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## Survey: Bottlenecks To Sustainable Healthcare Facilities

by Glenn Fischer

A survey of 20 major metropolitan areas in North America indicates a number of interrelated perceptions that creating bottlenecks to achieving more cost efficient and sustainable healthcare facilities. Prevalent are:

- >Apprehension about new technology performance
- >Proliferation of green washing by manufacturers and service providers
- >Buying decisions based on first cost

Eight of ten survey respondents share these opinions suggesting that these three issues are linked in the minds of buyers and specifiers. More education and a change of behavior are needed to change these perceptions.

The survey was conducted as part of the **Economics, Efficiency, Energy & Environment: Making the 4Es Work Together in Healthcare** seminar series conducted throughout 2010-2011



by the **Corporate Realty, Design & Management Institute** in partnership with the **Healthcare Institute of IFMA** (then, the *IFMA Healthcare Council*). Participants in the survey included virtually all job functions in the built environment – architects, designers, engineers, hospital facility managers, project managers, and contractors.

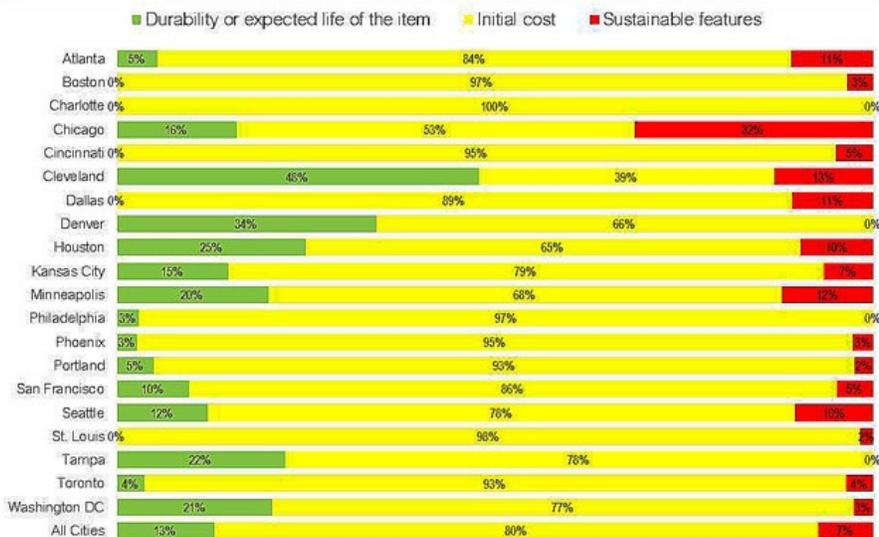
- Among the key findings:
- >Lack of confidence in installing or specifying new technology

- >Lowest first cost still dominates purchasing decisions, except in Cleveland
- >Far too many lack the fundamental financial knowledge needed to overcome first cost issues with life cycle cost analysis
- >Green washing plagues industry; 85% said it's becoming more prevalent
- >Majority feel healthcare still lags other industries in implementing sustainable solutions, except in Midwest cities
- >Crystal ball gazing: More than 90% forecast energy costs will rise 4% or higher
- >Reliability of infrastructure is top concern, except in five cities where regulatory pressures is tops
- >Next step to retool for sustainability; 68% suggest appointing a "Sustainability Manager"

When attendees were quizzed about installing or specifying energy saving technology, an immediate roadblock surfaced. Asked about their greatest concern, 78% answered, "[The product or service] may not deliver projected performance." Further more, over 85% of those surveyed say green washing is more prevalent today than two years ago. (Only 4% think it is less than it was two years ago.)

This suggests that anxiety over the performance of new technology and green washing have become connected in the minds of healthcare buyers. Skepticism then arises when manu-

### What took precedence in the final selection on equipment and materials on your last project?



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facturers' present their claims. "Will it perform as advertised?" is the question that in the back of the mind.

Another issue is the tendency of healthcare facility professionals to be risk averse, which is logical when patient safety is involved. However,

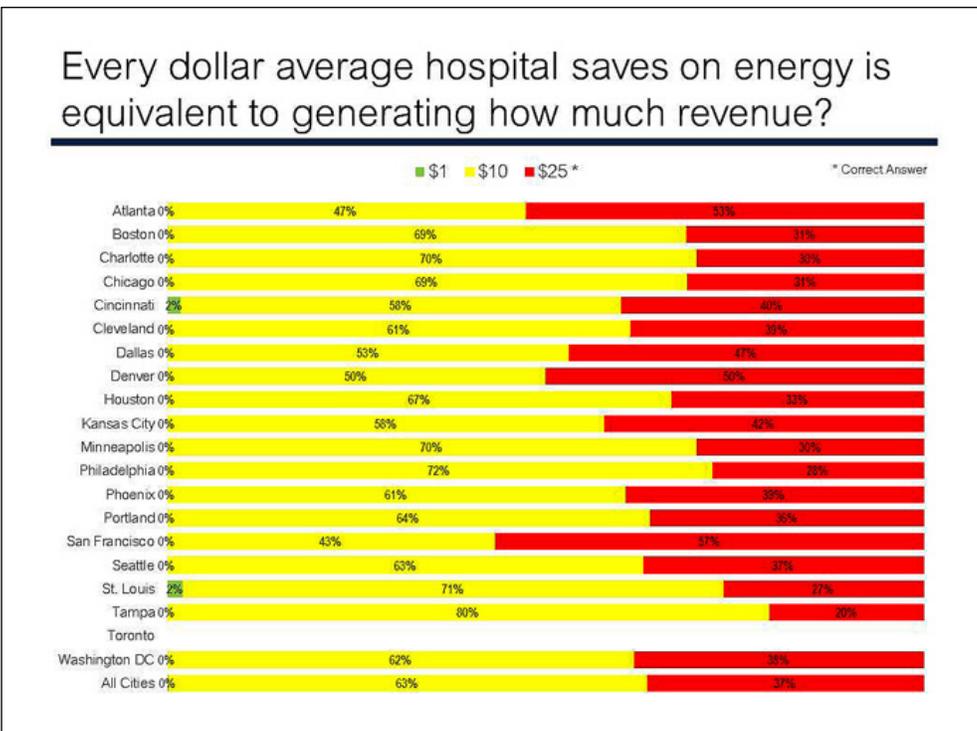
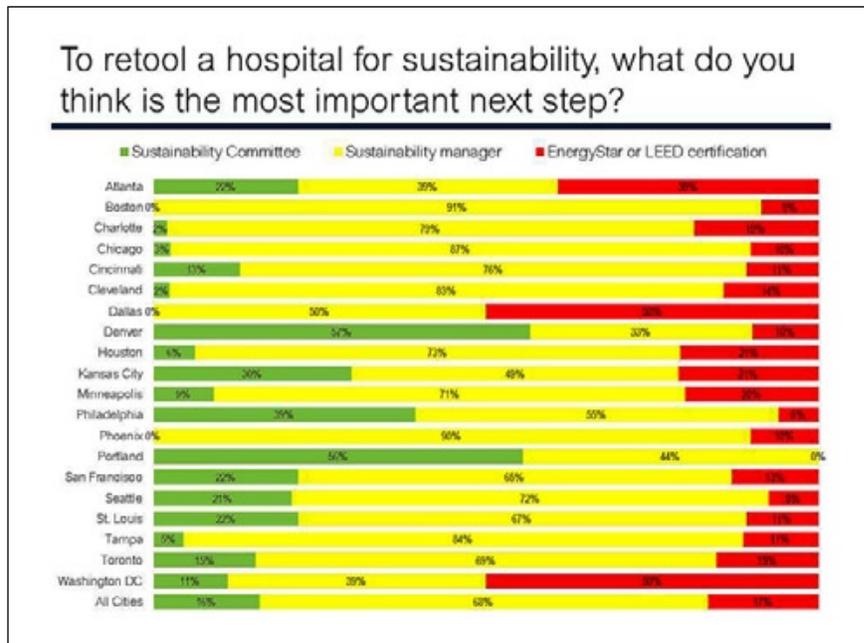
healthcare defies the normal product adoption curve. While there are the "innovators" and "early adapters" in the healthcare market, the "early majority" phase has retreated into the "late majority" and "laggard" phases of the traditional product adoption

curve. This raises the question, "Why are so few willing to try something new or push for investments in new technology?"

Linked to these concerns is that most of those surveyed (80%) say first cost took precedence in the final selection of equipment and materials in their most recent projects. Less than 15% say they select products or equipment based on durability and expected life of the item. Cleveland, Chicago and Denver were the only cities where more than one-third of respondents used durability or sustainable features as their selection criteria.

Medical centers where long-term thinking prevails, however, are earning big dividends in energy savings and positive patient experience. Two of the best examples are Phoenix Children's Hospital and Cleveland Clinic, both of which I toured late in the fall of 2011. Phoenix Children's, which opened in 2011, has been called a desert flower. Among its most prominent features are a dazzling array of LEDs in outdoor settings and interior spaces. The LEDs were specified for energy saving and design purposes. LED lights are even incorporated into the atrium terrazzo floor. Kids can jump from one light to the other, and the lights will change color. Something like that is interesting for children of all ages, according to the designer. The Cleveland Clinic's commitment led to a \$20 million reduction in energy usage over the past four years. More than 60,000 LED bulbs are used within the Clinic's system.

Two survey questions tested attendees' financial knowledge, a prerequisite for presenting competent, life cycle cost analysis. Over 60% incorrectly answered both questions. The answers to the questions reveal the impact that design and operations has on a hospital's financial health: Given a 4% total margin, saving \$1 in energy equals \$25 in revenue, and for the average sized



hospital in the U.S. that translates to an additional \$7.2 million in revenue.

The survey was conducted in the following 20 North American cities throughout 2010-2011: Atlanta – Boston – Charlotte – Chicago – Cincinnati – Cleveland – Dallas – Denver – Houston – Kansas City – Minneapolis – Philadelphia – Phoenix – Portland – San Francisco Bay Area – Seattle – St. Louis – Tampa Bay – Toronto – Washington DC.

The survey results can be downloaded on CRDMI's website, [www.squarefootage.net](http://www.squarefootage.net) (Direct link: [http://www.squarefootage.net/2011\\_survey-results.html](http://www.squarefootage.net/2011_survey-results.html)) ■

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## Economics, Efficiency, Energy & Environment

Making the 4Es Work Together in Healthcare

2010 – 2011  
North America Survey Results

Corporate Realty, Design & Management Institute  
Health Care Council of IFMA