

PYRAMID BUILDING

San Antonio, Texas

When the management of the Pyramid Building wanted to upgrade their exterior architectural lighting, they turned to FSG to bring a little color to the project!

It's no secret that a successful commercial real estate property owner is one who is constantly looking for ways to balance their cash flow while offering the most value for their tenants. There are a number of different ways commercial property owners can do this. One such way is in how the property is lit.

Over the years, LED Lighting has taken its place in the commercial office real estate market as the preferred lighting technology. Lighting specifications for new construction and re-models of commercial office real estate rarely include legacy lighting technologies such as fluorescent, incandescent or halogen. The prominence, availability, and increasing affordability of LED lighting technology has created new and exciting opportunities for property owners and their tenants in the commercial real estate space. Through saved energy and better lighting, property owners are seeing more favorable cash flow scenarios with increased tenant value, thus increasing the overall real property value of the real estate.

Energy efficiency, brighter spaces, and overall aesthetics are a few ways that better lighting help property owners operate more cash flow positive and valuable properties. However, the quality, the availability, and the affordability of LED, specifically color changing LED, has introduced a whole new level of value that, up until recently, wasn't a viable option many existing property owners.

One example of adding real property value through LED lighting can be seen at 601 NW Loop 410 in San Antonio Texas. This iconic building located on the corner of Loop 410 and San Pedro Ave. is affectionately known as the Pyramid Building because of its unique terraced facade. The building, built in 1980, had a lighting system of 129 high output, high pressure light fixtures installed to

Owner

Endura

Contract Type

Lighting

Electrical Contractor

FSG

Energy Savings

\$18,529

Number of Fixtures Replaced

129

Annual kWh Reduction

195,049

Payback

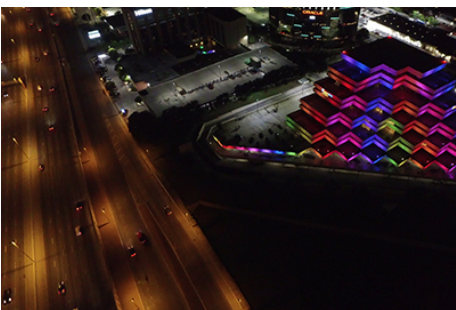
3.23 Years

Added Real Property Value

\$1,294,000

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illuminate and highlight the unique characteristics of this one of kind property. The fixtures, while effective at the lighting the building, were certainly a drain on the building's cash flow due to their high wattage, and maintenance costs. Additionally, fixture outages and the orange colored light produced by the lamps had the effect of making the building feel dated and consequently possibly less valuable to potential tenants.

It was for these reasons, and the fact that LED technology has advanced both in capability and affordability, that the property manager decided it was time to bring the exterior lighting up to date. After all, many efforts had been made on the interior of the building to capitalize on the benefits of LED lighting, so it only made sense to overhaul the outdoor lighting as well.

To answer this challenge, FSG and Philips brought a complete Color Kinetics solutions to the property that would not only light the exterior of the building as the old lighting did, but also give the owner the added ability to change the color of the building to fit any purpose. Additionally, the Color Kinetics software could be programmed to have the lights "dance" or change colors for special events thus having the effect of the bringing the building to life!

The 129 new LED fixtures reduced the kWh consumption by 159,049 per year with an annual savings of more than \$64,700 in both utility and maintenance costs making the payback for the project about 3.23 years. However, the truly impressive number comes in the form of added real property value. More than \$1.2 million in real property value is added to this piece of real estate simply by choosing to upgrade the exterior lighting to color changing LED! This value comes in the form of cash flow adjustments from more efficient energy consumption and lowered maintenance costs as well as building appeal to potential and existing tenants. Furthermore, the status level of the property in the eyes of the public at large has increased as the building is now more appealing to look at from the freeway. In fact, online forums and message boards saw real estate enthusiasts and others with no specific ties to the property talking about the building's improved look. In the end, the customer was pleased with the numbers, the performance of the system, and the updated look of the building.

Adding real property value through better lighting is certainly not a new concept, but it is definitely an evolving one. More and more creative applications of LED lighting are popping up on city skylines all around the world and the reason is simple -- it makes good financial sense!

