



Certified Green Value® | 550 West Washington

Chicago, IL, managed by Jones Lang LaSalle, MetLife, owner

The 1, 2, & 3's of Why it's Worth More: Increased Value From Green Building Underwriting
For Lease-up, Pricing & Tenant Retention*

1. 550 West Washington is LEED EB & ENERGY STAR Certified With the Following Underwriting Green Value Score® (25-100 Score from attributes increasing cash flow / net operating income)

- 74: 550 West Washington is in the top quartile of added value

2. Appraisal Services are Procured Using the Appraisal Institute's / CMP's Model Green Building Valuation Scope

3. Examples of 550 West Washington Tangible Green Attributes Increasing Net Operating Income / Value

- Cost & Risk Reduction: Energy & water efficiency, onsite green power, toxic use reduction: integrative pest management & low mercury lighting
- Revenue Increases: toxic use reduction; tenant / occupant enhancement positively affecting rents from average enhanced occupant productivity of 5%-15%, increased mean project ROI of 442% from 29 case studies (statistically comparable value increases for 108 green retail stores with 40% sales increase per store); lease-up & retention from proximity to transit, improved indoor air/green cleaning, urban walkable location
- Commissioning ensures promised improvements, delivered results, & lower risk

550 West Washington's Green Value Score qualifies the property for cheaper cost of capital and insurance, and inclusion in green building securities based on rating agency determination and achieving national green building financing requirements of the Federal Housing Finance Agency, Office of the Comptroller of the Currency, and Federal Trade Commission. Certain attributes provide Intangible value recognized in the Underwriting Standards but not included in the *Green Value Score*:

- productivity
- obsolescence risk avoidance
- brand enhancement (however, points are awarded based on the LEED level)
- FSC & SMaRT Certified Sustainable Products (increased cash flow is attributed to the manufacturer and retailer by the Sustainable Manufacturing Underwriting Standard's Green Value Score)

* Certified Green Value has these purposes: Transactions, Construction & Permanent Financing / Lending, Investment / Equity & Debt Financing, Insurance, Lease-up, Pricing & Tenant Retention, Portfolio Valuation, Green Building Securities & Appraisal, Cheaper Construction & Operations

550 West Washington Features

- 372,000 square foot Office Tower
- Anchor financial services tenant
- Highly efficient operations, state of the art systems with lower utility costs
- In the heart of Chicago's expanding West Loop submarket and strategically positioned at ground zero of the new development corridor, the Property is within the immediate environs of two major commuter rail stations and public transportation.

Wall Street Green Building Value Proposition / Underwriting Basis

Introduction. Using best practices, green buildings are more profitable, less risky, cheaper to build and operate, and the increased cash flow can be measured. Discounted insurance can be provided based on Fireman's Fund's improved green building loss ratios, and increased cash flow can be measured and cheaper cost of capital is available.

Background. National green building financing was launched in September 2012. Peer-reviewed Wall Street due diligence released at the NYSE defined the added green building value with national statistically validated data in over 30 reports, consensus standards, and investor surveys.

Growing Green Building Underwriting Market Demand. Based on the Wall Street due diligence, National Consensus *Green Building Underwriting Standards* and method for calculating the *Green Value Score* were launched, unanimously approved and market tested (with JPMorgan, Wells Fargo, Comerica, Jones Lang LaSalle, CBRE and Transwestern). The due diligence value proposition and underwriting standards were reviewed at national public meetings at Federal Reserve Offices, and documented (as independently reviewed by Treasury and the Fed):

- Nationwide pent-up and substantial green building financing demand
- National green building financing will create 800,000 new jobs and \$400 Billion in new wages and a \$1 trillion private sector stimulus
- The due diligence and underwriting standards are competent for new financial products like green building securities.

The Appraisal Institute's and CMP's *Model Green Building Valuation Scope of Services* helps value green buildings and identifies attributes increasing cash flow and reducing risk and resources including the Underwriting Standard's *Green Value Score*: energy and water efficiency, onsite green power, commissioning, proximity to transit, construction waste reduction, improved indoor air, integrative process, climate neutral operations, etc.

Green Building Value Market Trends. The biggest risk to conventional buildings is obsolescence from green buildings much like in the past for buildings without air conditioning or elevators (Deutsche Bank, Wells Fargo, and Jones Lang LaSalle). McGraw-Hill emphasized that green buildings are beyond the tipping point comprising over 40% of all new and retrofit commercial building construction (National Financing Launch). Moreover in the homes sector, the top 20 homebuilders build 100% green homes (National Financing White Paper, CMP 2012).