

Ten Green Building MegaTrends for 2012

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Green building will continue its rebound globally in 2012 in spite of ongoing economic difficulties in most developed economies. What we're seeing is that more people are building green each year, and there is nothing on the horizon that will stop this MegaTrend or its components. However, in 2010 and 2011, the continuing slowdown in commercial real estate and the end of recovery funding put a crimp in new green building projects. In putting together my Top Ten trends for 2012, I'm taking advantage of conversations I've had with green building industry leaders in the U.S., Canada, Europe, Asia, the Middle East and Australia that I have spoken with the past year.

Yudelson Associate's Top Ten Green Building MegaTrends include:

1. Green building in North America will rebound in 2012, using new LEED project registrations as a proxy for this growth. The reduction in commercial real estate building has not been offset by other sectors such as government construction, which continued to falter, and so the growth rate of new green building projects fell dramatically in 2010 and 2011. Even so, in 2011, LEED in new construction accounted for about 20% of all put-in-place space, with domestic LEED project registrations up almost 40% vs. depressed 2010 levels. However, we see faster growth in green retrofits, ongoing college and university projects and NGO activity serving to backstop the fall in commercial and governmental construction. In addition, LEED growth will be rapid in China and other fast-growing economies.
2. Green building will continue to benefit from the Obama Administration's strengthened focus on greening the executive branch, with its commitment to a minimum of LEED Gold for all federal projects and focus on major energy-efficiency renovations.
3. The focus of the green building industry will continue its switch from new building design and construction to greening existing buildings. One fast-growing LEED rating system the past two years has been LEED for Existing Buildings Operations and Maintenance (LEED-EBOM), with cumulative floor area in certifications now greater than in existing buildings, and I expect this trend to pick up in 2012. My book, [Greening Existing Buildings](#), documents the strategic and tactical components of this trend. One driver of this MegaTrend is that "'green' buildings have rents and asset prices that are significantly higher than those documented for conventional office space," according to a recent major academic [research](#) study on commercial buildings in the U.S. and Europe.
4. Awareness of the coming global crisis in fresh water supply will increase, leading building designers and managers to take further steps to reduce water consumption in buildings with more conserving fixtures, rainwater recovery systems and innovative new water technologies. My recent book, [Dry Run: Preventing the Next Urban Water Crisis](#), shows how this is being done in green buildings all over the world.

5. The global green building movement will continue to accelerate, as more countries begin to create their own green building incentives and developing their own Green Building Councils. More than 90 countries with incipient or established green building organizations, on all continents, will drive considerable green building growth in 2012. We're seeing strong growth in China, other places in Asia (e.g., Singapore), Brazil, Eastern Europe, South Africa and the Arabian Peninsula countries. For the first time in 2011, more LEED-registered projects are in progress outside the U.S., up more than 50% compared to 2010 levels and representing 44% of all new LEED projects.¹
6. Zero-net-energy buildings will become increasingly commonplace, in both residential and commercial sectors, as LEED and ENERGY STAR certifications and labels have become too commonplace to confer competitive advantage. Developers of speculative commercial buildings will also begin to showcase Zero Net Energy designs.
7. Performance Disclosure will be the fastest emerging trend, highlighted by new requirements in California, Seattle and other locations. Commercial building owners will have to disclose actual building performance to all new tenants and buyers and in some places, to the public at large. This trend is already established in Australia, for example, and will spread rapidly as the easiest way to monitor reductions in carbon emissions from commercial and governmental buildings.
8. Green Buildings will increasingly be managed in the "Cloud", as witnessed by the large number of new entrants and new products in fields of building automation, facility management, wireless controls and information management in 2011.
9. Local and state governments will step up their mandates for green buildings for both themselves and the private sector. We'll see at least 20 new cities with commercial sector green building mandates, mostly in the "Blue" states. The desire to reduce carbon emissions by going green will lead more government agencies, universities, hospital and corporate owners to require green buildings from design and construction teams.
10. Solar power use in buildings will continue to grow with the prospect of increasing utility focus on aggressive state-level renewable power standards (RPS) for 2020. As before, third-party financing partnerships will continue to grow and provide capital for large rooftop systems such as on warehouses and big box retail stores. However, we will see few very large solar and wind systems, as federal grant and loan guarantee support begins to be phased out.

About Yudelson Associates

Yudelson Associates is a leading international firm in sustainability planning and green building consulting. Founder Jerry Yudelson, a LEED Fellow, is widely acknowledged as one of the nation's leading green building and sustainability consultants. He is the author of 12 green building books and served for two years as Research Scholar for Retail Real Estate Sustainability for the International Council of Shopping Centers, a 70,000-member international trade organization. Jerry is a frequent green building speaker at industry and professional conferences and chaired the country's largest annual show, *Greenbuild*, for six years. For more information please contact Jerry Yudelson, 520-243-0996, info@greenbuildconsult.com or visit <http://www.greenbuildconsult.com>.

¹ LEED Statistics from "Green Building Market and Impact Report 2011," by Robert Watson, found at: <http://www.greenbiz.com/research/report/2011/11/07/green-building-market-and-impact-report-2011>.