

The Sterling Report

Are Building Tenants Demanding and Willing to Pay for a Healthy, Comfortable, Indoor Air Environment?

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Tenants of commercial buildings are demanding and getting better ventilation and indoor air quality. The results of a number of recent surveys have quantified the importance of environmental comfort, particularly air quality and lighting, to tenants, owners and designers of commercial buildings.

Possibly the most extensive survey is the Steelcase Worldwide Office Environment Index developed in conjunction with the Institute of Building Designers

and the International Facilities Management Association and conducted by Louis Harris and Associates.

The study reports opinions of office workers, top executives, facilities managers, and contract design professionals in 15 countries including Canada, the United States, Japan and member countries of the European Economic Community.

The results from Canada are similar to those from other countries. 84% of Canadian office workers feel that buildings must provide comfortable heating, ventilation and air conditioning. 46% of Canadian office workers feel that poor indoor air quality is a serious hazard. Building managers and designers agree with building occupants. 87% of managers and 85% of designers feel that comfort must be provided in commercial buildings.

There is a consensus among building occupants demanding healthy, comfortable indoor air environments. Further, building managers and designers agree that this demand must be met.

Are building tenants willing to pay extra for higher quality environments?

A number of recent new building projects in Canada and the United States have shown that in buildings that are owner occupied, and also in buildings designed for specific long term tenants, the tenant is willing to pay a premium for conditions that exceed minimum standards for both ventilation and air quality.

For example, tenants are requesting twice the minimum outside air supply specified in available ventilation standards, opening windows, daylighting and selection of construction and furnishing materials that are low in formaldehyde and other volatile organic compounds.

For speculative office buildings, it is also becoming common practice for potential tenants to evaluate the ventilation and air conditioning systems, to determine if comfortable conditions can be maintained. These requirements are then written into the lease documents and may require the tenant to pay for increased operating costs and capital costs for improvements to the building systems.

Tenants also appear to be willing to pay consulting and legal fees to force owners to comply with their demands for comfortable, healthy indoor air quality.

The new ventilation standard published by the American Society of Heating, Refrigeration and Air Conditioning Engineers (ASHRAE) and adopted throughout Canada provides guidance for building owners and designers on how to respond to tenant demands and provide acceptable indoor air quality and healthy comfortable conditions.

The standard was written to allow efficient energy management as well as provide comfort. As tenant demands increase, I urge all property managers to become familiar with this document. R&