

# Business Case for Benchmarking

## MEASURING ENERGY USE BENEFITS THE BOTTOM LINE

Energy benchmarking in real estate is key to maintaining and enhancing asset value, creating opportunities for investment, and remaining competitive in an evolving market – all for minimal cost and significant benefit.

The common phrase “*you can’t manage what you don’t measure*” is especially true for operating high-performance buildings. Buildings that benchmarking can identify inefficiencies and hidden problems while achieving savings and increasing value from reduced energy use. Benchmarking builds the bottom line by:



### Creating savings by reducing energy/water use and related operations costs

Buildings that benchmarked nationwide over a 3-year period [reduced energy use by 7%](#), equivalent to \$120,000 in total cost savings and \$1M in asset value for a 500,000 square foot office building, or \$2.5 million in total cost savings for a medium box retailer with 500 stores.



### Achieving higher occupancy and sales value/rental rates

Energy-efficient properties can achieve up to [10% higher occupancy, 10% higher rental premiums, and 25% higher sale values](#), compared to less efficient properties. Reducing operating costs increases NOI and asset value. Energy efficiency investments can [yield up to \\$4](#) in incremental present value for every \$1 spent.



### Flagging hidden problems in buildings

Excessive energy use is often a sign that something is not functioning as it should be, raising costs and lowering the value of a building. Benchmarking allows facility managers to stay on top of compromised building systems before they become a bigger expense and disruption to operations.



### Prioritizing energy actions and supporting informed decisions

Facility managers use benchmarking information to guide energy efficiency upgrade plans, and to help justify energy efficiency improvements. Benchmarking ensures that efficiency investments get the biggest bang for the buck. Among surveyed facility managers who have used ENERGY STAR for benchmarking, more than two-thirds use benchmarking information to help justify energy efficiency projects.



### Allowing for peer-to-peer comparisons on building performance

Benchmarking using the online [ENERGY STAR Portfolio Manager](#) platform is **free** and used by 25% of commercial building space nationwide. Tracking and improving building performance relative to local peers can help building owners stay ahead of the market, improve their brand, and attract and retain tenants and employees who value efficiency.



### Driving more energy actions, faster

Benchmarking brings attention to efficiency, and owners who benchmark are [more likely](#) to implement improvements in buildings they benchmark.