

*asset management*  
**the role of green  
buildings**

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*4 May 2011*



# Outline

- *NZGBC vision & mission etc.*
- *Value case for green building*
- *Advent and role of rating tools in NZ*
- *The sustainability context*
- *Procurement process*
- *Whole of life costing*
- *Questions*



# **New Zealand Green Building Council**

**Vision:** *That New Zealanders work and live in healthy, efficient, productive and environmentally sustainable buildings, today and into the future.*

**Mission:** *To accelerate the development and adoption of market based green building practices.*

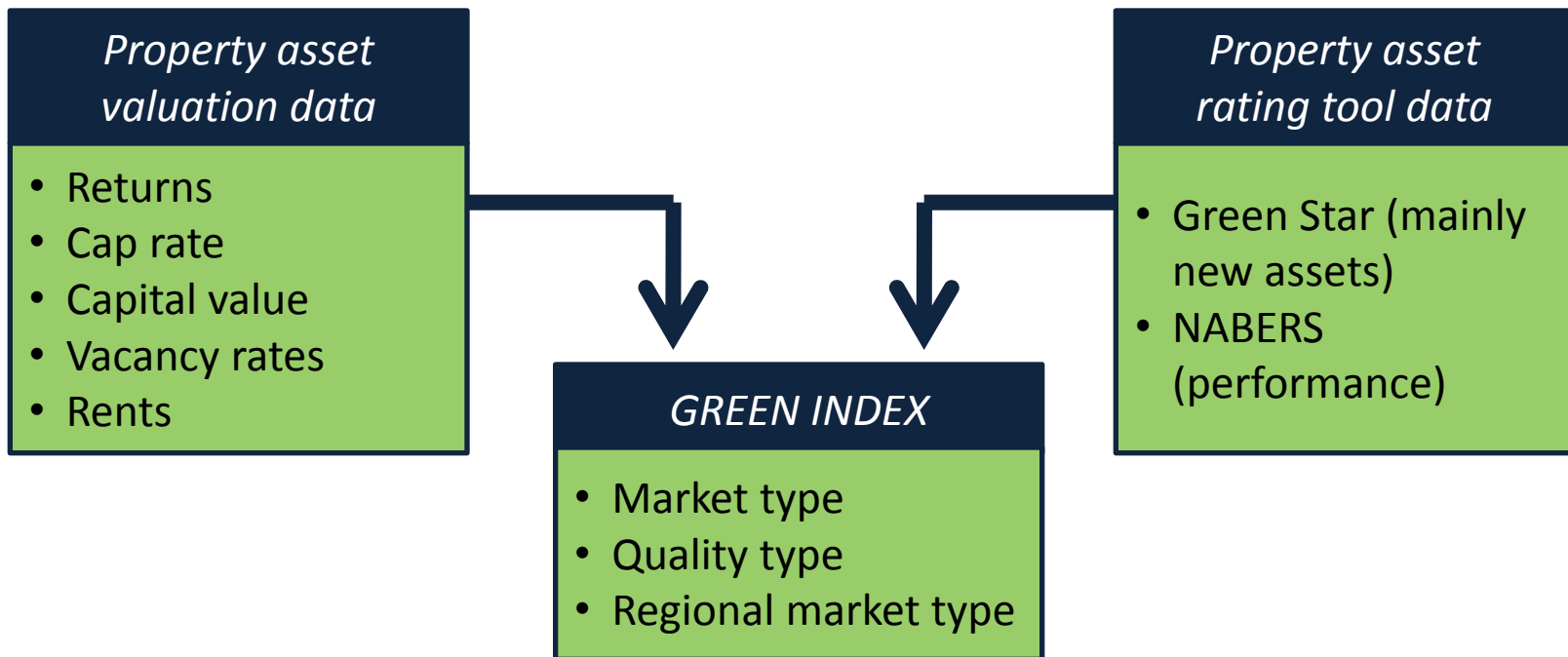


# Investors

- *Increased return on investment (ROI)*
- *Enhanced marketability*
- *Lower risk assets as they are built to last*

*“Rated assets deliver better returns on performance than non-rated assets, consistent across various market segments.”*

# PCA/IPD Green Investment Index



- *Measures investment returns for buildings*
- *Tangible metrics*
- *Benchmark analysis*
- *Transparency in the market*

# Developers and owners

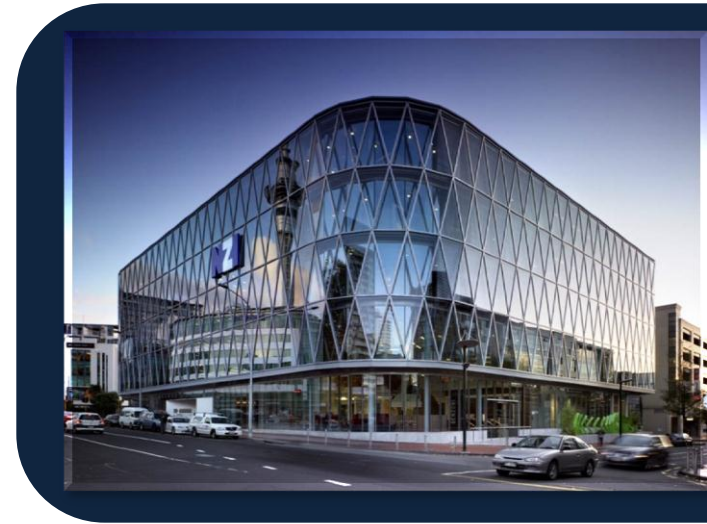
- *Compressed schedules*
- *Increased sales prices*
- *Access to capital*
- *Asset protection*
- *Lower operating costs*
- *Tenant attraction/retention*
- *Higher lease rates*
- *Reduced liability and risk*

# Role of rating schemes

- *Developing a common language*
- *Setting voluntary targets*
- *Recognising and rewarding leaders of best practice*
- *Robust certification process*
- *Gaining value chain alignment*
- *Materiality approach*
- *Not prescriptive*

# Green Star

*Green Star is a comprehensive, national, voluntary environmental rating scheme that **evaluates the environmental attributes and performance** of New Zealand's buildings using a suite of rating tool kits developed to be applicable to each building type and function*

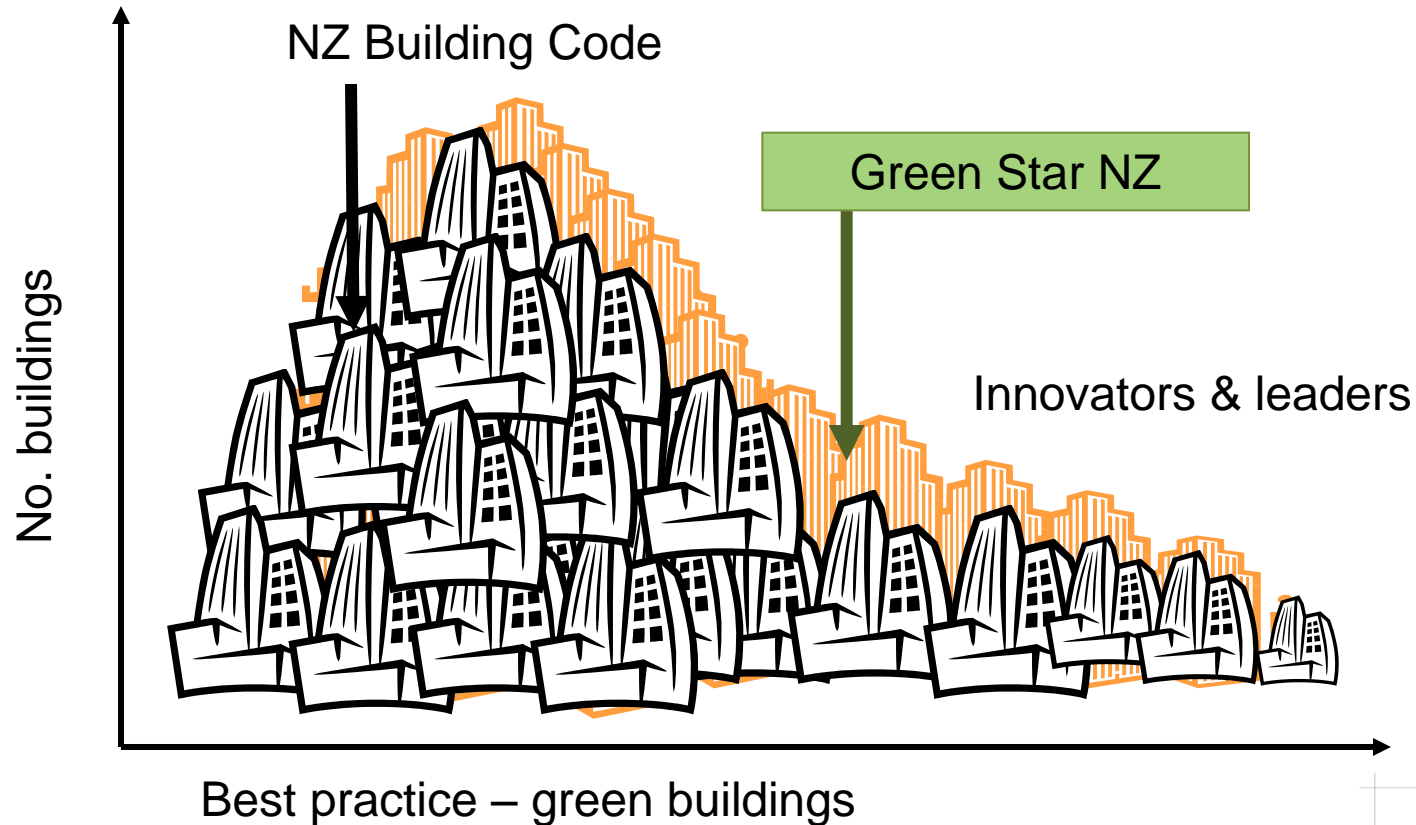


*A Green Star NZ Certification represents **commitment and leadership** to green building practices and environmental performance*





# Rewarding best practice



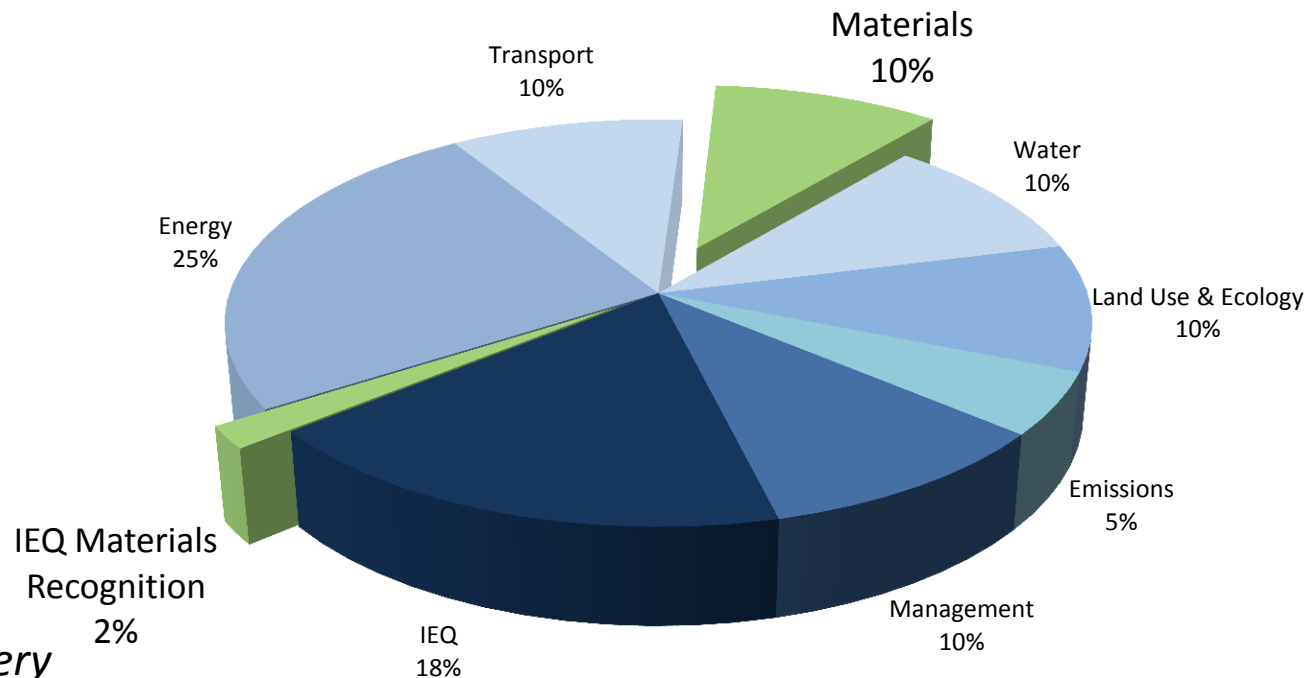
# Key projects



# Building components considered

- *Paint*
- *Sealants*
- *Engineered Wood*
- *Furniture*
- *PVC*
- *Insulation*
- *Timber*
- *Façade*
- *Structure*
- *Concrete*
- *Steel*
- *Floor Coverings*
- *Walls Partitions Joinery*
- *Ceilings*
- *Landscaping Materials*

Office 2009 Category Weightings



# Issues addressed

*base building tools*  
= *structural materials*

*fitout tools*  
= *furniture & fittings*

- *Reuse*
- *Recycled content*
- *Durability*
- *Demountable*
- *Product Stewardship*
- *Volatile Organic Compounds*
- *Minimisation*
- *Ozone Depletion Potential (ODP)*
- *Third party certification:*
  - *Recognised ecolabel*
  - *ISO14001 or Enviromark*
  - *Chain of Custody*

# WORLDWIDE, BUILDINGS ACCOUNT FOR:



**17%**

of fresh water  
consumption



**25%**

of wood harvest



**33%**

of CO<sub>2</sub> emissions



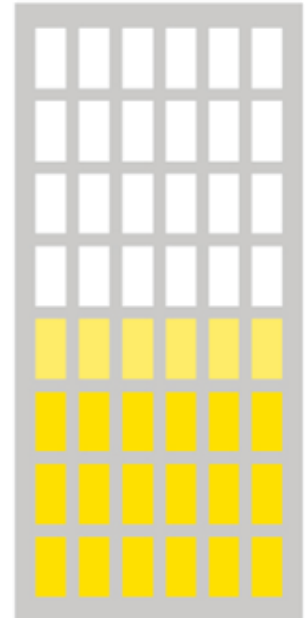
**30-40%**

of energy use



**40-50%**

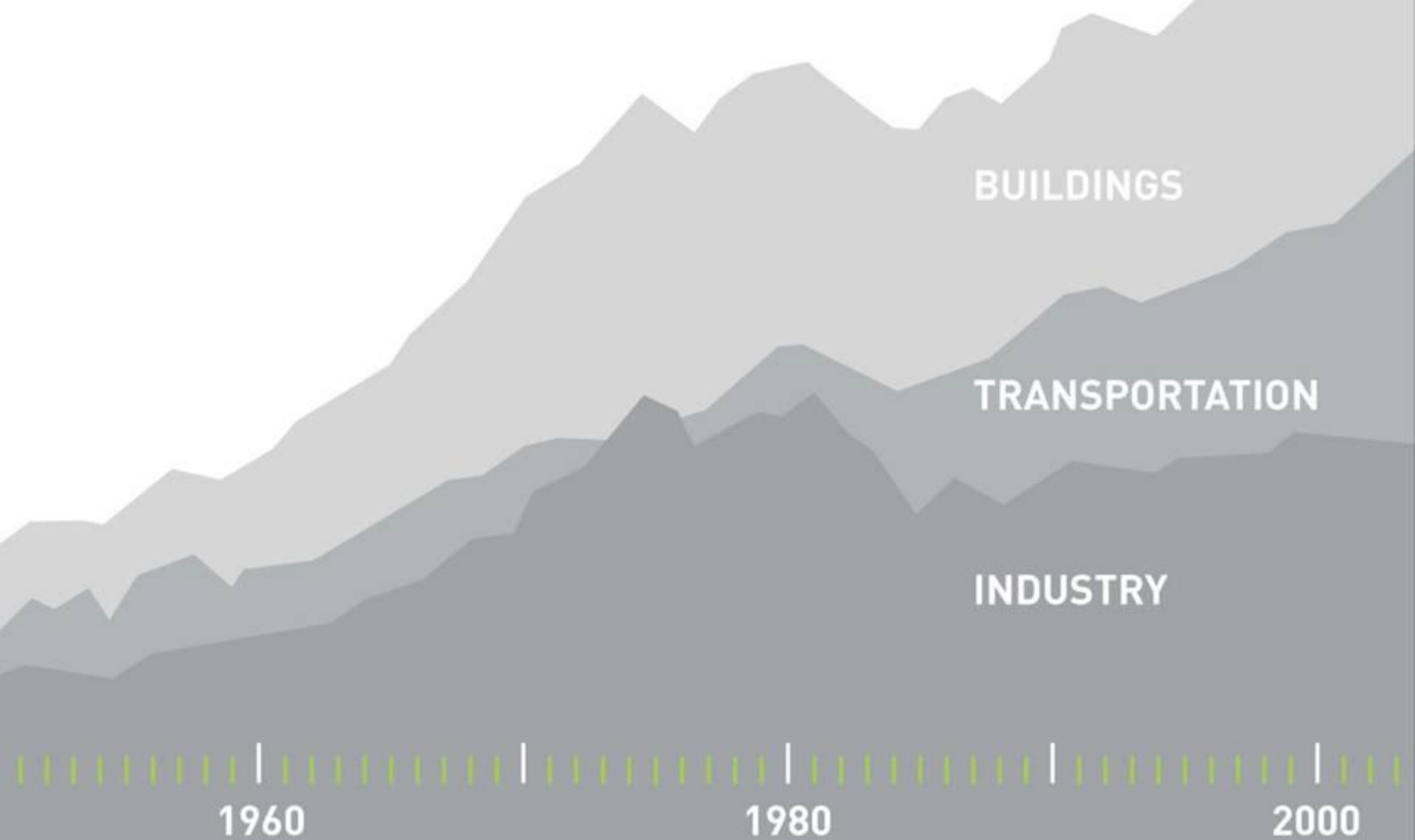
of raw materials  
used



## CO<sub>2</sub> EMISSIONS BY SECTOR:



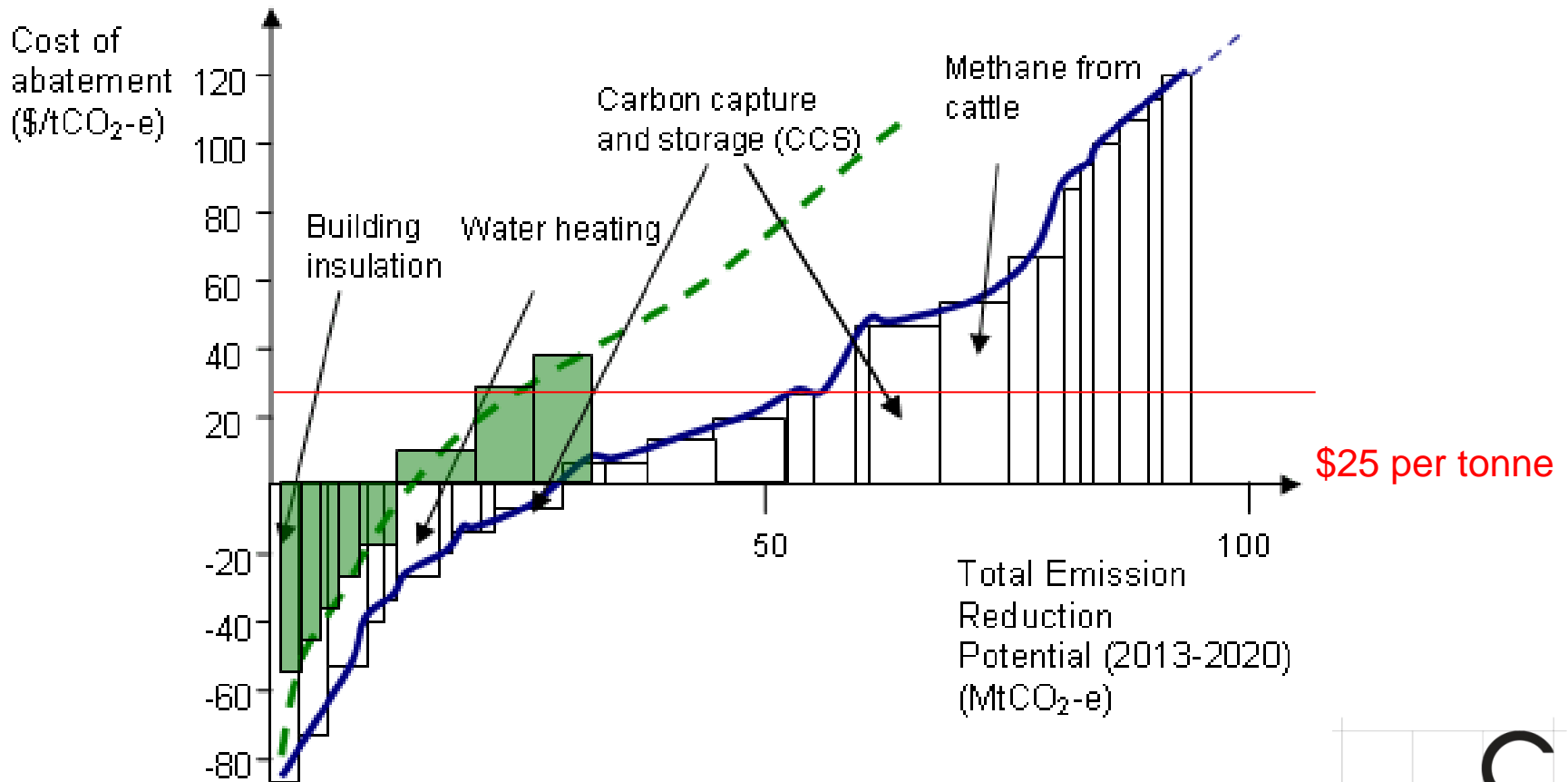
Buildings are an important part of the solution to climate change.



# Carbon and buildings in New Zealand

- *The built environment contributes 17% to New Zealand's overall emissions profile*
- *New Zealand's Emissions Trading Scheme (ETS) does not directly include the built environment, the industry will be subject to flow-on costs*
- *Opportunities for emissions reduction in the built environment are at negative cost*

# Marginal abatement cost curve



Source: New Zealand Ministry for the Environment website <<http://www.mfe.govt.nz/publications/climate/conceptual-framework-climate-policy-nov07/html/page5.html#figure12>>



# Getting started

- *Calculate a carbon footprint*
- *Factor the cost of carbon into all decision-making*
- *Identify easy wins*
- *Consider whole of life costing*
- *Prepare internal sustainable procurement practices*
- *Enhance understanding of prospective tenants*
- *Green Star – Performance tool*

# Designing a building



- *Predict carbon output in design*
- *Measure carbon output in use (Performance tools)*
- *Set reduction targets, implement programs*
- *Possible tradeable credits*
- *Incentives/programs to bring forward investment in existing stock*

# Whole of life costing

*“Total cost of ownership over life of asset”*

- *Improved awareness of total costs*
- *More accurate forecasting profiles*
- *Performance trade off against capital cost*

planning

design

construction

acquisition

operations

maintenance

renewal

rehabilitation

depreciation

cost of finance

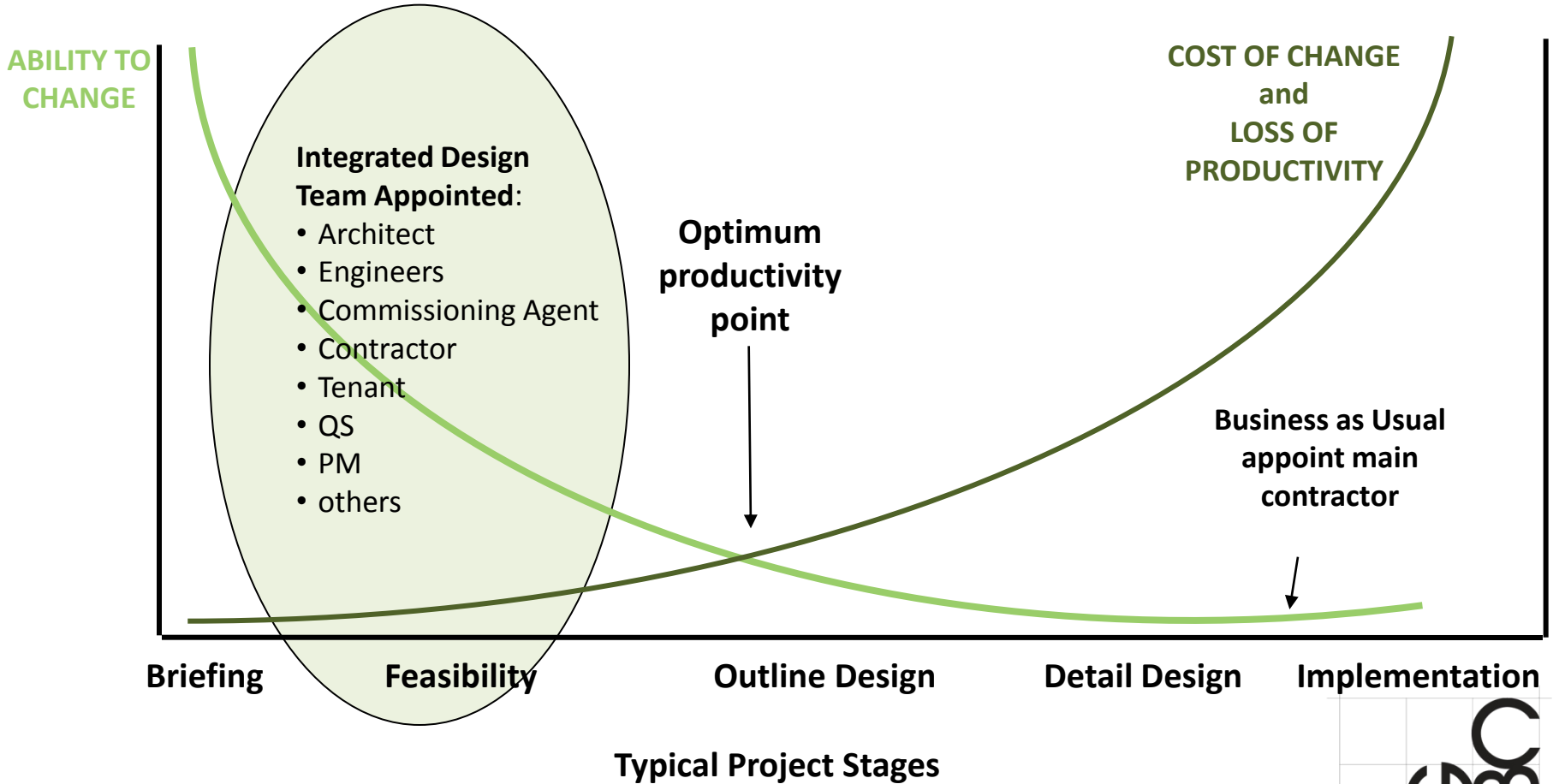
replacement

disposal

# Unanticipated costs

- *Energy price rises*
- *Earthquake losses*
- *Increased labour costs*
- *Consumer awareness*
- *Resource cost increases*
- *Change management and staff costs*
- *Business disruption*
- *Disposal*

# Opportunity costs



# Strategy to address whole of life costing

- *Integrated design*
- *Value management engineering*
- *Analyse future trends*
- *Set targets and track performance*
- *Report*

# Building and construction

- *Tangible benefits in this sector*
- *Advantages to green building*
- *Common sense and principles*
- *New technologies*
- *NZGBC growth*
- *Certification uptake plateau*
- *Market adapting*





# Thank you

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