



Sharing Data Helps Warehouse Become a Top Energy Saver



Owner Liberty Property Trust and tenant CEVA Logistics upgraded their ENERGY STAR certified warehouse to higher performance levels, achieving an ENERGY STAR score of 93. CEVA Logistics was able to save an additional \$0.16 per square foot.

Landlord Challenge: Liberty Property Trust accepted the challenge of a warehouse tenant to increase energy efficiency to the highest levels.

Tenant Challenge: CEVA Logistics wanted to highlight its green supply chain with super energy-efficient, low carbon warehouses.

Building: 600 Industrial Drive, Lewisberry, PA

Lease Structure: Triple Net (Tenant pays energy bills directly to the utility)

Commitment Pays Off Every Year

How much energy savings can be found in a warehouse that already performs in the top 25% nationwide? By working together to upgrade its 387,500 square foot ENERGY STAR certified warehouse in Lewisberry, Pennsylvania, owner Liberty Property Trust and tenant CEVA Logistics improved efficiency, reduced greenhouse gas emissions and lowered costs by 16 cents per square foot. With an ENERGY STAR score of 93, the warehouse costs CEVA about \$200,000 less per year to operate than typical pick-and-pack warehouses.

CEVA Logistics is one of the world's leading supply chain companies providing warehouse and transportation management for the automotive, electronics, and technology sectors, among others. They believe a commitment to sustainability fosters creativity and innovation in employees and loyalty from customers.

Liberty Property Trust, a publicly traded real estate investment trust, manages a 101 million sq. ft. office and industrial portfolio. With over 118 ENERGY STAR certified buildings and a commitment to achieving a high level of energy performance across its building portfolio, Liberty Property Trust is leading the field in energy efficient warehouse properties.

"CEVA's commitment to sustainability permeates every facet of our approach to business globally. We appreciate the opportunity to collaborate with Liberty Property Trust to enhance the energy efficiency of our Lewisberry warehouse – acting as good stewards of our environment is good for our communities and it's good for business,"
- Jim Krepp, Vice President of Procurement, CEVA in the Americas.

Easy Upgrade, Big Savings

In warehouses, lighting represents almost 30% of all energy use and more than 60% of total electricity use. The hundreds of 400-watt metal halide light fixtures found on site represented a

clear opportunity for improvement. Liberty and CEVA worked with a vendor to identify a lighting package featuring high-bay T8 fluorescent lamps with occupancy sensors.

Liberty chose to buy the new lighting system on its own merits, which would have had a simple payback of under 3 years, but utility rebates of \$81,900 offset the total \$178,000 project cost by 45% and shortened the payback period to just over 1.6 years. Savings in the first year totaled more than 675,000 kWh and \$61,000 and resulted in an annual return on investment of 63%.

Cost Savings

The lighting upgrade made financial sense, and a rebate from the local utility sweetened the deal. Here is a quick look at the financial return:

- Total Cost of the Project: \$178,000
- Utility Rebate: \$81,900
- \$61,000 annual cost savings
- 1.6 year simple payback
- 63% Annual Return on Investment
- Cost savings of \$0.16/sq. ft.

Communicate to Build Trust

Liberty Property Trust understands that data is paramount to making the business case for improving energy performance in buildings. Property managers are encouraged to develop close relationships with tenants so they can explain the value of gathering, sharing, and assessing data that normally is considered private. Liberty found an innovative way to engage its tenants through their Liberty Energy Efficiency Partnership (LEEP), a program created to facilitate strong communication, data sharing, and recognition of mutual benefits.

1. **Communication:** In a triple-net lease with few common area services, warehouse tenants typically have few opportunities to interact directly with property managers. By working with CEVA to understand organizational goals, Liberty was able to propose a project that made sense to CEVA's bottom line and environmental values.
2. **Sharing Data:** Because tenants are billed directly by utilities in a triple-net lease, landlords may not have access to data that helps them evaluate capital investments. CEVA agreed to share its data, which allowed Liberty to identify a lighting upgrade opportunity and to project energy and cost savings.
3. **Mutual Benefits:** With a collaborative and receptive tenant and the data to develop accurate projections, Liberty was able to justify the upgrade. For the property manager, the upgrade created a higher performing building and increased the likelihood of retaining a quality tenant. The tenant benefited from significantly reduced operating costs and a smaller carbon footprint over the life of the lease.

Lessons Learned

- Collaborate. No matter who pays the energy bills, landlord-tenant collaboration on efficiency pays off for both parties.
- Get the data. Sharing utility data creates an opportunity for conversations around sustainability, and an accurate energy baseline allows analysis of project savings.
- Explore programs offered by your local utility to provide financing and other support for your efficiency initiatives.