



MAKING THE CASE FOR GREEN STAR CERTIFICATION

With more than 500 Green Star building projects now a reality, it is no longer enough for organisations to claim leadership status with just one or two Green Star-rated buildings.


Metcash Distribution Centre

4 Star Green Star –
Industrial Design v1


4 Star Green Star –
Industrial As Built v1

See case study on page 74





In 2013, the emerging green leaders are those companies making portfolio or precinct-wide commitments to Green Star.



Organisations such as Places Victoria and Lend Lease, which are working together on Victoria Harbour in Melbourne, have committed to achieve Green Star ratings for all new buildings. Lend Lease, again, is embedding Green Star into the Barangaroo South development in Sydney, while all new Cbus Property acquisitions must have a Green Star rating. In the education sector, Monash and Melbourne universities are applying Green Star to all new construction projects. These developments alone will ensure Green Star influences the built environment for many decades to come.

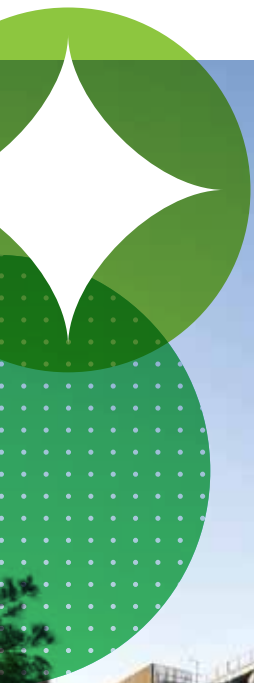
"The development and use of green building rating tools, such as Green Star in Australia, have assisted in the evolution of the green building concept and provide a common language and metric for establishing what is 'green' and what may be 'green wash'," says Lend Lease's Head of Sustainability, Cate Harris.

"Green Star ratings have become a trusted industry hallmark of quality design, effective delivery and efficient operation. The market now talks in 'stars'. It has become a trusted currency of the property sector and its customers who recognise these benefits and the future value that they represent," she adds.

Meanwhile, South Australia's Urban Redevelopment Authority has mandated Green Star for all the buildings within its Bowden Urban Village development. The Tasmanian Government has committed to Green Star benchmarks for all new public buildings, including schools and hospitals. Perth's Metropolitan Redevelopment Authority is mandating Green Star for two major projects: the Perth City Link and Elizabeth Quay. And, after achieving the first Green Star rating for a healthcare project, SA Health is looking to achieve Green Star ratings for other projects including the New Royal Adelaide Hospital. These state and local government agencies have risen to the challenge set by the Green Building Council of Australia's advocacy agenda – to lead by example.

For all of these demonstrations of leadership, though, there are many other organisations that want all the benefits of a Green Star-rated building – such as lower operating costs, improved productivity and health, and a future-proofed asset – without wanting to commit to certification.

So, why are the leading companies choosing to pursue the Green Star plaque?



Independent verification

There are some within the industry who claim that going down the 'certifiable' route, rather than seeking certification, is less onerous and costly. However, the vast majority of the cost of Green Star certification is for the modelling and documentation – all of which is necessary to verify that sustainability goals are being met regardless of whether or not a Green Star rating is achieved. Once the performance modelling has been carried out, the additional cost for certification is minimal – but it does provide the third party validation that is priceless.

Monash University has achieved a number of Green Star ratings, including the first As Built rating for a multi unit residential development. According to Brett Walters, the university's Environmental Sustainability Manager, this "broad and deep commitment to sustainability" began with the 2005 Monash University Guide to Sustainable Development, known as the 'EcoAccord'.

"The EcoAccord informed project teams on best practice but in itself did not guarantee an holistic sustainable outcome. We chose Green Star As Built in 2009 as a mechanism to drive the delivery of sustainable new buildings, with an aspiration set that developments undergoing certification would deliver a 5 Star As Built outcome," Brett says.

Monash University has four major building projects registered for Green Star ratings, and Walters argues that the As Built aspect and the 'Management' category are critical, "as they provide some certainty that design aspirations will be met."

Seeking Green Star outcomes without Green Star certification is much the same as keeping your own financial accounts and auditing them yourself too. There are numerous stories of project teams that are asked to pursue Green Star 'benchmarks' as a condition of a tender only to discover that the green features aren't up to scratch or have been scaled back during the construction process. In Monash University's case, Green Star As Built ratings provide an 'insurance policy' of sorts.

"As an independently assessed, national, industry-accepted process, Green Star As Built has allowed Monash University to be confident that its sustainability aspirations can be delivered and verified. All construction industry participants understand Green Star and this aids the delivery of sustainable outcomes. Monash remains confident that the continued use of the Green Star suite of tools will improve the performance and reduce the environmental impacts of its buildings," Brett adds. ►

Monash University,
Briggs Hall and Jackomos Hall
5 Star Green Star – Multi Unit
Residential Design v1

5 Star Green Star – Multi Unit
Residential As Built v1

Photography by John Gollings

See case study on page 78



A competitive edge

Tenants and buyers are increasingly demanding Green Star-rated buildings to 'future proof' their businesses against rising energy and water prices, to attract and retain staff, and to demonstrate that corporate social responsibility starts at home.

While the industrial market is still grey, rather than green, some organisations are starting to recognise that a Green Star rating represents a 'future-proofed' investment. Australand, for example, achieved a 5 Star Green Star – Industrial Design v1 rating for The Key Spec 1 building in Melbourne at the end of 2012. This achievement is all the more significant as it was a speculative development.

"For Australand, the main driver for certifying – even when we're undertaking a speculative development – is the advantage it can provide in securing tenants. A Green Star rating gives us an extra edge in our marketing, as it provides credible, third party assurance," says Australand's Sustainability Manager, Paolo Bevilacqua.

"In the past, when we've sold assets, a Green Star rating has provided another justification for the purchaser. In the case of The Key Spec 1, which Australand owns, Green Star certification gives us assurance that we're 'future proofing' our investment. When combined with the fact that it will reduce occupancy costs for our customers, we believe the Green Star rating gives both Australand and our customers a competitive edge in the market as utility costs continue to rise."

Paolo says the \$750,000 for the green features amounted to a green premium of around six or seven per cent. "Since building The Key Spec 1, we've revised our design approach, costs have come down, and we think a 4 Star Green Star rating requires an additional investment of two to three per cent on base design which will comfortably provide a return on investment within a few years."

Green leadership

A Green Star rating can provide a clear expression of a company's commitment to minimising its environmental footprint. Increasingly, people around the world perceive green buildings as modern and ethical – and corporations, governments and community organisations with Green Star-rated buildings benefit from these perceptions through brand equity, community satisfaction and staff wellbeing.

In 2007, NAB embarked on an extensive refurbishment program to transform its property portfolio and reduce its carbon emissions. Recognising a significant part of a building's potential to operate efficiently is determined at the design phase, NAB incorporated environmental design requirements into its property design and performance standards, for both new builds and major refurbishments.

"We were seeking an holistic rating system that we could direct our project team to, so that

Building 215 Engineering Pavilion
5 Star Green Star –
Education Design v1

“

We were seeking an holistic rating system that we could direct our project team to, so that there was no ambiguity around what we would be working together to achieve.

”

Nicola Murphy

Senior Manager – Environment & Sustainability
NAB

there was no ambiguity around what we would be working together to achieve – leadership in environmental design. Green Star provided this for us,” says NAB’s Senior Manager Environment & Sustainability, Nicola Murphy.

“Five years later, having completed a number of Green Star – Office Interiors v1.1 refurbishments across Australia, and with several more in progress, Green Star certification is providing NAB and our stakeholders with the confidence that we are achieving our environmental design aspirations,” Nicola adds.

More than a plaque

So, how do you convince an organisation that a Green Star rating is about more than paying for a plaque?

“We tell our clients that third party certification is the difference between having proof that your building is green and green washing,” says Jane Toner, Senior Associate at Sustainable Built Environments.

“We find many councils around Australia, in particular, are mandating that new developments must be equivalent to 4 Star Green Star benchmarks – but what does that actually mean? Without Green Star certification it means nothing.”

Jane says that many developers, when pressed to meet 4 Green Star benchmarks, will go for the absolute minimum of 45 points. “We explain that any project team seeking a 4 Star rating would include

some buffer points to guarantee a 4 Star rating, but if they are not getting the development certified it’s all academic anyway.”

Some Green Star credits lend themselves to being ‘Green Star-equivalent’ – for example there is rainwater harvesting or there is not. However, a large number of credits cannot be claimed as ‘certifiable’ without actually undertaking the documentation. Is the level of daylight high enough? How much better is the stormwater management than business-as-usual? Is all the paint really low-VOC?

“We tell our clients that if they want the certainty that their requirements are being met, they can’t do that without certification,” Jane says.

The City of Gosnells, just south east of Perth, sees its new Civic Centre as a ‘future-proofed’ investment able to withstand tighter environmental legislation, the rising cost of utilities and the introduction of a price on carbon. Paul McAllister, who project-managed the 5 Star Green Star – Office Design v2 project, says the council expects a five year payback period on the extra outlay of \$750,000, demonstrating that building green is a smart financial decision. As McAllister points out: “We have a commitment to fiscal responsibility for our rate payers. That’s why we decided to build green.” ►



Karen Billington, Sustainability Manager at Northrop Consulting, says client commitment to Green Star certification is best achieved through a detailed cost analysis.

"We assess each Green Star credit against the design brief and identify potential areas of additional cost – either capital costs for new or improved equipment, consultancy costs for modelling and reporting, or contractor costs for additional site management," Karen says.

This breakdown can often be a useful tool to help the client understand the design provisions of the project.

"We find that, initially, when compared to the original design brief, the additional costs for Green Star can be considerable. We then meet with the client to work through our analysis, and most of the time we find the client will say 'I expected that this would be provided as part of best practice building design. Haven't we included this in our design brief?'" Karen explains.

"Following our discussions with the client, we will revise our cost analysis to show a reduction in 'additional Green Star costs'. Many of the Green Star initiatives essentially then become part of the standard building brief. We find that, inevitably, the client will choose to pursue a certified Green Star rating because the additional costs are far less than they anticipated and they can prove a strong business case to do so."

Kay Crowley, Director of Murchie Consulting, says that her approach is to be "consultative and find out what is important to the client. We work with our client to determine their priorities. If it's about community leadership or education, then we push them to achieve Green Star certification, as there is no better way to demonstrate that commitment."

Realising higher returns

The latest research into the value of Green Star-rated buildings provides positive proof that Green Star-rated projects deliver higher returns on investment than their non-green counterparts.

The *Australian Green Property Investment Index*, published by IPD in September 2012, found that Green Star-certified buildings in the Sydney and Melbourne CBDs outperformed the broader office market. Green Star returns were strongest in the Sydney CBD with rated buildings (12%) outperforming the rest of the market (9.2%) by 280 basis points. In the Melbourne CBD, Green Star-rated buildings (11.9%) outperformed the market (10.9%) by 100 basis points.

The *Building Better Returns* report, published in 2011 by the Australian Property Institute and Property Funds Association, yields even more spectacular results, reporting that Green Star-rated buildings delivered a 12 per cent 'green premium' in value and a five per cent premium in rent.

For ISPT Super Property, Green Star ratings act as 'quality assurance'. When ISPT first sought Green Star certification, the business case for green building was only just beginning to take shape. For many at this time, sustainability spelled risk, and only the true leaders were certifying at all, much less taking a portfolio approach to Green Star. Green building investment has proved a winning formula for IPST, as evidenced by the 14 Green Star certifications achieved to date across the commercial office and retail sectors, with more in the pipeline for the year ahead.

"Australia's property industry is recognised internationally as one of the most sophisticated and transparent markets," says ISPT's Chief Executive Officer, Daryl Browning. "Inherent in that status is the integrity of information, benchmarks and our legal system. Those investing in or occupying properties need benchmarks they can rely on. We think Green Star certification is one of the quality assurance measures everyone can rely on with confidence."

With Green Star rating tools now available for every building type, and for every stage of the building lifecycle, the industry is moving away from a building-by-building approach to sustainability. It's clear that the leaders of the industry are no longer choosing Green Star for 'lighthouse' projects. They are insisting on Green Star for every project. ●

City of Gosnells Civic Centre Redevelopment
5 Star Green Star –
Office Design v2