

6-2014

## Sound Off #1-2 Industry Professional Response

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*Power REIT*

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### Recommended Citation

Lesser, D. (2014). Sound Off #2 Industry Professional Response. *Cornell Real Estate Review*, 12(1), 69. Retrieved from <http://scholarship.sha.cornell.edu/crer/vol12/iss1/12>

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## Sound Off #1-2 Industry Professional Response

### **Abstract**

[Excerpt] As Chairman and Chief Executive Officer of Power REIT, I bring with me 25 years of experience in real estate investment and finance. Prior to Power REIT I held leadership roles with several public real-estate investment trusts (REITs). My experience in the REIT sector and previous investment experience with renewable energy projects allowed me to understand how renewable energy and real estate intersect, and how REIT ownership would be a powerful structure for investing in and reducing the cost of capital for renewable energy projects.

### **Keywords**

Cornell, real estate, solar industry, REIT

## Sound Off #1 (Industry Professional Response)

The U.S. solar industry has been able to dramatically decrease system costs over the past 5 years through the mobilization of global manufacturing and a more mature deployment workforce. Despite these successes, U.S. prices are still higher than they are in many parts of the developed world. Some of this gap will be narrowed in the coming years through public and private sector initiatives to lower customer acquisition costs, and relieve permitting and interconnection issues. However, one of the largest levers the industry aims to use is gaining access to public capital markets. If the solar industry can lower the cost of capital and gain access to a much larger pool of investors, it will dramatically impact its competitive position within the energy sector; particularly as solar asset's costs are so frontloaded compared to other energy generation technologies. One of the avenues that the industry is pursuing is being able to raise capital through REITs, which offer access to the public markets at relatively low yields. Although a true solar REIT is not yet possible, investors can still benefit from having solar power based income in their REIT.

### Author

Dave Feldman, Senior Financial Analyst, National Renewable Energy Laboratory



## Sound Off #2 (Industry Professional Response)

As Chairman and Chief Executive Officer of Power REIT, I bring with me 25 years of experience in real estate investment and finance. Prior to Power REIT I held leadership roles with several public real-estate investment trusts (REITs). My experience in the REIT sector and previous investment experience with renewable energy projects allowed me to understand how renewable energy and real estate intersect, and how REIT ownership would be a powerful structure for investing in and reducing the cost of capital for renewable energy projects. Power REIT is seeking to become the leading infrastructure real estate investment trust, building upon the legacy of its wholly-owned subsidiary, Pittsburgh & West Virginia Railroad ("P&WV") through investment in land that hosts renewable energy projects. P&WV was previously listed on AMEX and was the first listed infrastructure REIT, having received a revenue ruling from the IRS in the late 1960s qualifying its railroad property as a REIT qualifying real estate asset. Power REIT believes infrastructure is an attractive sub-sector of the real estate market for several reasons. Location, permitting and right of ways are critical for the functioning of most infrastructure and operators often benefit from long-term contracts and predictable cash-flows, often with minimal technology or obsolescence risk. Power REIT has a special focus on real estate underlying renewable energy generating projects. We believe that real estate underlying renewable energy is attractive for all the reasons that infrastructure is attractive and is also critical for the sustainability and growth of the U.S. economy. We are focused on all areas of renewable energy real estate, including wind, solar, hydro power, transmission, etc. In the coming years, I expect to see more infrastructure assets access the capital markets through the REIT structure which is ideal for such long-life assets.

### Author

David Lesser CEO, Power REIT (also Cornell '88 BS and MBA)



