



Rubenstein Partners

How Rubenstein Improved Their Portfolio Value Through a Best-In-Class Energy Management Program with Measurabl

Rubenstein Partners is an industry-leading, vertically-integrated real estate owner and operator. For the last 50 years they've invested in commercial real estate for some of the nation's preeminent public and private pension funds, university endowments and family offices. And for the past 20 years, the firm has invested exclusively in office buildings, developing tremendous expertise in office building operational best practices and emerging trends.



I feel comfortable knowing that when I go sell these buildings, I can show the owner everything we've tracked. There's real value in showing that we've taken care of that building.

Salvatore Dragone

SVP and Director of Property Management, Rubenstein Partners

Opportunity

Rubenstein is in the business of buying buildings, improving them and selling them to institutional investors: “Our job is to make these buildings ‘certified pre-owned,’” joked Salvatore Dragone, Rubenstein’s SVP and Director of Property Management. “We put the time and money into fixing all the problems, making them operate efficiently, so when we sell them to that institutional investor, they get their returns and don’t have to worry about any major problems for a long time.”

Many of the problems Dragone’s team faced related to energy use, which accounts for approximately one third of a typical commercial building’s operating costs.¹ Added to that, Dragone knew the priorities of institutional investors had shifted over time; by 2018 over 50% of global asset owners implemented or evaluated Environmental, Social, & Governance (ESG) considerations in their investment strategies.²

Dragone began feeling that he could be doing more to meet these energy use issues and changes to investor priorities when he noticed how manual Rubenstein’s solutions were. “I had each property manager sitting there every month putting the data into ENERGY STAR’s Portfolio Manager. I hire my property managers to analyze data, not input it,” Dragone recalled. “Plus, our engineers would walk around and actually write down what the usage was on a particular tenant meter,” Dragone explained. “Then bring that back to the assistant property manager, who’d put it in a spreadsheet, combine it with the electric bill to get the average cost, and generate the invoice. When you’ve got ten buildings, wow, that’s just a lot of work.”

Opportunity

Aside from the time investment manual solutions were taking his team, his buildings were also wasting energy. When Dragone's team began monitoring building energy use as it was happening, the results were startling. "The electricity was through the roof in the first building we looked at, and we just could not figure out why," recalled Dragone. "Measurabl allowed us to see the building's electricity usage in real-time, and we discovered the building wasn't turning on or shutting off when we thought it was." The revelation brought electricity usage at the building down significantly. "It was very material," said Dragone. "It became pretty evident that we couldn't reliably assume we were operating a building at peak efficiency without this knowledge."

Dragone more fully appreciated how critical a comprehensive energy management program was to achieving high operational efficiency, and to increasing investor confidence that building systems were optimized to create attractive properties.



Measurabl allowed us to see the building's electricity usage in real-time, and we discovered the building wasn't turning on or shutting off when we thought it was. It became pretty evident that we couldn't reliably assume we were operating a building at peak efficiency without this knowledge.

–Salvatore Dragone

Approach

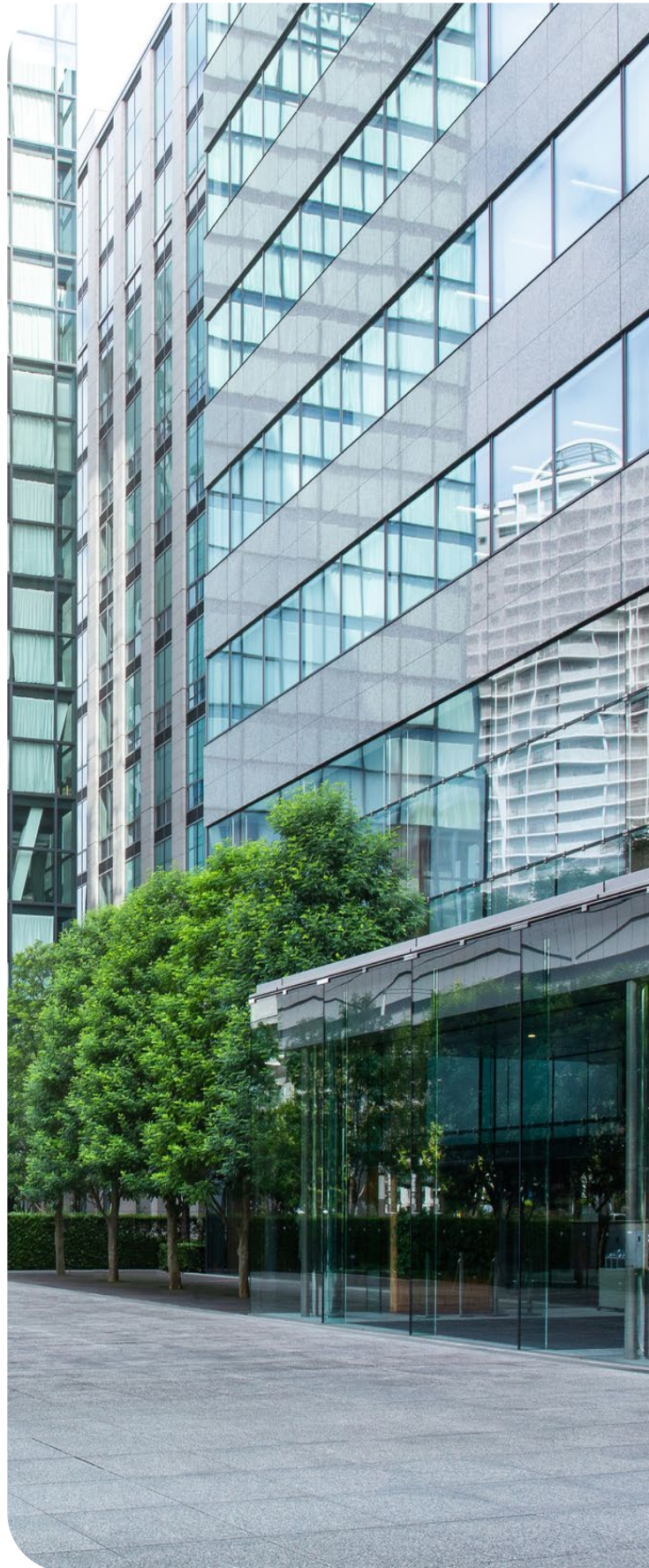
In 2018, Dragone began rolling out the Measurabl Asset Optimization across his portfolio, taking a four step approach to develop Rubenstein's energy management program.

One: Centralize Data

Dragone needed three different data streams to get a complete energy use at his buildings: utility bills, utility meters and tenant submeters. Where before different Rubenstein team members had been responsible for manually collecting data from each source, Measurabl pulled all three together in one place, automatically.

Two: Benchmarking & Compliance

With the data in place, Dragone used Measurabl's Asset Optimization capabilities to automate energy use reporting to ENERGY STAR and local benchmarking requirements. Aside from avoiding compliance fees and saving his property managers time, Dragone knew that having his buildings' ratings all in one place would "act as a barometer", allowing him to better prioritize his own time. Among those efficiency gains was the ability to filter out buildings that were ENERGY STAR Certified [i.e. had a rating over 75], so Dragone could focus on those that weren't.



Approach

Three: Real-Time Energy Monitoring

Using the real-time data from the utility meters and tenant submeters, the Measurabl platform mapped electricity usage trends at Rubenstein's buildings. Simply by adding each building's leasing hours, Dragone could lay schedules over usage trends and get the platform to push automated recommendations to his engineers and property managers when anomalies were detected. It created lines of accountability between his teams and building operations while empowering them to work smarter. "Our engineers see the benefit of having the data to find problems before they get out of hand," explained Dragone. "Or to see if a piece of equipment is malfunctioning before we get that tenant call. The engineers have become a part of the solution instead of simply receiving a work order telling them what they're doing wrong."

Four: Implement Optimization Strategies

With a dedicated Measurabl Energy Advisor who knows Rubenstein's priorities and procedures inside out, Rubenstein's building engineers used the power of Measurabl's building analytics to optimize schedules and equipment at each building in the portfolio. Instead of letting building equipment turn on at will, potentially incurring costly peak demand charges, now Rubenstein tries to stage equipment use, consulting the platform to see how much they're saving and ensure energy demand never exceeds a certain threshold.

Dragone has also tapped Measurabl to automate and optimize his tenant utility billing, making the Rubenstein team better prepared for conversations about billing and enabling them to proactively help tenants reduce their utility consumption. "If a tenant says 'I got my electric bill; it's high,' I can take a snapshot of their electricity usage in the platform, send it to them and say 'Well here's your usage. Here it is compared to another period.' We never had that before."

Dragone next plans to collect even more granular data from building equipment and building automation systems. With that data flowing into Measurabl, Dragone's team expects to be able to extend equipment life and spend even less time manually troubleshooting issues.



Results

In the three years since Rubenstein implemented their energy management program with Measurabl 14 of their buildings have achieved an ENERGY STAR score of 75 or above, qualifying them for certification. In addition, Rubenstein is pursuing certification for 22 more buildings that have met the minimum occupancy requirement to potentially qualify for certification.

And they've done so without having to devote hours to learning a complex new system. "It's just really nice being able to have this data at my fingertips," Dragone mused, thinking about how easily he navigates the Asset Optimization capabilities. "I feel like every time I log into the platform there's a new feature. And my property managers are benefiting too; they see the value in being more efficient."

But even more important to him is the confidence Measurabl's platform and people give him in his buildings. "I feel comfortable knowing that when I go sell these buildings, I can turn around just like I've taken care of a car, and show the owner all the historical data, everything we've tracked. There's real value in showing that we've taken care of that building."

¹ ENERGY STAR

² Investment News

³ Rubenstein Partners ENERGY STAR Certification Data

Measurabl is the world's most widely adopted ESG (environmental, social, governance) data management solution for commercial real estate. With more than 112,000 assets representing over 15 billion square feet across 92 countries, Measurabl helps innovative companies measure, manage and disclose their ESG performance, assess their portfolio's exposure to physical climate risk, and gain access to additional services such as ENERGY STAR certification and data assurance.

Learn more at measurabl.com