



FOR CLARION PARTNERS, PLATINUM IS A LANDLORD'S BEST FRIEND

Why a New York-based investor pursued the expensive, time-consuming designation for Austin's Perry Brooks building

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Perry Brooks Tower - Austin, TX

Earning LEED certification for a ground-up office building is challenging enough, but capturing the highest "platinum" rank of eco-friendliness may be one of the most difficult undertakings as a real estate landlord.

Clarion Partners, the New York investment company, did just that. The Perry Brooks building downtown recently was recognized as the first LEED platinum overall office renovation in Austin.

The new accolade suits the property well.

"Perry Brooks encapsulates the Austin story," said Spence Sowa, a senior vice president of Clarion Partners working in Dallas.

Built in the early 1950s, the 12-story Perry Brooks building was the tallest office structure at the time of completion and primarily catered to professional services and businesses that supported state government. During the past decade the property with its historical vibe in the heart of downtown has appealed to the tech sector.

When Clarion purchased the 136,585-square-foot property in April 2015 for an undisclosed price, it had already undergone substantial renovations, but the Big Apple investment company wanted to do more.

"Clarion is a long-term leader in sustainability... and when we see an opportunity we put a premium on it," Sowa said.

Clarion executives quickly recognized that no other existing office building as a whole had earned LEED platinum certification.

"We realized we had a shot at doing something important at this building," Sowa said.

Clarion wouldn't disclose how much it cost to achieve platinum status other than to say "it was a significant amount of money."

The labor and logistics over several months may have been more arduous.

Consider some of the smallest details: An array of floor mats are deployed throughout the building, which remove contaminants on tenants' and visitors' shoes. The pest control management program uses products that have been ranked among the least toxic by the city of San Francisco, which apparently sets the highest standards for earth-friendly debugging.





Of course, there were major improvements in HVAC systems, recycling programs, air filter protocols, wastewater management and interior lighting. Obtaining buy-in from tenants was another important aspect because LEED points are added for tenant improvements that use recyclable materials. Tenant companies that encourage alternative transportation also added credits to Clarion's LEED scorecard.

The process took months with Clarion eliciting the expertise and support of Sustainable Investment Group, a national consulting firm with LEED expertise; Transwestern, which leases the property; and Stream Realty Partners, which manages it.

Even with strong outside support, the outcome was uncertain.

"LEED platinum is never guaranteed. You still have a performance period," Sowa said. "When we got audited, we crossed every 't' and dotted every 'i.'"

Clarion expects all tenants will benefit from lower operating costs. Currently the building is nearly 97 percent occupied by a bevy of tech companies such as Zilliant Inc., SpareFoot Inc., Playstudios Inc., Cratejoy Inc. and Grande Communications, to name a few.

In addition to the LEED investment, Clarion remodeled the lobby, added a coffee bar and invested in exterior improvements.

"The new lobby is 180 degrees different from what it was four months ago," said Clarion Senior Vice President Brad Davey. "It's now an incredible place to collaborate."