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## Transcend Equity Tackles MOB Green Conversion

by Connie Gore



DALLAS - In its typical "open-heart surgery," Transcend Equity Development Corp. will put its energy-efficiency model to work on its first biomedical building. The 78,000-sf office building in the city's research and hospital corridor will undergo \$1.1 million of energy-saving measures at no upfront cost to the owner.

### 2110 Research Row

J. Stephen Gossett Jr., co-founder and vice president of the Dallas-based firm, tells GlobeSt.com that the makeover plan for the seven-story building at 2110 Research Row will result in the reduction of 1,500 metric tons of greenhouse gases or the equivalent of removing about 285 vehicles from the road. He estimates the savings will surpass 50% of existing energy costs. The "greening up" of the building, owned by Moser Realty Group of Dallas, pencils out to be so promising that Transcend Equity has jumped into talks with a national REIT to assess its medical-related commercial properties for similar gains, Gossett says.

Older medical-related real estate typically uses "two to three times" more energy than comparably sized traditional office buildings, says Gossett, who estimates the Research Row building's energy costs are running about \$6 per sf to \$6.50 per sf annually. The goal is to "future proof it against higher costs of energy," he says, "by using off-the-shelf technology and putting pieces of what you'd put in a brand-new building into an existing building to make it work properly."



Gossett

With work about to start in the coming weeks, Gossett says the 50-year-old building will be done in December. Crews will work nights to open ceilings in 137

locations, replace underpinnings and close them back up before tenants arrive in the morning. Half of the 90%-leased building is occupied by a University of Texas Southwestern Medical Center's Veripath Laboratories.

To put the job into perspective for the industry, Gossett explains that fume hoods, which run 24/7 in older buildings, will be outfitted with energy-efficient technology to regulate air replacement in offices and lab space. He says the existing mechanical system completely replaces air four times every hour while the new one will run on demand when fume hoods are in use "to cut energy use substantially." In addition, the overhaul of the inner workings will include installation of a variable air volume system for individual temperature controls in offices and lab spaces.

"A pure energy project of this type is the first one that we've done and it's typically not done," Gossett says. "We are taking an existing building that's functionally constrained, to some degree, and turning into a building that's more like one coming out of the ground."

Gossett says the finished project won't be LEED certified, but it will comply with two-thirds of the points for energy performance for existing buildings. Added recycling measures and tenant finish-outs could nudge it to LEED-EB certification, he adds.

**[Transcend Equity](#)**, founded in 2003, upgrades mechanical systems in older office buildings to obtain maximum energy performance and comfort at no upfront cost to owners and without increasing operating expenses in exchange for a 10-year payback equal to the historical electricity and gas costs before the retooling. To date, the company has contracts pending to re-energize nearly five million sf in 33 office buildings from Washington DC to Dallas. The structures range from 1920s-era buildings to 2006.