

## Dollars and Sense of Green Buildings 2006 (GBCA Report)

While a number of studies into the costs and benefits of green buildings have been documented in the United States of America, Canada and the United Kingdom, no comparable research has been undertaken in Australia - until now. Through funding from AusIndustry and Victorian Building Commission, the Green Building Council has released the report *The dollars & sense of green buildings (Building the Business Case for Green Commercial Buildings in Australia)* which is the first attempt to consolidate international findings and reinforce these with local examples and comments to build a compelling business case for green buildings in Australia.

According to analysis of international and Australian data, the Report finds that green buildings deliver lower annual operating costs and more efficient asset management. Local case studies demonstrate a 60% reduction in water and energy consumption which can reduce annual operating costs from \$120 per sqm to \$60 per sqm.

There is also evidence that green buildings deliver:

- increased occupant productivity (1 - 25% increase) & well being; less staff churn;
- higher relative investment returns (minimum 14% ROI);
- a marketing advantage (free promotion);
- higher market value for asset (10% increase);
- higher rents (5 -10% increase); and
- a range of other benefits.

And, according to a growing body of international and local evidence, the cost to build green should be less than a 3% premium above the costs of standard construction, making the green premium for a CBD commercial office building less than \$100 per sqm.

The Report also identifies a number of barriers to the mainstream uptake of green building principles and practices, including:

- a general lack of knowledge and skills about green building;
- a lack of value attached to the long term benefits of green buildings and too great a focus on short term low cost construction;
- a lack of government support and leadership at all levels, including insufficient incentives and inconsistent and uncoordinated regulation;
- the lack of appropriate green and reusable materials; and
- the confusion created by the plethora of rating tools.

To address these barriers, the Report identifies a range of actions which could provide a way forward in facilitating the greening of commercial buildings in Australia, including:

- co-ordination and consistency in national metrics, standards, and targets to provide clarity for the industry;
- a range of green building educational programs to increase the uptake of green building practices and the demand for green commercial buildings;
- government leadership and partnership with industry to support the industry's uptake of green building practices; and
- fiscal incentives attached to improving the environmental performance of existing buildings and for the use of green building technology to accelerate the transition of the industry (including state and local planning incentives and concessions, and special tax deductions for green building practices).

We hope this important document will be a catalyst for action by industry and government to drive the shift to building green.

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