite a bit of money to make it happen. But it was their overall philosophy.

The property owners out there are starting to come around just a little. Part of it has been from education of the projects that have already been built and the statistics that have come from them, the data that is presented at local conferences and such that say, oh, that building owner renovated the building and used this much money and saved this much money.

It underlies government mandates, which play an important role

Government mandates are important drivers of energy efficiency, and these are likely to be motivated by policy concerns rooted in sustainability (e.g. carbon footprints, energy reduction, etc.). Public support for sustainability obviously makes such policies more practicable.

In a lot of government projects . . . there's a whole lot of LEED mandates for public work projects . . . So from a business standpoint . . . folks aren't doing it because they like bunnies and squirrels and want to hug trees, right? They're doing it because they have to.

There are like nine, ten cities in the country that have energy disclosure mandates, meaning you have to measure it and report on it. . . under the theory that . . . the more people are aware of it, the more they're going to ask their landlords to do something about it, and where the landlords get asked to do something about it, they're going to actually have to do something about it, by God.

Wherever possible in their communication with the commercial property sector, government and sustainability advocates should stress how sustainability can directly and indirectly help their profitability. When that is not possible, it may be necessary to

admit that the government has a mandate to take the long view, and sometimes has to make decisions that serve everyone's benefit, not just industry.

Commercial property responds to tenants and customers that demand greener buildings

When tenants voice a preference for green buildings, this gives owners and landlords an incentive to tout their achievements. The PR draw of "green" may well have some motivating power for some tenants, owners and property management firms. To the extent that insiders believe that, then there is an indirect financial incentive to go green, which resonates with the dominant model.

What is going to make this happen . . . it's going to be the clients. The generations that are coming up now are much more aware of what's going on, and trust me, they ask questions about energy use, they ask questions about sustainability and what does this organization do to help support that. I think right now it's kind of like a nice thing to do, but I think in the near future it's going to be a must thing to do.

I see a lot more tenants - companies being not just aware, but selecting buildings that are energy efficient, that care about sustainability because it's part of that company's brand or [because] millennials are much more attracted to companies that have some sort of sustainability practice and policy.

All this is to say that a sustainability discourse is important to maintain and nurture. But ultimately, it plays a secondary role within the commercial property sector, and it will almost certainly exert its influence from outside of the profit-driven commercial property field – and then filter in, just as it has been doing.

Conclusion

There is a widely shared, common sense model of energy efficiency in the commercial property sector – *and this model is largely independent of beliefs and values about environmental sustainability.*

This dominant, default model is not highly politicized, and is in fact accepted as obvious common sense by most people. The model can be expressed as follows:

**Because energy costs money,
reducing energy use can save money.**

**Because the purpose of commercial property is to earn money,
reducing energy use is good *business practice*.**

According to the model, saving energy saves you money, and is therefore a “no brainer.” The implication of the model is that you are foolishly missing a opportunity for business success if you do not take advantage of energy efficiency opportunities.

Nevertheless, this model is not always applied in situations where it could be. Our central recommendation is therefore that advocates explore practical ways of "extending the reach of the model" – i.e., making it a part of managers' thinking and practice in more contexts and situations when they're actively making decisions related to energy efficiency.

These strategies include:

- building on people’s motivations about improving their work and their careers, by incorporating the model into professional development, peer outreach and so on.
- building on corporate interest in the economic incentives of energy efficiency
- focusing on ways that make the job easier for the decision-makers
- being careful about the downside of too much emphasis on sustainability as a competing model for energy decisions
- treating sustainability as a separate, external model that is better suited to exert influence from *outside* rather than expecting it to become an *internally* motivating discourse

All of these directions offer multiple avenues for advocates to push forward on energy efficiency in the commercial property sector. Topos has recommended some strategies to try, and it is certain that as advocates take these findings to heart and begin to make use of them, that they will discover additional ways to ensure that the default model extends its reach beyond its current scope.



Founded by veteran communications strategists Axel Aubrun and Joe Grady of Cultural Logic, and Meg Bostrom of Public Knowledge, Topos has as its mission to explore and ultimately *transform the landscape of public understanding* where public interest issues play out. Our approach is based on the premise that while it is *possible* to achieve short-term victories on issues through a variety of strategies, *real change* depends on a fundamental shift in public understanding. Topos was created to bring together the range of expertise needed to understand existing issue dynamics, explore possibilities for creating new issue understanding, develop a proven course of action, and arm advocates with new communications tools to win support. For more information: www.topospartnership.com.