Richard Wren, Chief Engineer, describes how tenant comfort has improved and HVAC requests have significantly reduced as a result of energy efficiency measures.

“Tenant comfort has improved significantly since Unico’s purchase and subsequent renovation of the building. Since we’ve upgraded the major base building systems and added controls, we’ve more than halved our tenant HVAC related requests from 51 in 2018 to 25 in 2019.”

OVERVIEW

Implementing an explicit cost recovery clause within the standard lease for energy efficiency upgrades that benefit the tenant leads to a win-win on both ends. The landlord recoups its capital costs and reduces operating expenses while also improving tenant satisfaction; the tenant occupies a space that prioritizes their comfort and results in lower utility costs.

Unico acquired the Elephant Corral building in early 2016, a 130-year-old property with inefficient building infrastructure and systems that were leading to increased operating expenses and tenant discomfort. Outdated HVAC controls and building materials in the atrium led to 20-degree temperature fluctuations. Several of the chilled and hot water valves were stuck open causing the tenant space to be both heated and cooled at the same time year-round.

SOLUTIONS

Unico created a 5-year capital plan prior to purchase and used the lease to pass through costs of improvements that would directly benefit the tenant (refer to Landlord Examples Clauses for details). Several energy efficient capital projects were completed from 2016 – 2019, including:

• Retrofitted interior and exterior common areas to LED lighting.
• Installed building automation system (BAS) controls and smart thermostats.
• Replaced the chilled and hot water valves throughout the building and connected them to the BAS.
• Replaced the existing, outdated boiler with a newer, high-efficiency model.
• Installed solar reflective window film on the atrium windows to mitigate solar heat gain.
• Installed automatic outside air dampers, connected to exhaust fans along the ceiling, to pull out excess heat in the summer.
• Improved overall occupant HVAC control and thermal comfort by retrofitting fan coil units, direct digital (temperature) controls, variable air volume boxes, and carbon dioxide sensors.

RESULTS

• 37% total energy savings since 2015
• $62,500 energy cost savings since 2015, average annual energy cost reduction is $15,500
• Tenant satisfaction rating improved from 68% in 2018 to 70% in 2019


CHALLENGE

• Older building infrastructure and systems led to increased energy use and tenant discomfort
• Initiated 5-year capital plan and used lease to pass through costs of improvements
• 32% energy savings, improved tenant comfort

QUICK FACTS

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