

# RESEARCH DIRECTIONS

## Green Office Buildings

**Professor Graeme Newell of the School of Business and Associate Professor John MacFarlane of the School of Computing, Engineering and Mathematics are studying the financial performance of green office buildings in Australia. This research was coordinated by the Australian Property Institute.**

'Sustainability is an important issue in the property industry', says Professor Newell. 'Buildings have a major impact on the environment with their greenhouse gas emissions, energy requirements, water usage, solid landfill waste, and consuming of raw materials. Recent legislation means that commercial buildings must now disclose their greenhouse performance and minimum energy ratings have been set for government tenants. This will affect the lease or sale of both new and existing properties. This project focuses on the economic rationale and business case for green office buildings in Australia and in particular a specific energy ratings system versus broader "sustainable" ratings. Overall the financial performance of green office buildings can then be determined.'

Data regarding office property information was analysed for properties in Sydney and Canberra. Energy rating systems such as the Green Star Ratings and National Australian Built Environment rating Scheme were compared. Other factors, including property performance (rent, valuation, etc), location and building characteristics were also taken into consideration. These results were compared with data from "non-green" office buildings.



Good financial value and performance of green office buildings as investment or business properties is very important in terms of property investment. Results of this project will help justify and sustain the rationale for green office buildings and contribute to a healthy Australian economy with environmental benefits for the future.

**Project Title:** Building Better Returns: A Study of the Financial Performance of Green Office Buildings in Australia

**Funding has been set at:** \$28,000

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