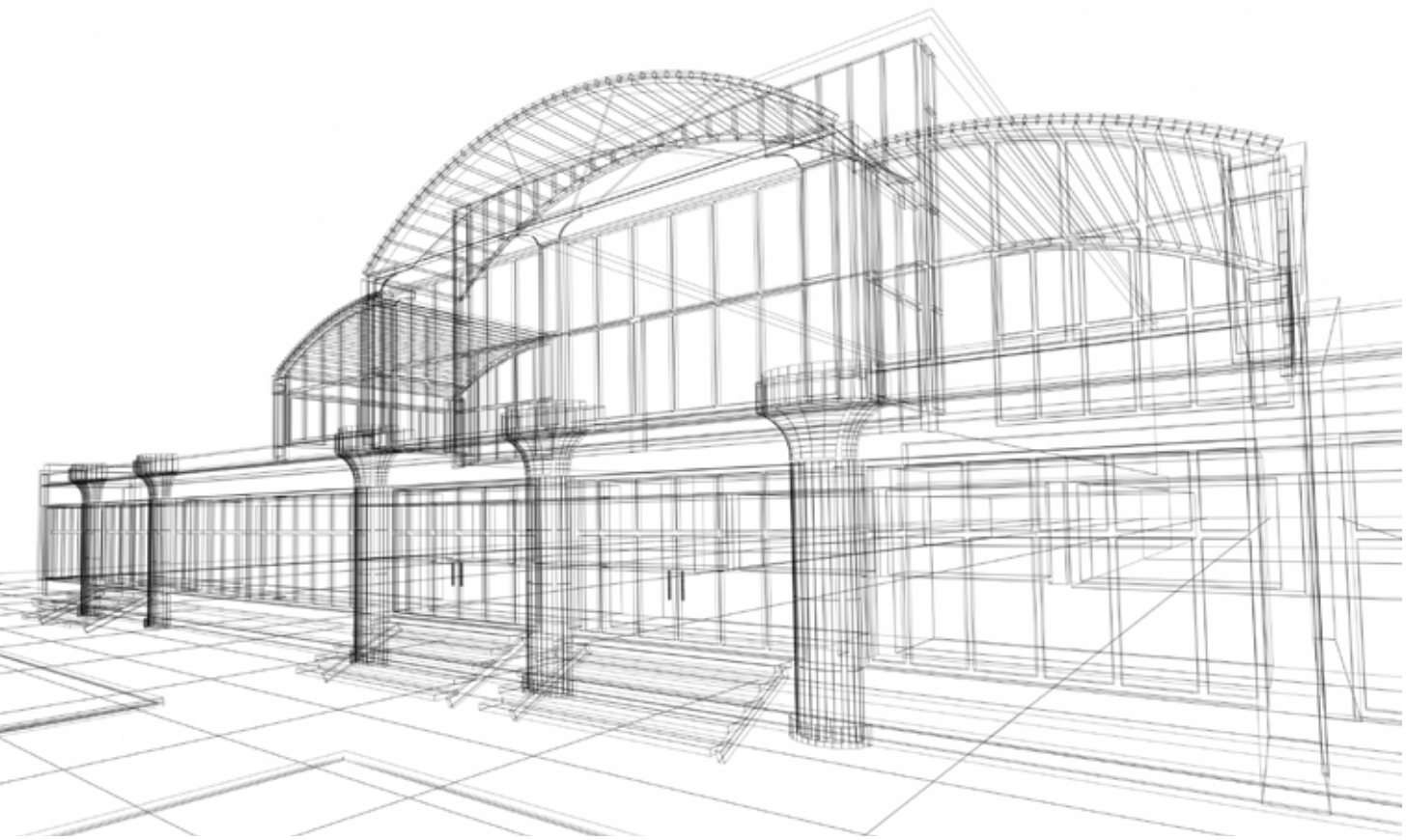


REALFOUNDATIONS



CREATING STRONG AND SUSTAINABLE FOUNDATIONS WITH CONSULTING TECHNIQUES

by Jennifer Kirkland

THE MISSION OF MANAGEMENT CONSULTING firm RealFoundations is to deliver and support business, process, and technology improvements for the real estate industry. Optimizing the use of existing buildings, and making operations more cost effective by adopting various energy-efficient techniques, can dramatically impact the bottom line for today's real estate investors, owners, and developers. "Our customers don't have to make a choice between sustainability and profit," explains CEO Chris Shaida. "It's not green versus green—the two can work together, increasing energy efficiency while reducing operating costs."

Above: Photo courtesy of stockxpert.com.

Right: Chris Shaida, CEO.

Through its Building Technology &

Sustainability (BT&S) practice, RealFoundations focuses on building automation—coordinating building systems to regulate interior temperatures, power, lighting, and equipment, without the need for human intervention. The company observes LEED and Energy Star program guidelines, as well as its own internally-developed processes, to project and measure efficiencies and savings, offering value to the client on every project.

The clients of RealFoundations, which include investors, owners, and operators of large real estate portfolios, benefit substantially from reducing energy and utility consumption. Shaida explains that even small changes can

“OUR CUSTOMERS DON’T HAVE TO MAKE A CHOICE BETWEEN SUSTAINABILITY AND PROFIT. IT’S NOT GREEN VERSUS GREEN—THE TWO CAN WORK TOGETHER.” *Chris Shaida, CEO*

have dramatic results. “Being green is not a yes or no thing—it’s a more or less thing,” he says. “The way a building is operated—as distinct from how it’s been built—has a huge impact on how green it is.”

While RealFoundations integrates cutting-edge technologies into its intelligent building systems, much of the company’s work is based on simple creative thinking. Quinn Munton, RealFoundations’ BT&S practice leader, adds, “we figure out how a building really works, match that to how it could be used, and implement solutions to close the gap between the two.” In one instance, by analyzing a particular commercial client’s automated energy processes, RealFoundations discovered that the economizers in the building’s air conditioning system had been disabled due to a tenant’s complaint. “The tenant complained he could not hear the fan running, and thought the air conditioning was not working,” continues Munton. “The economizers pull cool air in from the outside in the morning, rather than utilizing the air conditioning. That tenant’s complaint ultimately affected the efficiency of hundreds of buildings.”

Additionally, RealFoundations’ work for a national shopping mall owner revealed a similar mismatch between what tenants required and what the owner was providing. “The entire mall was being turned on after hours for individual tenants to perform inventory management, even though most areas of the facility were empty during that time,” explains Munton. By identifying areas of the mall which could

be rezoned and by reconfiguring the lighting and HVAC controls within the facility, RealFoundations reduced the areas of the mall that would need to be powered on during the inventory process. RealFoundations believes those changes will provide a savings of \$10 million over 10 years and a 35 percent return on investment (ROI). “That is another example of real savings from some straightforward changes,” Munton adds.

RealFoundations also developed an operational strategy, as well as an energy automation system, for the hotels, retail buildings, office facilities, and apartment properties of a large developer in Southern California. With a relatively small investment in monitoring technology, the initiative is projected to save an annual \$3 million in electricity costs, 1,000 or more man hours in bill processing time, and \$500,000 in reduced irrigation penalties from automated usage limit controls.

While much emphasis is placed on building new green buildings, Munton says, “most of the buildings we’ll be using 10 years from now exist today, and we’re not going to replace them all right away. A tremendous amount of work can be done to improve how existing buildings operate.” Shaida believes that tenants will pay more in the future for space in well-run, sustainably green buildings. “Value comes through on multiple levels,” Shaida adds.

Shaida further believes society is moving beyond the initial enthusiasm over the concept of being green, and into



the stage of implementing such ideas. Putting green ideas into practice “requires knowledge not just about how a building is constructed, but also about how it is used. We’re excited about the huge opportunities for our clients to operate their buildings in a way that not only reduces raw consumption, but is also more attuned to what actual tenants want in a building experience,” he comments.

Shaida sees a very promising future for RealFoundations, which currently has five locations in the US and three abroad. “We made a decision to focus our efforts in real estate. It’s an industry that’s not going anywhere,” he explains. “We’re always going to need places to live, shop, work, and play, and RealFoundations is committed to helping its clients make those places better.” GBQ