



HOW TO START GETTING GREEN IN YOUR BUSINESS



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A recent study by McGraw-Hill Construction highlighted that at least one-third of new construction projects in the residential market are “green”-related. This now-clear green trend provides telling data for contractors still suffering with uncertainty in the new home construction market. The trend is also apparent in commercial and governmental arenas as corporations, universities and municipalities advertise their good citizenship while addressing environmental issues and cost-cutting opportunities.

How does a construction company go green and take advantage of green trends? Here are five ways to kick-start the process:

1. Review the materials and products you currently use in traditional projects.
 2. Learn the tax incentives available for green building and energy products.
 3. Be an entrepreneur.
 4. Look for a partner.
 5. Educate and analyze.
1. Today, almost every major trade supplier has a line of green products that they are anxious to deploy. Many are offering rebates on these products to encourage interest from buyers. Meet with supply representatives to educate yourself about buying opportunities and to understand the benefits of these products in terms of cost savings and efficiency for you, as well as for your customer--the end user. Question why these products are being introduced and how their benefits translate to the building owner over the long-term.
 2. The tax laws, particularly the American Reinvestment and Recovery Act, continue to include tax reductions, credits and other cost-saving opportunities for projects related to renewable energy systems, employee training and education initiatives, or new job creation programs. These are all viable projects that businesses can utilize to benefit from new tax incentives.
 3. Capturing the entrepreneurial spirit may sometimes simply mean looking at a challenge from a new angle. For example, while awaiting improvement in new housing demand, some developers have built solar farms on what otherwise would be idle land inventory. By selling the energy harnessed by the farm to a utility or other nearby consumer, a new cash-flow stream has been created to cover the carrying costs of the development until market

conditions become more favorable. In time, as demand heats up, the solar panels can be rearranged and incorporated into the development design. This approach enables these developers to hold inventory longer and create a residual revenue stream.

4. Without adding too much stress to your life, consider taking on a business partner. In New Jersey, the Department of Transportation and Economic Development Authority are partnering with builders that can make development reform legislation reality and move objectives forward. For instance, to upgrade mass transit capabilities, hub locations in certain urban areas are receiving ownership and building incentives to attract property owners (to absorb the properties into the market) and builders to develop the projects. Such high-density projects are being built in partnership with contractors and with multiple green incentives well beyond those offered on projects just three years ago.
5. Change and uncertainty often bring anxiety. As a result, builders will need to educate themselves, their workers and customers about the benefits of a green project. Customers will need to see cost justifications, not just expected positive social impact, for green changes. Bankers, appraisers and insurance professionals should be part of the process. Proformas, budgets and cost estimates should be reworked so that the project's return on investment and profitability benchmarks are met.

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