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## **SAN FRANCISCO'S BENCHMARKING ORDINANCE REQUIRING COMMERCIAL BUILDINGS TO DISCLOSE ENERGY DATA SHOWS MAJOR REDUCTION IN ENERGY USE AND AN OPPORTUNITY TO SAVE MILLIONS IN ENERGY COSTS**

### ***New Report's 5 Years of Data Suggest Strong Impact of Broader Adoption of Energy and Carbon Reduction Measures***

San Francisco (Oct. 5, 2015) – Energy consumption by commercial properties in San Francisco has declined significantly since 2011 after the implementation of San Francisco's Existing Commercial Buildings Energy Performance Ordinance, according to a new report released today from the Urban Land Institute Greenprint Center for Building Performance (Greenprint). The report is a collaboration between Greenprint and the San Francisco Department of the Environment.

The [San Francisco Existing Commercial Buildings Performance Report](#) shows a 7.9-percent reduction in energy use across a cohort of 176 properties consistently tracked since 2010. A review of a broader group of 817 buildings found that the implementation of energy reduction measures could save tens of millions of dollars in costs over the lifetime of the projects, adding significantly to the properties' value.

The San Francisco report bolsters a larger effort being conducted by Greenprint to work with jurisdictions throughout the U.S., including cities, counties and states seeking to cut building energy use and of emissions; and it suggests that significant economic and environmental benefits can be realized through broad adoption measures similar to San Francisco's program. The report points out that the collaborative effort between the city and Greenprint is a good model for other cities to follow, because it shows the positive results achieved through a combination of voluntary private-sector efforts and public-sector regulatory efforts to minimize the environmental impact of the real estate sector.

In San Francisco, just over half of all greenhouse gas emissions come from energy used in the city's 197,000 residential and commercial buildings. Energy use is also the largest controllable cost in building operations, representing "low hanging fruit" in reducing resource use and expense. The report points to voluntary market leadership as is demonstrated through Greenprint, incentive programs, and major upgrades to building codes as major factors contributing to the energy reduction experienced in San Francisco.

"The reduction in energy use in San Francisco shows real progress in our commitment to respond to climate change, and we commend those property owners who have already stepped up to do their part. But there's also more to be done, and we look forward to working with businesses, property owners and the community to accelerate that progress for our residents today, and for the future," said San Francisco Mayor Edwin M. Lee.

"The ULI Greenprint/City of San Francisco benchmarking report offers a proven approach to real estate benchmarking, which can help inform jurisdictions all over the country in reducing greenhouse gases," said ULI Global Chief Executive Officer Patrick L. Phillips. "It's critical for government agencies and the real estate industry to work together to accommodate sensible, sustainable urban growth. Given the local nature of construction practices and codes, developing localized benchmarks can help inform how the private sector manages their properties and how the public sector supports meaningful change."

### **San Francisco City Ordinance as Catalyst for Public-Private Effort**

The findings in energy reduction and millions of dollars in cost savings and value-enhancement are the result of a public-private partnering approach catalyzed by San Francisco's Existing Commercial Buildings Energy Performance Ordinance (ECB Ordinance). Passed in 2011, it established requirements for building owners to benchmark energy use with a goal

of reducing energy and emissions throughout San Francisco. Building performance data collected by the San Francisco Department of the Environment was analyzed in collaboration with ULI Greenprint Center, which represents a global collective of real estate owners and investors committed to voluntary energy benchmarking since 2009. This collaboration aims to analyze data trends, share lessons learned and best practices between mandatory and voluntary benchmarking and provide recommendations for future efforts. Another objective of the program is to enable decision-makers to make peer comparisons and develop a plan for cost-effective improvements, which is something that Greenprint and its members have been examining over the past five years. The just-issued report represents the first major analysis of the ECB Ordinance data.

### **Dramatic Benefit for Building Owners: \$170 Million in Avoidable Energy Costs**

Researchers found significant cost savings, both in new construction where developers have options to use advanced materials and systems, and in retrofitting existing buildings where energy audits recommend changes.

“When San Francisco passed the benchmarking ordinance our policy goal was simple, establish a baseline, measure against it and require energy audits and the results may incentivize a market for energy upgrades,” said Debbie Raphael, Director San Francisco Department of the Environment. “Nearly \$61 million in cost effective energy efficiency investment opportunities have been identified by local engineers which if completed will result in \$170 million in net present value. Now we need building owners to take the next step and make these cost effective investments.”

In fact, notes the report, San Francisco could achieve dramatic, further reductions in energy use if the thousands of mid-to-smaller properties lagging in compliance with the ECB ordinance step up their reporting, and participate in energy audits to ascertain potential savings.

“The green building movement got a significant boost when property owners saw evidence that tenants would seek out energy efficient properties as preferred locations. The ULI Greenprint/ San Francisco benchmarking report provides essential evidence that the San Francisco market is moving towards more efficient properties. Opportunities to support city-specific benchmarking in other markets should further sustainability in the real estate industry,” said Jaxon Love, Sustainability Program Manager, Shorenstein Realty Services, L.P.

“Cushman Wakefield manages buildings for thousands of owners-investors around the world, and we are keenly interested in research results like this that point to market-wide value from reducing energy expenditures. The gains and opportunity in San Francisco should motivate everyone in the industry to examine it for themselves,” said Steven M. Ring, CPM, RPA, LEED-AP, Managing Director of Cushman Wakefield.

**About The San Francisco Department of the Environment:** The Department creates visionary policies and innovative programs to improve, enhance, and preserve San Francisco's urban and natural environment, leading the way toward a sustainable future by developing wide-ranging environmental programs, fostering groundbreaking legislation, working collaboratively with key partners, and educating the public on comprehensive sustainability practices. For more information, visit [www.sfenvironment.org](http://www.sfenvironment.org)

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