

# Sustainable Reuse of Vacant Warehouse

## Building Material Reuse Center

### Project Summary

The ReBuilding Exchange is a new non-profit social enterprise launched by the Delta Institute in Chicago in early 2009 to divert building materials from the waste stream for resale to the public at low cost. After the first six months of operations, the business has diverted roughly 500 tons of used building materials from over 50 deconstructed homes, created 3 full-time equivalent jobs and provided a new use for 15,000 square feet of vacant warehouse space on Chicago's southwest side. Delta invested roughly \$150,000 for planning and start-up costs, most of this from grant sources. The enterprise is projected to break even within three years. The Delta Redevelopment Institute provided technical assistance in forming the enterprise, leasing its current space and planning for relocation to a larger green industrial building next year. Delta's assistance was funded by a grant from the U.S. EPA.



Reclaimed lumber and flooring at the ReBuilding Exchange

### Green Economic Opportunity

Construction and demolition waste makes up about 40% of the solid waste stream in the United States. Deconstruction is a process of hand removing both structural and non-structural elements of a building so that they can be reused in their same or similar state. This process not only diverts reusable building materials from landfills, but it makes quality affordable building materials available to the public and creates more jobs and green economic development opportunities.

### Conditions for Success

Building material reuse centers are a new type of sustainable business that may be a fit for industrial areas with vacant warehouse space where the right conditions for success exist.

**1. The right location:** The ReBuilding Exchange selected its first location on Chicago's southwest side based on a consumer profile study conducted by researchers at the University of Illinois. This study concluded that the strongest location for a reuse store is in a middle-class, immigrant neighborhood with an older housing stock and high levels of housing ownership. Of Chicago's 77 community areas, 21 had the desired characteristics.

**2. Affordable space:** Leasing existing industrial space was a good fit for the use and budget. Retail sales are transacted in part of the building but most of the space is used to store materials.



The ReBuilding Exchange at 3335 West 47th Street

(OVER)

# Sustainable Reuse of Vacant Warehouse

## Building Material Reuse Center, continued

**3. The right store operator:** In addition to finding space, a community may also need to find an organization or entrepreneur to run a reuse store if one does not already exist. There are different reuse store models but stores run by non-profit organizations such as Habitat for Humanity or the ReBuilding Exchange also provide education and job training.

**4. Experienced deconstruction partners:** The Delta Redevelopment Institute solicited the help of a deconstruction expert, The ReUse People of America, to launch the ReBuilding Exchange. The ReUse People of America is a non-profit organization that deconstructs residential buildings. Other construction companies and contractors in the Chicago area have also started doing deconstruction work.

**5. The right public policies:** Local government can help support building material reuse by requiring recycling of Construction & Demolition (C & D) waste. The City of Chicago passed an ordinance in 2006 requiring demolition contractors to recycle 50% of C & D waste and 75% as of last year.

**6. The right marketing strategy:** Marketing for the ReBuilding Exchange is done through the distribution of flyers in Spanish and English in the surrounding communities of Brighton Park, through the area community-based organizations that have a broad constituency of local residents and through electronic communications including a website. The ReBuilding Exchange also offers community education workshops on the many facets of working with reused building materials.

### Risks & Challenges

A reuse store faces many of the same challenges as other types of small business plus some additional industry-wide challenges:

- Competition from waste haulers who own their own landfills and can dump “inexpensively”, taking away the economic incentives for owners deconstruct and donate.
- Incentives for building owners that cannot take advantage of the donation tax benefit.
- Limited demand for certain types of used building materials and for reuse in general.



Deconstruction workers unloading a truck of materials at the warehouse

### Conclusion

Overcoming these challenges may require advocacy work to strengthen policies and incentives to reduce construction and demolition waste, intensive education and marketing to expand the demand for reused building materials, as well as smart partnerships and inventory management to keep the right mix of reused materials in stock to meet local demand.

For more information about the ReBuilding Exchange go to:  
<http://www.rebuildingexchange.org>