

Blue and White...and Green!

Finland leads the Nordic Countries with the most LEED and BREEAM certified buildings

Article by Ryan Zizzo, Managing Director at ZED Consulting



Keilaranta 1: Finland's newest LEED Platinum building

The popularity of green building rating systems in general, and LEED in particular, has grown quickly over the past decade. To many, this is recognition that the construction industry and real estate markets believe that third party environmental certifications increase the value of buildings. Although the embracing of such certifications has been somewhat slower in the Nordics than in other regions – the past few years has seen a marked increase in the number of certifications awarded in Finland and Sweden in particular.

A recent World Green Building Council report notes “studies around the world show a pattern of green buildings being able to more easily attract tenants and to command higher rents and sale prices”ⁱ. Erkki Markkola, the Chief Investment Officer of Real Estate at Keva, one of Finland’s largest pension funds and property owners, is not yet convinced that a

LEED certified building can demand higher rents in Finland, however he notes that “competition is so stiff in the commercial building industry, and potential tenants have so much choice in the market – a LEED certification may be the deciding factor in securing a new tenancy. Will LEED allow me to charge higher rents? Maybe not. Will it minimize my vacancy rate? I think so.”

Nordic ‘LEED’ers

The popularity of green building certifications continues to spread throughout the Nordics. As of the middle of 2013, Finland has regained the lead from Sweden and now contains more LEED certified buildings than any other Nordic country (see Figure 1).

During the first half of 2013, a total of 16 buildings received a LEED certification in Finland. This impressive gain surpasses

the 13 buildings that were certified in the country throughout all of 2012, and increases the total number of certified buildings in Finland by over 50%, to 44 buildings.

Multi-Tenant Commercial Offices

LEED has two separate rating systems for new commercial building construction. The 'New Construction' system is targeted at owner-occupied buildings, where the entire building fit-out is managed and controlled by one party. This rating system has been favoured in Sweden, as can be seen in Figure 2. The other system has been designed for speculative or multi-tenant office buildings, where the common areas such as lobbies and common corridors are fit-out by the owner or developer, but where internal office areas are left unfinished and then rented out to tenants who can fit-out their spaces as desired. This system, known as 'Core & Shell', is currently the most popular LEED rating system used in Finland.

Another interesting difference between Nordic countries is that the adoption of the 'Existing Buildings' rating system is twice as high in Finland as in Sweden. This rating system has recently been the most popular system in North America as owners and managers of aging existing buildings seek ways to green their operations in a bid to maintain existing and attract new tenants. As the adoption of green technologies becomes more commonplace

in new buildings, it will become increasingly important for existing building owners to display their green credentials. LEED for Existing Buildings is an option that is gaining attention for its ability to do just this and to signal to potential tenants that the building is being invested in and maintained to the highest standards.

Sweden Sitting on a Gold (and Platinum) Mine

Achieving one of the lower two certification levels (Certified or Silver) demonstrates that a project has followed basic green building principals. However, it is possible to achieve these levels by focusing on only a handful of issues such as water efficiency or indoor air environment. When a higher certification level is obtained, especially Platinum, it demonstrates that the project has pushed the limits in all areas of green building, including sustainable sites, energy efficiency, material selection, and adopting innovative solutions. Therefore, although the total number of LEED certified buildings in a country is one important measure of the state of the nation's green construction industry – the number of Gold and Platinum buildings can be just as relevant.

Although Finland has the lead in terms of absolute number of LEED certified buildings, Sweden's certifications tend to achieve more points and thus be awarded higher certification levels. 90% of Sweden's LEED certifications are awarded either Gold or Platinum, the two highest levels

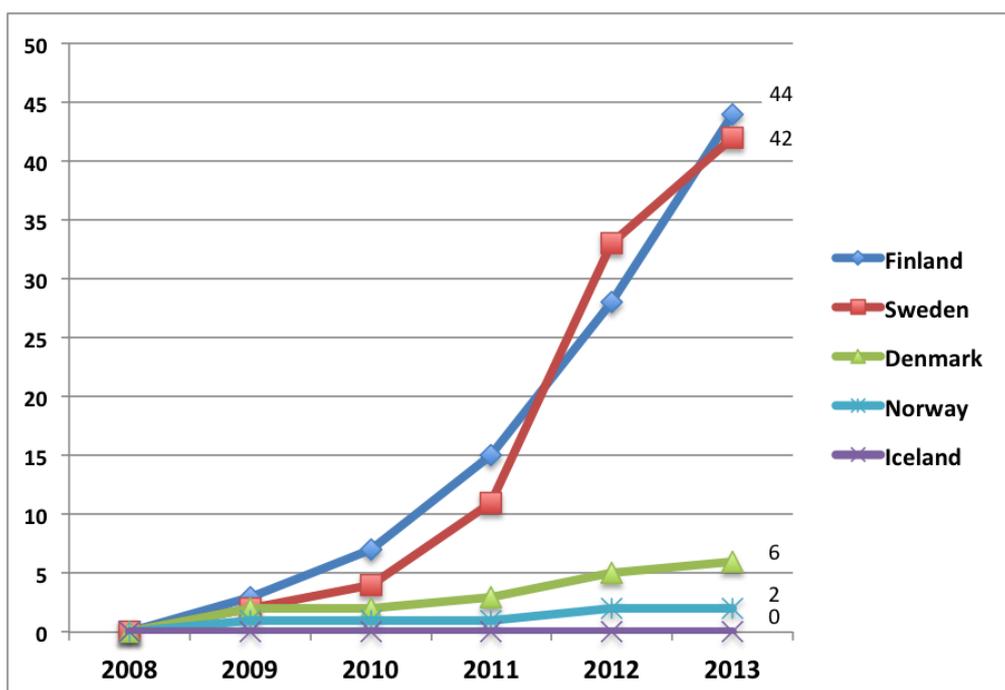


Figure 1: Cumulative LEED certifications in the Nordics

possible, while only 61% of Finland’s certifications achieve the same level. This suggests that there is room for the Finnish building industry to target more LEED points on their projects, and to aim for higher certification levels. See Figure 3 for a breakdown and comparison of total certification levels by country.

Help exists for project teams looking for advice on how they can increase the sustainability of their projects to obtain these higher levels, according to Heli Kotilainen, CEO of Green Building Council Finland. “Our Commercial Certification task group promotes the use of a number of certification tools in Finland and provides information about how to use them. We are connected to numerous international certification networks and aim to bring the Finnish point of views into discussions”.

Double Platinum

Two new LEED Platinum certifications were awarded in Finland so far in 2013, doubling the number of LEED Platinum buildings in the country (the first Platinum building was awarded in 2010, the second in 2012). The two new Platinum buildings are:

Property Name	Owner	Address
Helsingin Kathy	Skanska CFD Oy	Nauvontie 18, Helsinki
Keilarannapuisto	Keva	Keilaranta 1, Espoo

Erkki Markkola, CIO Real Estate at Keva believes that tenants, both Finnish and international, are paying increasing attention to environmental concerns and energy consumption of their office space. He believes that obtaining a LEED Platinum certification for Keva’s new office tower in Espoo was a wise financial decision. “The price premium to go from a standard building to a LEED Platinum one was around 3%. I believe this will be paid back many times over in the form of higher occupancy, and reduced energy and operational costs”.

He also dispelled some misconceptions about what is required to get a Platinum certification: “some people think that we needed to install a large solar panel installation, or many wind turbines to obtain a Platinum certification – but it’s not so. It was surprising how easy it was for us to hit Platinum – the changes we needed to make were minor, and they will provide



Keilaranta 1: The modern cafeteria maximizes daylight (note the skylights) and provides visual connection to nature. Indoor environmental quality benefits from low-emitting finishes.



Keilaranta 1: The lobby combines daylight and vegetation to provide a pleasant entrance.



Keilaranta 1: Meeting rooms offer stunning views. Note the dual blind system which allows glare to be controlled while maintaining sight lines.

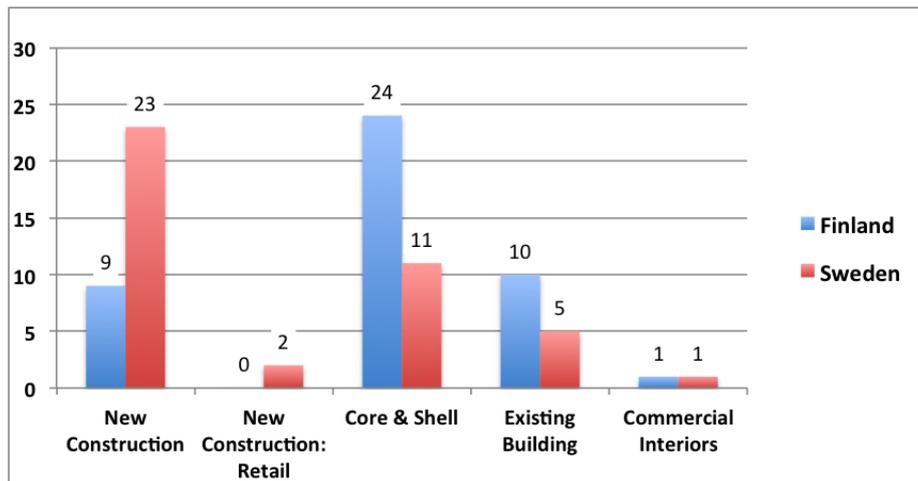


Figure 2: Total number of LEED certifications by rating system type

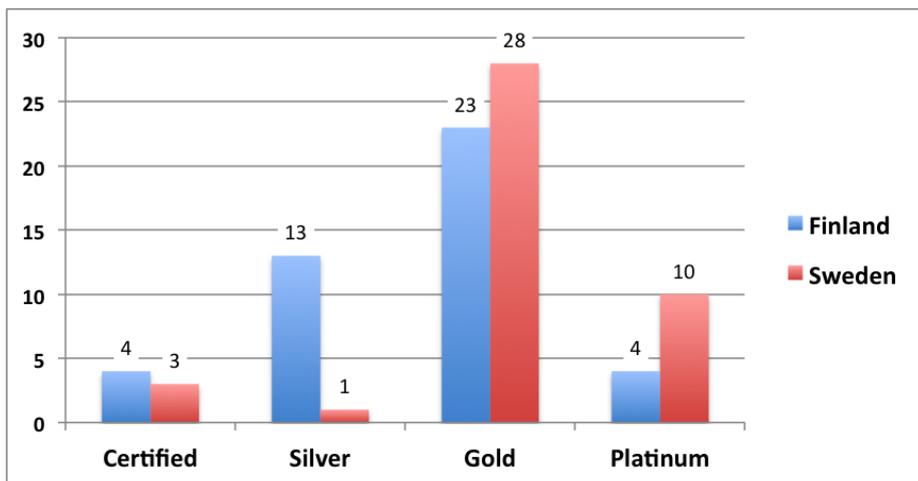


Figure 3: Total number of LEED certifications by certification level

us with useful data in the long term. One example is increased Building Automation”.

BREEAM Certifications Lagging Behind

With roughly one half the total certified buildings as LEED, the BREEAM rating system is also helping to transform the Nordic building industry. Although Finland currently leads the pack with 15 BREEAM certifications (see Figure 4), the Sweden Green Building Council was made an official National BREEAM operator as of August 2013 – therefore, more Swedish BREEAM certifications are expected in the future. Additionally, both Norway and Sweden launched country-specific BREEAM tools this spring.

Originally created for the U.K. market, BREEAM was initially more compatible with European codes and standards than the U.S.-centric LEED system was; hence BREEAM’s popularity throughout the

continent. However, each new edition of LEED has included more ways for non-U.S. projects to demonstrate their compliance. The forthcoming version of LEED, v4, will allow the adoption of approved non-U.S. standards for projects outside the U.S., making it easier than ever before for international projects to certify.

That said, BREEAM’s bespoke scheme allows added flexibility for project types that fall outside the scope of traditional rating systems. This allows for buildings outside the typical office or retail configuration to create custom schemes with credits more closely tailored to specialized building types.

While clearly a valuable tool, BREEAM’s popularity seems to be limited to Europe, and especially the U.K., which may limit the appeal of a BREEAM certificate among global audiences. There are currently only four BREEAM buildings outside Europe. Two in South America, one in the Middle

East, and one in China. By comparison, there are over 1800 certified LEED buildings outside the U.S.

However, if a project wants to submit evidence documentation in Finnish, BREEAM is the only of the two systems that accept non-English submittals. Keep in mind that projects which submit non-English documentation for BREEAM will be charged translation fees.

from a standard building to an inspiring and engaging new environment. The long-term benefits of reduced energy consumption and enhanced productivity (among many more) will pay-off for decades to come. You'll be glad that your project went green!

Any System is Better than None

When deciding if your project should target LEED, BREEAM, or some other green building system – remember that no one-size-fits-all solution exists. Each project contains its own special challenges and opportunities that the various systems are differently designed to suit.

The important thing is to choose and use a green building system, any system, to help guide the design and construction of your project. Having a third-party system and a certification goal in place can often be the deciding factor that helps elevate a project

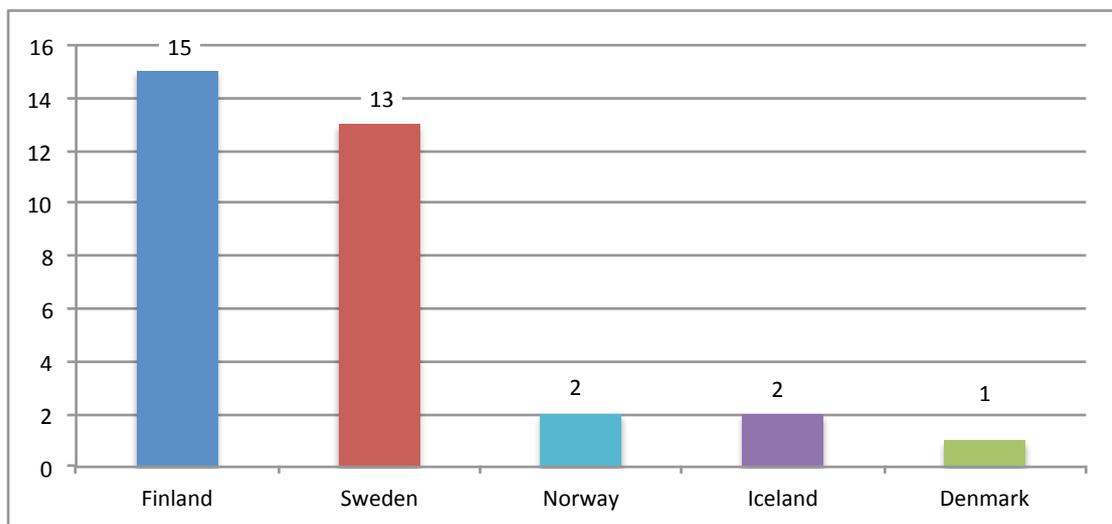


Figure 4: BREEAM certifications in the Nordics (interim certifications are not included, and multi-stage certifications are counted as a single certification)

ZED Consulting is a boutique professional consulting firm specializing in green building construction management, sustainability of the built environment, and energy management solutions. Managing director, Ryan Zizzo, has personally worked on over 40 LEED projects and has been a LEED project reviewer for the Canada Green Building Council.

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