

EXECUTIVE INSIGHT

Project

6

Reasons Green Building
is Good Business



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INTRODUCTION

The green building industry, spurred in part by the Energy Crisis in the 1970s, has continued to gain traction in the United States and around the world, helped along by a growing awareness of environmental issues and increased government support. Today, sustainable non-residential construction projects employ 278,460* workers, and job growth is expected to be faster than the industry average through 2028, at about 10%. That's good news for contractors with an interest in the sustainable building field. With more demand for eco-friendly structures, "green"-qualified construction companies could well be on a path to greater growth and profitability.

As the industry evolves and matures, important support systems have emerged, including rating tools, certification programs and a wealth of educational opportunities, all designed to formalize and standardize how green structures are designed, built and maintained. That kind of oversight—by government agencies, non-profit organizations and the private sector—continues to legitimize a building approach that once existed largely on the "fringe." Not only has sustainable building entered the mainstream, many experts agree that in the face of climate change and rising resource scarcity, green building techniques may eventually replace more traditional construction altogether.

In this Executive Insight report, we'll take a closer look at how sustainable building is changing the construction industry, and why "going green" can represent an important

new business opportunity—and continued market viability—for your construction company.
I hope you find it of value.

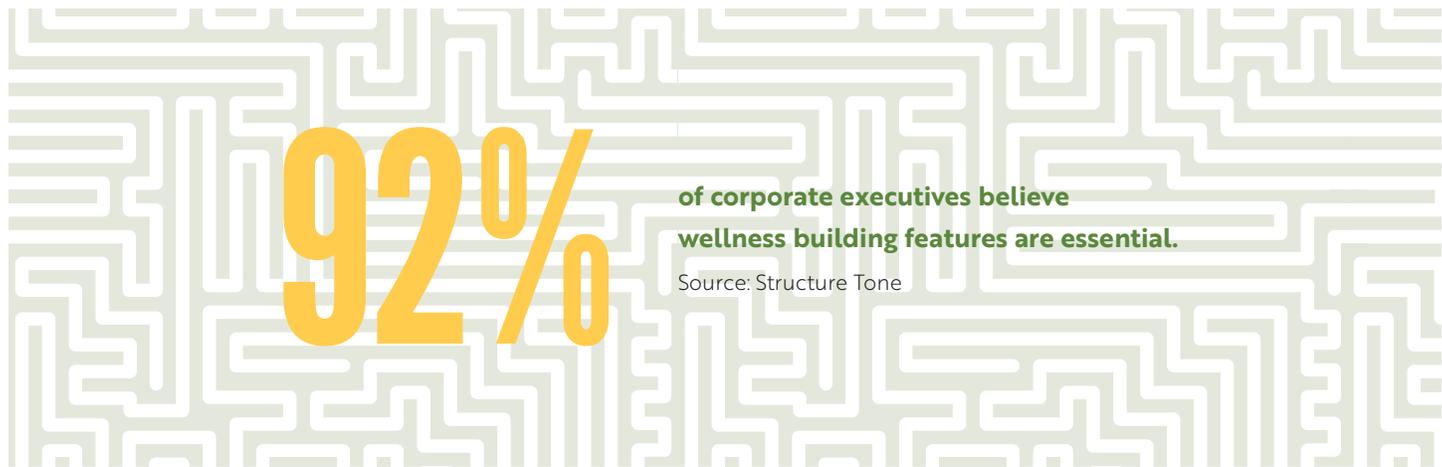
Jeff Gerardi

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REASON #1: EXPECTATIONS FOR WORKPLACE HEALTH ARE GROWING

We all want our built environments—homes, offices, schools and factories—to be clean, comfortable and toxin-free, but a growing number of corporate decision-makers are taking things a step further, insisting that newly constructed or refurbished office buildings and other corporate facilities include wellness factors that protect their employees' health and productivity. Why? Because evidence suggests that design and materials decisions made during construction can make a substantial difference in human performance down the road. No company wants employees who are unproductive—or unable to work at all—due to buildings that were built without “green” mandates in mind. That could mean that moving forward, construction companies that demonstrate a knowledge of healthy building principles will be on the short list of preferred vendors for profitable commercial projects.



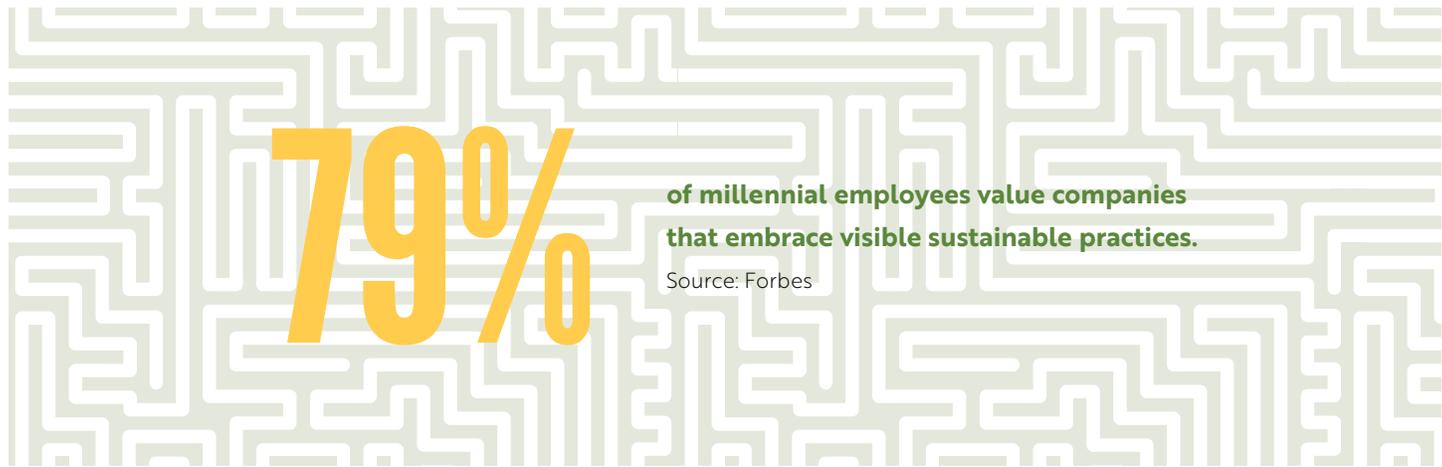
92%

of corporate executives believe
wellness building features are essential.

Source: Structure Tone

REASON #2: PRO-GREEN SENTIMENT IS INCREASING

Gone are the days when “earth-friendly” building concepts were viewed as off-beat or far-fetched. Gen X-ers and Millennials in particular are actively embracing sustainable practices that reflect their values and vision for the future—and that includes the buildings in which they live and work. With popular sentiment shifting to built environments that conserve energy, showcase renewable resources and increase wellness factors, architects, engineers and owners are getting the message—and following up with new project parameters that align with sustainable building techniques. As more and more Millennials enter the construction industry and move into senior decision-making business roles, contractors equipped with a knowledge of green best practices, or even formal certification, will be well positioned to win projects and add revenue.



79%

of millennial employees value companies that embrace visible sustainable practices.

Source: Forbes

REASON #3: ALTERNATIVE ENERGY SOURCES ARE SURGING

Compared to traditional buildings, the financial and operational advantages of “net zero energy” structures are clear, and corporate owners, ever-mindful of costs, are taking notice. A building is considered to have achieved net zero status when its energy use is equal to or less than the amount of energy it creates onsite with renewable power. In other words, you only use what you make, without adding the trouble and expense of importing non-renewable external energy resources—coal, petroleum and natural gas, for example—that fluctuate in price and are increasingly scarce. Alternative power generation is a good example of how forward-thinking industry partners are stepping up to address the issue. Installation of solar-powered cells has increased five times over in the last five years alone, and school systems, corporate leaders and more than 150 U.S. cities have committed to using clean energy exclusively in the not-so-distant future. Contractors with proven knowledge of alternative energy delivery systems will have a distinct advantage as they compete for green building projects.



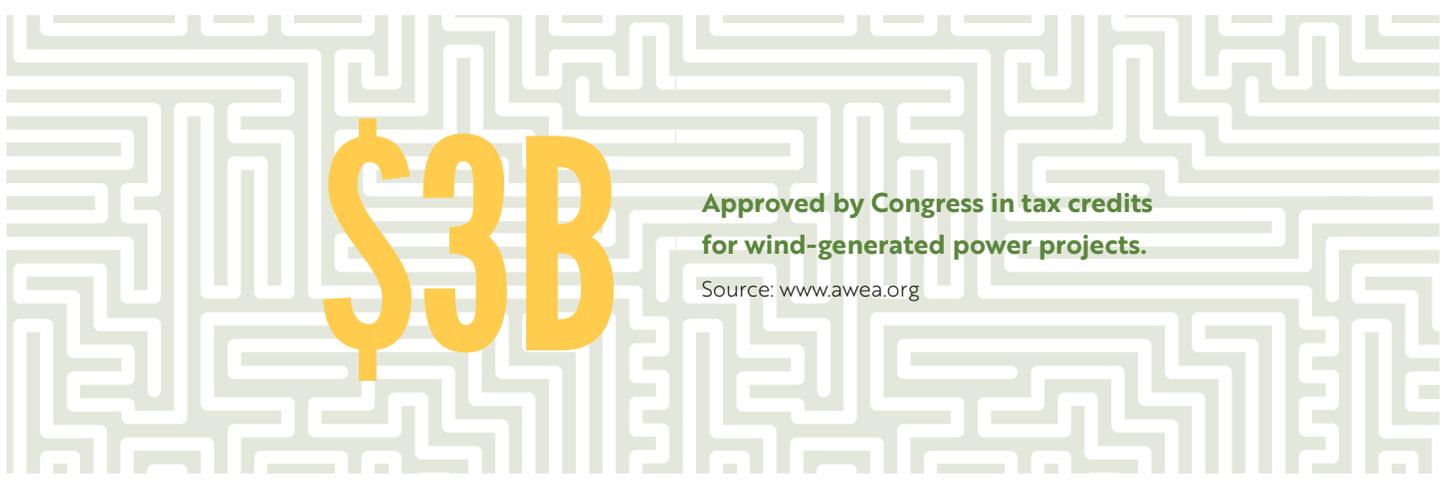
48%

Average annual growth of the U.S.
solar market over the last ten years.

Source: SEIA

REASON #4: SUSTAINABLE INCENTIVES ARE WAITING

Federal, state and local governments—as well as a host of non-profit organizations—are getting behind sustainable building projects in a very real way: they're footing the bill. Twenty states across the country are providing grants, tax credits, rebates and other forms of funding for construction projects that include both new-build and retrofitted improvements for green schools, commercial and residential buildings and government-owned structures. Many of these incentives are aimed at energy efficiency and conservation efforts—focused on lighting, HVAC and waste management systems—motivating owners to embrace green building practices and giving qualified specialty subcontractors access to important new markets. Eco-minded non-profit organizations are increasingly active, too; many have created revolving multi-million-dollar “green” funds in support of hundreds of sustainable new building and retrofitting projects every year.



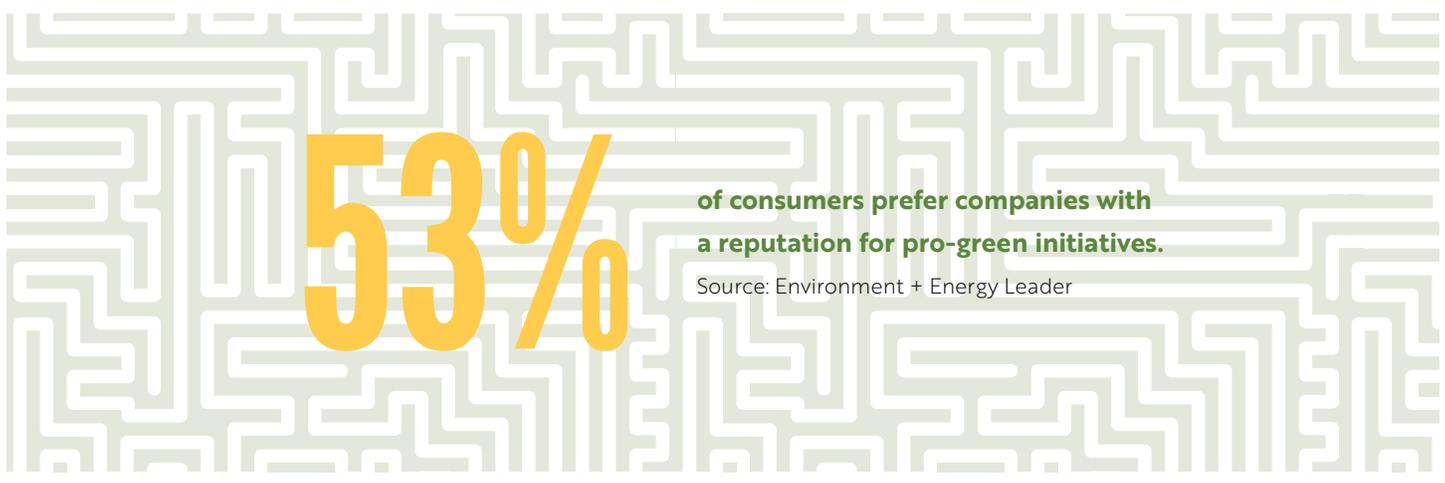
\$3B

**Approved by Congress in tax credits
for wind-generated power projects.**

Source: www.awea.org

REASON #5: A GREEN REPUTATION MATTERS

In a crowded marketplace where competition for commercial building projects is fierce, construction companies that can offer specialized qualifications, credentials and experience will stand out from the crowd. Like any other niche expertise, a knowledge of sustainable building principles and practices can help contractors build new client relationships, expand into different markets, and generate a revenue stream that complements more traditional construction projects. It's also true that sustainable building has a growing fan base that uses social platforms and other media to voice their support, encouraging governments and developers to pursue community projects—and engage builders—that have proven green track records. As popular support increases, a company committed to environmentally-conscious practices is more likely to receive the kind of positive, widespread attention marketing can't buy.



53%

of consumers prefer companies with a reputation for pro-green initiatives.

Source: Environment + Energy Leader

REASON #6: THE FUTURE IS TRENDING GREEN

In the past few years, much attention has been paid to the impacts of global warming and other environmental changes at work in the United States and around the world. Governments and corporate leaders alike recognize that an organized response on the part of the construction industry—architects, engineers, and contractors—can help support an important shift in how structures are designed, built and operated to meet new environmental challenges. With the number of sustainable building projects on the rise, and a growing number of “green”-certified professionals entering the field, there’s little question that eco-friendly construction is here to stay. Construction companies that adopt pro-green capabilities now are in a good position to succeed in the green era to come, where the demand for sustainable building knowledge and expertise will be greater than ever before.



38%

of U.S. commercial buildings are now LEED certified, up from less than 5% in 2005.

Source: World Resources Institute

CONCLUSION

Globally, buildings are responsible for an enormous share of the world's energy, electricity, water and materials consumption—estimated to be as much as 40%—which means that the building sector has real potential to deliver a significant reduction in emissions once green building techniques are applied. Moreover, the health benefits of green buildings are well-documented, providing a safer, more productive environment in which people live and work.

Sustainable building brings together an array of practices, techniques, technologies and skills that can reduce and ultimately eliminate the negative impacts of buildings on the environment and human health. Unlike in other business sectors, the technology and design principles required for green construction is both available and cost-effective, ready to be leveraged for commercial use right away. By combining renewable resources, low-impact building materials and sustainable technologies and practices, contractors can and will make a significant contribution to the health and well-being of communities around the world—all while positioning their companies for long-term success.

ABOUT PROEST

ProEst was a pioneer of web-based estimating and preconstruction management, introducing the ProEst cloud platform in 2015. Today, ProEst provides advanced construction estimating capabilities for leading companies and public sector clients in the United States, Canada and Australia. Our cloud-based platform combines cost estimating, digital takeoffs and bid day analysis in a single powerful solution— a proven way to reduce costs, ensure accuracy and streamline pre-construction workflow.

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