



The Sterling Report

Sustainable Development and Buildings

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In 1988, after years of work the *Bruntland Report* on the status of the environment called "*Our Common Future*" was released by the *United Nations*. That report launched a new concept "*Sustainable Development*" and with it a new era of environmental awareness. The premise of Sustainable Development lies in the understanding that while development is both necessary and beneficial, the value of a project should be judged not only on market profitability but also on its impact, both positive and negative on the environment.

Last spring, *Vancouver* hosted *Globe 90*, the first international conference to be focused on Sustainable Development. The concept introduced a common language for environmentalists and industry to communicate with and has made the 90s the Environmental Decade.

The Building Industry and Sustainable Development

The building industry could also benefit from a common language for Owners and Tenants. Issues of energy conservation, asbestos, formaldehyde, radon and buzz words such as indoor air quality and energy conservation have caused friction and misunderstanding between owners and tenants. In fact in a recent *BOMA* poll poor environmental quality was listed as one of the top ten causes of tenant dissatisfaction. This is not surprising since a *Steelcase* survey showed that 65% of managers felt that

absenteeism, and both performance and quality of work improved with better quality environmental conditions. Environmental performance is the common ground and forms the basis for a language for owners and tenants to communicate.

This language is *Sustainable Building Performance*. Both the owners and tenants objectives depend on the building's performance. The owner would like a building to operate as profitably and as cost efficiently as possible. For the owner the ratio of income to operating costs determines performance. However the long term unknown is vacancy rate and lease rate. For the tenant the quality of conditions, services and upkeep of the building determines the value of the lease. And, if these services are not of acceptable standard, may cause them to seek other accommodations. *Sustainable Building Operation* balances the income to the owner with quality of service provided to tenants.

The next Sterling Report will explore cost analyses examples that can be applied to sustainable performance evaluations. Until then a few figures to keep in mind: In a typical 100,000 square foot office building increasing ventilation to the new *ASHRAE* ventilation standards costs the owner approximately \$4,500 per year. If that improvement enhances productivity for building tenants by one twentieth of one percent, they will increase their income by \$6,000.