

THE BENEFITS OF GREEN STAR –TENANTS PERSPECTIVE

Green Star is a comprehensive, national, voluntary environmental rating system that evaluates the environmental design and construction of buildings. With 11 per cent of Australia's CBD commercial office buildings Green Star certified, building green is now a business imperative.

Green Star was developed for the property industry in order to: recognise environmental leadership; promote integrated, whole-building design; set a standard of measurement for green buildings; identify building life-cycle impacts; and raise awareness of green building benefits.

There are many business benefits to Green Star.

1. LOWER OPERATING COSTS

Green buildings are built for high energy and water efficiency, so they are cheaper to operate. Green buildings achieve energy savings of at least 20-30% when compared with industry standards - and sometimes much more.

2. GREATER TENANT ATTRACTION

Tenants want environmentally sustainable, healthy and productive workspaces that demonstrate their commitment to corporate social responsibility. The *BCI Australia Green Building Market Report (2008)* found that client demand is one of the primary drivers for committing to green building, with 65% of respondents nominating it as an important factor.

3. PRODUCTIVITY BENEFITS

Green buildings consistently outperform non-green buildings in terms of comfort and productivity. Natural light, fresh air and access to views of the outdoors, as well as control over individual workspace temperature and lighting, can directly affect productivity.

At the City of Melbourne's CH2, Australia's first 6 Star Green Star - Office Design rated building, productivity has risen by an impressive 10.9% since staff moved into their green office, with an estimated annual cost savings of \$2 million.

4. REDUCED LIABILITY AND RISK

Green Star buildings minimise the use of hazardous materials and volatile organic chemicals, creating healthier spaces for occupants. Tom Cantwell, partner at Phillips Fox, believes it is "only a matter of time before property investors have to consider sustainability in the due diligence process to mitigate their risk."

5. DEMONSTRATION OF CORPORATE SOCIAL RESPONSIBILITY

Building green is a clear expression of a company's commitment to the environment. When Bendigo Bank decided to build new Green Star certified headquarters, they saw it as an opportunity to demonstrate that corporate social responsibility starts at home. The Bendigo Bank's Managing Director, Rob Hunt, says that green initiatives "are good for customers, good for the environment and good business for our bank."

6. ENHANCED MARKETABILITY

Tenants can demonstrate, advertise and market their leadership and attract and retain staff more easily with similar values.

7. FUTURE PROOFED ASSETS

Governments and large corporate organisations are increasingly incorporating green principles into their property requirements, and three state governments have already mandated minimum Green Star standards for all government office buildings. By incorporating sustainable features now, building owners and tenants are future proofing for changes in the business and regulatory environment, and ensuring they will not be at a competitive disadvantage in the future.

8. COMPETITIVE ADVANTAGE

Green buildings are a point of product differentiation in an increasingly crowded marketplace. The *Green Building Market Report* (2008) revealed that one of the main triggers for committing to green building was the competitive advantage of green projects – with almost half of the respondents nominating it as a key driver for going green.