ASTM Incorporates Building Energy Performance Into Commercial Property Due Diligence

*EBI Consulting’s seasoned Energy and Sustainability team has been following the development of building energy performance legislation and standards, like ASTM’s latest standard: E3224. Here are some common questions regarding Building Energy Performance, ASTM-E3224, and recent new regulations.*

BURLINGTON, Mass. ([PRWEB](https://prweb.com)) February 03, 2020 -- Sound business considerations—coupled with growing regulatory requirements for building energy performance disclosure—are driving prospective purchasers of commercial real estate to include an assessment of energy performance in their property due diligence. EBI Consulting’s seasoned Energy and Sustainability team has been following the development of building energy performance legislation and standards, like ASTM’s latest standard: E3224. Below are some common questions regarding Building Energy Performance, ASTM-E3224, and recent new regulations.

How does Building Energy Performance impact investment?
A building that is an energy under-performer, as compared to its peers, may find its competitive position and valuation in the marketplace negatively impacted. Moreover, lenders financing these property transactions are also becoming aware of the impact of a building’s energy performance.

Energy efficient buildings have lower energy costs that can increase cash flow which, in turn, may reduce repayment risk and improve the affordability of loans. In addition, energy inefficient buildings are at higher risk of obsolescence and may be more difficult to rent or sell. As such, it is becoming increasingly likely that pre-acquisition due diligence consultants will be asked to include an assessment of building energy performance in their property condition assessment (PCA).

Why isn’t Building Energy Performance standard in PCAs?
PCAs today do not currently address a building’s energy performance. This shortcoming was the principal driving force for development over the past two years and recent publication of ASTM E3224, Building Energy Performance and Improvement Evaluation (BEPIE) Standard Guide.

The BEPIE is designed to be conducted as an adjunct to the PCA, with the goal to determine whether a building’s energy performance is under-performing compared to its peers, and if so, identify the cost of potential measures to improve energy performance to at least achieve parity with peers.

Will Building Energy Performance become a requirement?
According to Anthony Buonicore, Chair of the ASTM Building Energy Performance Task Group and Chairman of Sustainable Real Estate Solutions, Inc., “There is no question about the growing importance of energy efficiency and sustainability in the commercial real estate industry.

Energy costs can represent a significant portion of a building’s total operating expense. Therefore, measures to save energy can have a significant impact on the bottom line.” Buonicore added, “Today there are 24 cities, two counties and two states that have already passed building energy performance legislation. The goal of this legislation is obvious: reward energy efficient buildings and penalize those that under-perform.”

How do I receive more information on Building Energy Performance and ASTM E3224?
As commercial real estate owners, investors, and lenders gain valuable insight to potential impacts and risks associated with a building’s energy performance, it becomes increasingly likely that such end-users will request that due diligence consultants incorporate the ASTM E3224 BEPIE.

EBI Consulting’s Energy and Sustainability team has the expertise to walk you through the ASTM Building Energy Performance standard and existing and pending Building Energy Performance legislation to develop unique solutions that make sense for your investments.

“EBI has been an industry leader for 30 years, successfully executing a variety of energy and sustainability assessments. Our experts combine the benefits of a traditional facility assessment with the advantages of energy saving opportunities for a holistic view of property value. We look forward to the expansion of these services, passing along savings and other benefits to building owners and operators.” – Mike Eardley, Director of Energy and Sustainability at EBI Consulting

To get in touch with one of our Energy and Sustainability experts…
Website: ebiconsulting.com
Phone: 781.273.2500
Email: info@ebiconsulting.com
Contact Information
Amanda Wimble
EBI Consulting
http://www.ebiconsulting.com
+1 7814255112

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