

# Sustainability Profile:

## Texas Lighting Campaign



### Participating Properties:

28 properties in Austin, Dallas, and Houston, Texas

- 12 Multifamily – 2,868,000 sq. ft.
- 8 Industrial – 1,805,000 sq. ft.
- 8 Open-air Retail – 1,001,200 sq. ft.

### Property Management Firms Represented:

- BH Management Services, Inc.
- Fidelis Realty Partners
- Gables Residential
- Grayco Partners
- Holt Lunsford Commercial
- Peloton Commercial Real Estate
- San Miguel Management
- Stream Realty Partners



**The Phoenix**  
Dallas, TX

## Campaign Overview

When evaluating industrial, multifamily and retail properties for opportunities to reduce energy costs, lighting upgrades often emerge as a very cost-effective option. During a 2013 site assessment pilot, Principal Global Investors Real Estate evaluated seven multifamily and open-air retail centers for ways to improve energy performance, and validated the financial benefit of upgrading exterior lighting technologies. Seeking a scalable approach to implementing these upgrades, the Principal Global Investors Real Estate team designed and launched a unique “campaign” approach across twenty-eight of its Texas properties. Working with JDM Associates and Monterey Energy, the “Texas Lighting Campaign” consisted of a rolling survey of site conditions, generation of property-specific lighting proposals, a financial and technical review, and installation of exterior lighting upgrades.

“The Pillars of Responsible Property Investing initiative has allowed us to creatively identify alternative methods of pursuing energy efficiency improvements across our retail and multifamily properties. The energy, maintenance and cost reductions are just some of the benefits we will realize from this campaign for years to come.”

— **John Leusink**  
Director of Engineering Services  
Principal Global Investors Real Estate

## Implementation Strategies

Through the Texas Lighting Campaign, the Principal Global Investors Real Estate team sought to secure administrative efficiencies, leverage utility incentives, and achieve economies of scale by engaging numerous properties through one concentrated effort. Once the administrative infrastructure was in place, the campaign team was able to evaluate the existing opportunities at each property and develop strategies to achieve the greatest energy savings while operating within an established 3-year payback ceiling. In some cases, new technologies were identified that were more energy efficient and cost effective than previously proposed options. One technology in particular (LED T8 tubes) was identified and installed in all parking garage applications and applicable fixture types to replace 34watt T12 and 32watt T8 linear fluorescent tubes. Additionally, identifying and securing utility incentive opportunities with local utility providers proved critical in the project's viability. For example, by leveraging existing relationships with one local utility, the campaign team secured \$14,000 in additional incentives for the installation of LED T8 tubes.

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## Results

Initial results indicate that the Texas Lighting Campaign model proved an efficient method to achieve significant cost reductions across multiple retail and multifamily properties.

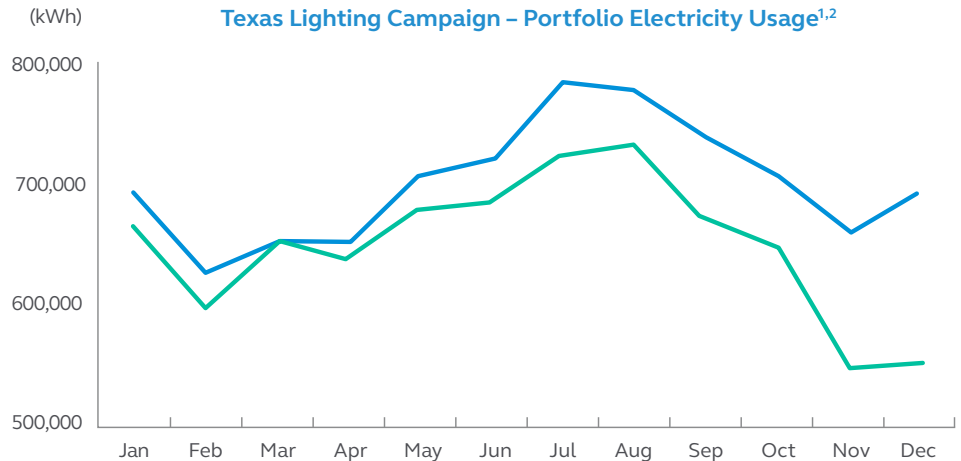
- › Replacement of nearly 4,500 lamps in parking lots, parking garages, and wall mounted fixtures
- › Expected reduction of annual operating costs by over \$210,000, save over 2,000,000 kWh annually, and decrease lighting maintenance and lamp replacement costs by roughly \$25,000 a year
- › Secured \$110,000 in rebates from Centerpoint, Oncor, and Austin Energy
- › Installed more efficient and more aesthetically pleasing lighting, at an anticipated 2.8 year payback

“Our residents commented on the improved lighting quality throughout the common areas and parking garage immediately following construction, and we have already begun realizing the savings on our common area electricity bills. We look forward to providing further support to Principal Real Estate Investors in achieving the PRPI’s sustainability goals.”

— **Veronica Catchings**  
Property Manager  
Grayco Partners (Belle Meade at River Oaks)

# Utility Performance Summary

The graph on the right summarizes the electricity usage trends of the properties that participated in the Texas Lighting Campaign. The green dashed lines indicate the construction period (August 2014 to December 2014) in which light fixture retrofits were conducted. For the twelve month period ending December 2014, the properties that participated in the Texas Lighting Campaign currently demonstrate a 6% reduction in electricity over a 1-year period:



<sup>1</sup>Includes incomplete December 2014 data for (2) electric meters at Ravello Apartments and excludes the following properties as energy data is not benchmarked in ENERGY STAR Portfolio Manager®: NW Distribution Center, Bay Area Business Park, International Drive, Stonelake 6.

<sup>2</sup>All meters included even if they did not add to building total



**About PRPI:** The Pillars of Responsible Property Investing (PRPI) initiative is a unique sustainability and investment platform developed to drive superior asset management and fiduciary governance. For more information on how PRPI is delivering positive financial and environmental results for Principal Real Estate Investors, please visit [www.principalglobal.com/us/re/responsibleinvest.aspx](http://www.principalglobal.com/us/re/responsibleinvest.aspx).

## Disclosures

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