

## How to Slash Your Occupancy Costs



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***Q: Our rent is high. Our real estate taxes are high. Is there some government program out there to help us cut our costs?***

A: There are certainly programs available for growing or moving business, including low cost IDA financing, SBA financing, and real estate tax incentives. All of these programs are concerned with the number of jobs that you are creating, so if you are not expanding or creating more jobs, they are largely unavailable.

However, there is one immediate avenue to slashing occupancy costs that is available to many businesses. I am talking about the revolution in energy efficiency. The savings today can be as much as 50% to 70% of what you are paying today. And I have seen payback periods in as little as 18 months with projects such as a properly designed lighting plan. Depending on your energy usage, your savings can be moderate to substantial, but either way, they will make a direct impact on reducing your occupancy costs.

At Hunt Construction Services, Inc., our consultants conduct a total energy assessment of our client's premises and then prepare a comprehensive usage, savings and cost analysis. This covers four major areas; efficient lighting,

energy efficient heating, ventilation and air-conditioning, building insulation, and an evaluation of solar capability. After the analysis, we supply and install the required energy efficient upgrades to the building envelope and then design, supply and install a renewable energy system.

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Let's take a closer look. In lighting, LED lighting (Light Emitting Diode) is the most revolutionary product, but not the perfect light for all uses. However, there are a wide variety of cost-saving fixtures, including T8, T5, and HID (High Intensity Discharge) fixtures, many with rebates. In HVAC (heating, ventilation,

air-conditioning) department, today's systems can represent up to a 50% cost savings as compared to similar units several years ago. In addition, internet monitoring of individual units is available to wrest the maximum performance for each.

Building insulation has also seen massive improvement. The vast majority of existing buildings in our area are not properly insulated, so the correct installation of closed cell foam, open cell foam and cellulose, combined with air sealing can be one of the most cost effective ways to reduce the total energy cost of a building.

And finally, solar applications, both electric and thermal, are more efficient than ever and are increasingly being used to supplement or completely provide a facility's energy requirements, generally with a payback period of 5 to 8 years.

And I believe that we have not seen anything yet! We already have proven the technology of paint and glass that can generate electricity. I belong to CoreNet, an international organization of corporate real estate executives, and their mandate to sustainability includes a majority of buildings that are generating more power than they use within the next 30 years! So in short, this is a movement that you should embrace for an immediate reduction in costs - a good way to offset your high taxes and rent.

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