

Providing Local Market Support with a High-Performance Building Hub



Exploring
Building Performance Standards

Why Should a City Consider a High-Performance Building Hub?

A high-performance building hub provides critical guidance, technical assistance, or access to available incentives to building owners, designers, contractors, and operators so that they can help a city achieve its green building and climate goals. A hub should address the needs and gaps in the local real estate market while simultaneously removing obstacles that prevent the implementation of high-performance building strategies and motivating action to achieve greater carbon and energy

savings. The goal of a hub is to both support and promote local market leaders while also providing assistance to those who may not have the necessary resources—be it information or finances—to take energy-saving action.

Follow the steps outlined on the following pages to figure out how to set up a hub for your city.





Complete a market analysis

Before determining exactly what outputs a hub should deliver, begin by assessing current market gaps and obstacles. Local building owners may need a place to receive one-on-one technical assistance; learn about and apply for utility incentives; consult with experts on cost-effective policy compliance; or attend technical demonstrations or trainings. There are a number of ways cities can provide support to their local markets; understanding which outputs are the most critical is the first step.

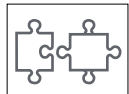
The building industry is not only a what, but also a who. Having a detailed understanding of the stakeholders—and their particular priorities, perspectives, and challenges—is essential for developing a successful and impactful hub. An assessment of the high-priority needs in your local market begins with the following steps.

1. **Take stock of who will be affected**—such as building owners and operators of a specific typology or sector—both directly and indirectly, by your new building performance policy. Talk with them to understand what they need both immediately and in the future.
2. **Evaluate all opportunities and drivers for high-performance buildings.** New legislation is certainly one, but if there are other major shifts in your local market that are anticipated—such as a new commitment or area of focus for your mayor, tax incentives to encourage a specific type of development, or if the local job market's growth is shifting into different or new sectors—

consider how a hub might be designed to accommodate these other broader, anticipated market changes. This will ensure that the value of the hub will be seen as multifaceted.

3. **Evaluate your available datasets**, such as your building benchmarking data, employment statistics, and economic data, to get a sense of the current state of your building stock and your local building industry. This will give you an understanding about what needs to happen in your building stock, who is available or who needs to be available to make it happen, and how a hub can be best suited to fill that gap. Developing projections about future job needs can inform workforce development programming or other economic opportunities.
4. **Consider your other priorities.** Consider how the hub might tie your building performance goals to other priorities, such as enhancing your economic strategy or addressing social inequities. Consider who the hub benefits, who it doesn't benefit, and how that might alter your desired approach.

For a hub to be successful, it must continually reevaluate the market's changing needs over time. In addition to building owners, how can it support practitioners and operators through new economic growth opportunities? A hub should be designed to not only support building owners with compliance with a building performance policy but also should strive to push the market forward towards a more innovative and equitable future.



Step

2

Choose a business structure

The right business structure depends on the gap the hub is filling, the services that are being delivered, and who the right local delivery partner(s) might be. Options include:

- **Independent 501(c)(3).** As a brand new entity, an independent hub will be seen as fresh, unbiased, and unencumbered, and thereby attract greater engagement from the market. Its objective can be crafted to target this specific focus and be mission-driven to support a city's climate goals.
- **Consortium.** By combining the strengths of multiple existing local entities (e.g., NGOs or companies with complementary knowledge of the local real estate market, building science, and financing opportunities) this structure will amplify and combine the strengths of existing, known entities and will benefit from the established trust and network each organization already has in the local market.
- **Subsidiary.** By deciding to become a program of an existing nonprofit organization or company, this structure means that the existing

business infrastructure is already in place, the audience and partnerships may already be established, trust from the local building industry exists, and it may lead to the faster delivery of outputs and services.

- **Government or Utility Program.** This type of structure is appropriate when the desired output is the delivery of utility incentives and more permanent, long-term funding is available.

Regardless of desired structure, a formal or unofficial advisory board made up of a variety of local stakeholders, such as building owners of various typologies, designers, contractors, operators, and related government agencies, should be established to provide guidance, shape the outputs of the hub over time, and advise on changing needs in the local market.

In addition, finding trusted local partner organizations, companies, or staff to develop and deliver the outputs is crucial for the long term success of the hub.





Step 3 Establish a financial foundation

The importance of foundational and multi-year funding from the local government cannot be overstated. While the hub must work diligently and creatively to raise funds from a wide variety of sources, significant funding from the local government will be required to ensure the successful launch and long-term viability of the operation.

For example, in Washington DC, early funding (\$100,000) covered the cost of a market analysis and needs assessment and subsequent report

outlining the recommendations about the business structure, mission, financial needs, staffing model, and potential outputs. A second round of District funding (\$400,000) covered the start-up cost for the DC High-Performance Building Hub, including the personnel costs of the hub's first dedicated employees (such as a Director to oversee its operation and support staff to provide administrative assistance), website and branding development, and the first outputs, resources, services, and offerings.



Step 4 Get started

Many cities are looking to develop a hub to support not just policy implementation, but to help shift the market towards a more sustainable future, where all residents can benefit from a healthy and thriving environment—and IMT is here to help. IMT is helping cities not only ensure successful policy

implementation, but also ensuring they meet their high-performance building and climate goals. Visit www.imt.org/hub or email hub@imt.org to learn more about the steps you can take to establish an impactful hub in your city.