

October 2008

Results of the 2008 CoreNet and Jones Lang LaSalle global survey on CRE and sustainability

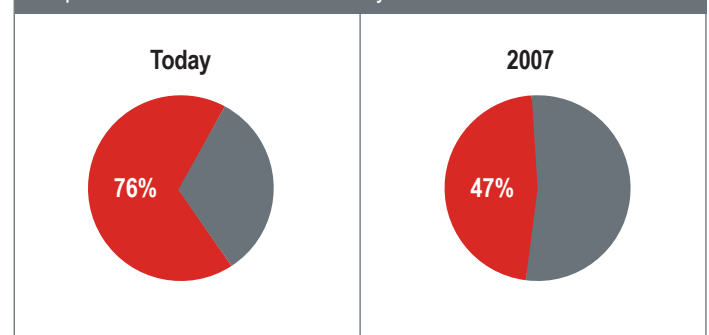
The 2007 CoreNet Global and Jones Lang LaSalle sustainability survey showed that corporate real estate executives viewed environmental sustainability as an emerging business priority, but were still learning many aspects of green building strategies, costs, benefits and metrics. Fifteen months later, CRE executives' responses to the same questions (and some new ones) reveal much deeper knowledge and sophistication. The survey results also confirm that the current economic climate has not deterred CRE executives from embracing and pursuing sustainability strategies that produce tangible results in line with business priorities and financial realities.

CoreNet and Jones Lang LaSalle survey 2008 key findings

- Three-quarters of companies consider energy and sustainability issues as a “major” or “tie-breaker” factor in making location decisions.
- Fewer CRE executives are willing to pay a premium for sustainable space today than a year ago.
- Corporate tenants report greater scarcity of green space that meets their needs today than a year ago.
- CRE executives are increasingly interested in measuring the benefits of sustainability, but are not fully satisfied with current metrics.

Surveys from nearly 400 CRE executives confirm that the focus on green buildings continues to increase at a rapid pace. Today, 76 percent of companies surveyed believe that sustainability is a critical business issue, up from 47 percent in 2007, and those who aren't focused on it today expect that they will be soon. Not only are

Respondents who think sustainability is a critical business issue



companies implementing a broader range of sustainability-oriented strategies, but the CRE role is expanding into new territory, such as employee engagement and adding sustainability-oriented staff.

An interesting dynamic has emerged: The year-over-year results show that CRE executives are less willing overall to pay extra for sustainable space today than they were a year ago. This is surprising given that three-quarters of them consider sustainability a “major” or “tie-breaker” factor in location decisions and more of them see a scarcity of green space today. Certainly, CRE executives are under greater cost pressures this year, which may account for their reluctance to pay a premium. In addition, there is growing awareness that many energy and sustainability practices cost little and can reduce overall costs.

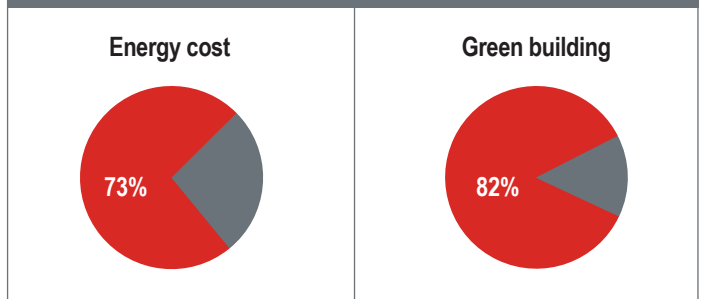
It's no surprise, then, that CRE directors report the broadest implementation of sustainable strategies that cost little and provide some clear benefit. Recycling, the most widely pursued strategy with 75 percent reporting broad implementation, doesn't generate

much revenue but doesn't cost a lot either, and it helps employees feel more engaged with sustainability efforts. In addition, 57 percent of respondents report broad implementation of energy efficiency programs—the strategy with the greatest financial payback.

In fact, 73 percent of CRE executives cite energy costs as an important metric, surpassed only by the 82 percent who consider green building ratings and certifications a key factor in making space decisions. Still, many are frustrated at the lack of verifiable data. “Tangible results with accurate data from initiatives still remain at an infant stage of development,” reports one respondent.

Another new question addressed the impact of workplace strategy on sustainability. CRE executives have come to view workplace strategy as helping make their companies more green, as 54 percent note a reduction in energy costs (via reduced occupancy), 47 percent see a reduction in commuting and 36 percent see increased opportunities for daylighting and views arising out of their workplace designs.

Percentage of respondents who cited energy and green building as key factors in making space decisions



As the global economy endures turmoil and volatility, CRE teams are under intense pressure to drive efficiencies and reduce costs quickly. They are increasingly aware that energy strategies can drive significant cost reductions, and that many other sustainability initiatives can further corporate environmental goals without disrupting financial priorities. The solution for many is to tailor energy and sustainability strategies to obtain the greatest benefit at the least cost.

Jones Lang LaSalle's Energy and Sustainability Services

Jones Lang LaSalle offers a comprehensive range of services to help you develop a sustainability program that aligns with your organization's broader business strategy and provides measurable savings and results. We start by working with you to understand your organization's drivers and objectives, evaluate your portfolio, and baseline and benchmark your real estate's performance. We then devise a roadmap that outlines strategic, short- and long-term priorities and goals. From energy management to workplace strategies, we help you achieve optimal results with real impact.

For more information on how Jones Lang LaSalle can help you develop an effective sustainability strategy or for our latest publication “lean and mean means green”, please contact:

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