

Green roof business has room to grow

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Columbia Green President and CEO Vanessa Keitges, left, and Chief Operating Officer Greg Love stand on the green roof of Southeast Portland building that houses the eco-technology company. The market for green roofs is expected to grow substantially in the next five years. (Photo by Sam Tenney/DJC)

Rain may not have widespread appeal in Portland, but it does for Columbia Green, a small eco-technology company. In fact, the three-year-old company has a mantra: Blue is the new green.

“Business is doing pretty well with all the weather we’re having recently,” said **Greg Love**, chief operating officer and board member of [Columbia Green](#). “Although everyone gets a little cranky with the rain, we see it as a business opportunity because that’s the stormwater we’re trying to control and mitigate and handle.”

With stormwater management mandated by the city, Columbia Green is seeing a pickup in commercial green roof business. The company has doubled its revenue every year and is hiring new sales associates.

Columbia Green is not alone: Globally, the market for green roofs is expected to grow by more than a billion in the next five years. But as the industry emerges from the recession, some people are questioning the vitality of the burgeoning market, which still relies heavily on financial incentives.

Today, half of Columbia Green's business comes from retrofits and half from new construction. Love said that what started as a desire by building owners to make rooftops prettier has evolved into a strategy to avoid fines related to stormwater runoff.

"Some (owners) are paying \$10 million a year having to do with combined sewer overflows, and stormwater departments are fairly clever about figuring out where that all comes from," Love said.

Until December 2011 – when crews finished the \$1.4 billion, 20-year Big Pipe project – people frequently were advised to stay out of the Willamette River because of CSOs.

"We don't have the river issue as much anymore because CSOs have all but stopped with the Big Pipe system," said **Matt Burlin**, an environmental program coordinator for the Bureau of Planning and Sustainability. "But that pipe system's integrity needs to be integrated into the green roof system for long-term sustainability."

Four years ago, the city launched its \$50 million [Grey to Green](#) initiative to promote green stormwater mitigation systems. The initiative provided an extra oomph to the city's educational Ecoroof Program by offering reimbursements of \$5 per square foot for green roof installations.

The goal was to spur installation of 43 acres of green roofs citywide by 2013. So far, Grey to Green has contributed to 369 green roof installations totaling 18.8 acres. The target hasn't been achieved, Burlin said, mostly because of the recession and a commercial development slowdown.

Portland now has greater than 34 acres of green roof systems on more than 500 buildings.



The \$50 million Grey to Green initiative launched by the city of Portland four years ago has spurred 369 green roof installations totaling 18.8 acres. (Photo by Sam Tenney/DJC)

Meanwhile, green roofs are blossoming elsewhere, and **Aditya Ranade**, a senior analyst at [Lux Research](#), said he sees huge potential for vegetative systems in North America over the next few years.

"Oftentimes the image that green roofs conjure in the minds of readers is that this is a green curiosity," Ranade said. "Is this a niche market or is this something mainstream? I think we have

answered that it is already a huge, mainstream market of \$5.4 billion a year globally, and we think it will increase to about \$7 billion in five years.”

Ranade recently published a report outlining that anticipated growth. Incentives and mandates by city governments to mitigate the effects of rapid urbanization – such as stormwater runoff – will be the leading drivers, he said.

For instance, a mandate in Copenhagen that all commercial flat roofs incorporate green roofs has resulted in approximately 1.8 million square feet of vegetated space being installed since 2009. Another mandate/incentive system in Toronto has resulted in approximately 1.3 million square feet being installed in the past two years.

Ranade said that growth might level off in foreign markets, but not in North America. He added that the relatively new green wall industry is expected to reach \$680 million by 2017.

Jason King, principal of [TERRA.fluxus](#), a Portland design firm specializing in eco-technology, launched his business in 2008. It endured the recession with the help of several large green roof projects at OHSU and the Bonneville Power Administration headquarters in the Lloyd District.

King said the public sector has been the biggest market for green roofs, because the long-term return on investment pencils out easily. According to a 2008 cost benefit analysis by the city, the net benefit to a private owner of a green roof after 40 years is \$404,000. After just five years, however, the net benefit is minus \$129,000.

That latter number makes a green roof a hard sell to a developer who builds and sells in the short term, and King said other systems like bio-swales and impervious pavers become alternatives. He questions what would happen if the city’s \$5-per-square-foot incentive were to expire. Burlin said the program has enough money to offer incentives through mid-2013.

“I don’t think we’ve gotten there yet,” King said as to whether green roofs can pencil out without incentives. “I don’t think we’ve looked at the life cycle costs and made the financial case to owners, particularly those ... developing in the short term.”

King and Burlin said a major challenge for green roofs is education and dispelling myths that they are costly and risky. Burlin said a green roof not only improves air quality, reduces area temperatures and provides habitats for birds and insects, but also prolongs the life of a roof system.

Burlin is hoping that the city will maintain its commitment to Grey to Green.

As for Columbia Green, Love expects revenue to double again next year. He said the company has maintained an edge by partnering with several national manufacturers.

“There certainly is competition because a lot (of companies) have been in the market longer than us,” he said. “We like to think that we have a better product, particularly around really purposing

this product for stormwater management ... which is where we think the return on investment is.”