

Commercial Property

Green construction remains in the pink

Sector resilient despite GFC, writes Philip Hopkins.

ECONOMIC uncertainty has not derailed Australia's \$21 billion green building market, with Queensland registering the largest number of projects last year, while activity in NSW was worth the most.

Queensland had almost 60 green projects last year, while Victoria was second with 46, followed by NSW with 42. However, the NSW projects were worth more than \$6 billion, Queensland's just under \$6 billion and Victoria's narrowly topped \$5 billion, according to property researcher BCI.

BCI chief executive Matt Krups said green projects in NSW were larger and more costly. NSW,

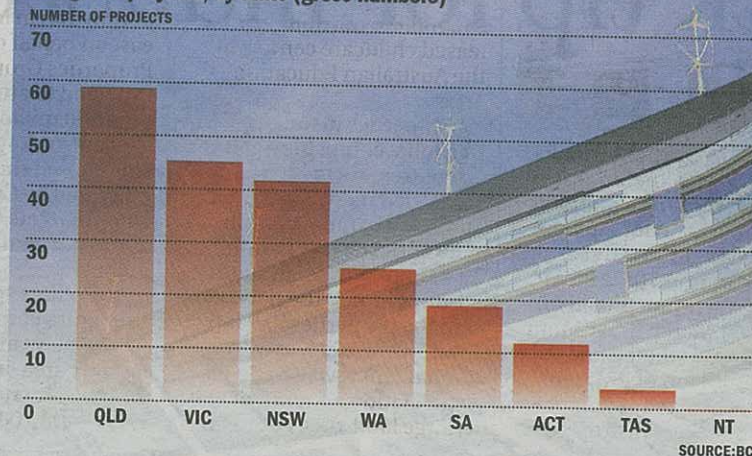
Victoria and Queensland made up 80 per cent of the green building market.

Mr Krups said the rate at which projects were deferred, rather than abandoned, showed the sector's health in times of economic turmoil. "Generally, green projects are twice as likely to be deferred as to be abandoned. This is a fairly healthy sign," he said.

Mr Krups said there were a number of factors why developers were more likely to defer green building projects than simply scrap them.

"A high level of professional consultants and dedicated investors are required, and, because government projects are more likely to have Green Star briefs and are less likely to be affected by economic cycles, there is a relatively low rate of abandonment of green projects," he said.

THE NUMBERS GAME
BCI green projects, by state (gross numbers)



Mr Krups said 2009 data showed projects in early development were more likely to be stalled or shelved than those that had development approvals and had engaged later-stage consultants.

In 2009, a third of all green projects were commercial or public office developments. The other major contribution came from retail, which made up 25 per cent of green building in Australia.

Mr Krups said the figures suggested the sector was not immune to the financial crisis. "There are signs, however, that the green building industry is far from ailing and Australia's construction market has not been sacrificed for quicker, cheaper development," Mr Krups said.

He said the federal government's emphasis on economic stimulus through construction, plus the

Supa IGA Seville goes green

ENTWISTLE'S Supa IGA in Seville has completed a \$5 million "green" makeover that will double the shop's size.

Owner Barry Entwistle said the renovation and extension had been designed as part of the business sustainability program run by Yarra Ranges Shire. The new store includes a Bendigo Community Bank. Green credentials include using reclaimed cooled air, ducted from the store's refrigerators into the supermarket, and reclaimed hot air, generated by refrigeration motors for heating. Also, the fridge cases are covered at night to minimise the escape of cold air and to halve energy consumption.

pressure for governments to develop or occupy spaces built to environmental best practice, had pushed a high volume of green projects into the development pipeline.

Sustainable buildings were here to stay. "Anything built today that is not green will age prematurely," he said.

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Commercial Property

Victoria stays a housing project

State is dragging its heels in commercial



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