This year the US will see an explosion in the growth of green building, suggests one market expert. Gail Rajgor reports

The 2007 green building market will be worth US$30-US$50 billion, suggests Jerry Yudelson, principal of US green building consulting firm Yudelson Associates. “The market interest in green buildings is just exploding,” Yudelson says. His forecast is based on market activity in the first two months of 2007 alone and relates to projects expected to be certified under a recognised green building system such as the US Green Building Council’s Leadership in Energy and Environmental Design (LEED) system. He projects 1,700 new LEED project registrations, at a construction value of US$26 billion. “LEED registered non-residential projects average about 100,000 sq.ft. each.”

Since they’re mostly larger commercial projects, we estimate that construction costs will average about US$150 per sq.ft.,” he says.

Rapid growth in the green housing market is also expected. In this sector he expects 15,000 new starts this year, at an average of US$250,000 each – to give a total of around US$4 billion in new construction. “The green housing market is really taking off, all over the country, especially as builders seek to respond to concerns about climate change from excessive fossil fuel burning, directly linked to housing energy use,” he says. “I expect housing to be the next major growth engine for green building market development.”

Cumulative LEED certifications under all systems will top 1,000 for the first time, he suggests, up from 350 at the end of 2005 and around 600 as of December 2006. Moreover, cumulative LEED project registrations under all systems (excluding single-family homes) will approach 10,000, putting the US well on track to achieve USGBC ceo Rick Fedrizzi’s late-2006 prediction of 100,000 LEED-registered commercial building projects by the end of 2010. He adds: “There are many projects that include elements of green buildings, such as Energy Star and solar electricity, which are not included in our estimates. If we included them, the total value of all green buildings and technologies used in buildings might approach US$50 billion.”

Indeed, according to Yudelson the tide has firmly turned in favour of green building in the US. More than 50 additional cities will adopt some form of green building ordinance or mandate, as more cities start to implement their commitment to the US Mayors’ Climate Protection Agreement, and as the political agenda in Washington changes to put more emphasis on energy efficiency and climate change issues, he suggests. He also expects more than 10 additional states to adopt incentive programs or mandates for their own buildings, adding to the 15 or so already with specific green building programs. “Because of the Democratic takeover of several ...
Case study
– Fast tracking in LA

The Los Angeles Department of Water and Power (LADWP) for example, has approved a policy of fast tracking green buildings and construction projects, while insisting its own construction projects must only be green build. Under the fast tracking policy, announced in March, buildings meeting the US Green Building Council Leadership in Energy and Environmental Design (LEED) standards will get priority in terms of water and electrical connections. Meanwhile, new LADWP construction projects will have to meet a minimum of a LEED Silver Standard.

“The LADWP wants to tangibly demonstrate that it means business. Not only will the LADWP give priority to buildings and construction that will be green, but we also will ensure that department resources are mobilised to support these projects,” says LADWP commission president H. David Nahai. It plans to work with the Los Angeles Department of Building and Safety to shepherd projects through the necessary steps to completion, and the USGBC to develop Los Angeles-based standards that would further focus on water conservation, storm water run-off and other local issues. Meanwhile, builders and developers can take advantage of the LADWP Green Building Incentive, offering up to US$250,000 to help a building be made more green to meet LEED standards. For further information from the LADWP go to www.ladwp.com

... governorships and state legislatures, these actions will likely occur in the first half of 2007,” he says. “Look for additional strong actions in California, Oregon and other states where “pro-green building” governors were returned to office.”

Already this year, several new initiatives have been announced at both city and state levels. These include the launch of a 12-point green building action agenda by the city of Rochester in the state of New York (see below) and the Los Angeles Department of Water and Power (LADWP) approving the fast tracking of green buildings and construction projects and only building green itself (see below).

Similarly, Yudelson believes momentum will continue building outside America. LEED will register more than 100 non-US and non-Canadian projects for certification for the first time this year, he says. “We see a general interest in LEED from office developers in China, India and other countries, wanting to appeal to multinational tenants, as well as government programs that want to green their projects in the absence of clear national standards.”

Indeed, speaking in Australia at the Green Cities ’07 green building conference, he warned the 900 delegates: “If you’re starting to design or build a new building project or development today and you don’t certify it as green, it will be functionally obsolete the day it opens and economically disadvantaged for its entire lifetime.”

Further information:
Yudelson Associates
http://www.greenbuildconsult.com