

Investment Bank New Product Pilot **Green Building Security (GBS)**

GSA Green Leases Private Placement

Description. The US General Services Administration is the largest lessee in the US renting substantial space in commercial office buildings. These large leases are securitized. GSA leases are generally stable because the federal government is the lessee with a steady and long term need for office space.

In 2011, all new large GSA leases are required by law to be in ENERGY STAR certified buildings thus making the lease more valuable because based on Wall Street due diligence released at the NYSE, ENERGY STAR Buildings have top of the market rents and highest occupancy when compared to conventional buildings. ENERGY STAR Buildings score high on the *Green Value Score* due to operational savings from energy efficiency.

Using the *Green Value Score*, the added value of these GSA Leases can be measured and then captured through Green Lease Securities.

Purpose. The Pilot market tests and stimulates GSA Green Lease securities.

- **Consistent with Traditional GSA Green Leases**, with just an additional *Green Value Score* documenting increased cash flow and reduced expenses for each property with a GSA Green Lease.
- **Can Capture the Added Value of GSA Green Leases** that is not currently recognized.
- **Is Expected to be profitable, less risky, and preferred by investors** based on extensive Wall Street Due Diligence released at a 2009 NYSE press conference.

Number of Leases. Several

Implementation. Public finance investment firms will originate the leases for securitization. Assigning a *Green Value Score* to the buildings as part of the *National Consensus Green Building Underwriting Standards*, also provides the needed rational basis for labeling the GBS consistent with Federal Trade Commission Environmental Marketing Guides and comparable Attorneys General Green Guides governing truth in advertising and marketing.

Documentation.

- Obtain *Green Value Score* assessment during underwriting
- Collect and store *Green Value Score* with other asset electronic records