

The green buildings buzz

The commercial property industry is moving towards a more energy efficient future with words like “environmentally sustainable design” and “green buildings” becoming common in commercial property marketing and publications.

New Zealand’s commercial office stock is predominantly made up of buildings constructed in the past century and later upgraded to suit the current tenant’s requirements. However, there are areas such as Albany on the North Shore and Airport Oaks in Manukau, South Auckland that have experienced large scale office developments over the past five years. In some of these newer developments there has been a distinct move towards more sustainable, “green” structures and services.

In New Zealand, the “greenness” of a building is generally measured by taking stock of the individual aspects that make up the whole. The standards outlined below have been developed by the New Zealand Green Building Council (NZGBC). NZGBC was formed in 2005 and has been a member of the World Green Building Council since 2007.

The Green Building industry in New Zealand is still in its infancy, although an example of good practice is the high profile Meridian Energy building in Wellington. Beca is proud to have been involved in this project; the first building to be awarded the New Zealand Green Building Councils 5 Star rating.

Stars	New Zealand Green Star Rating Tool
****	4 star Green star NZ Certified Rating (score 45-59) signifies ‘Best Practise’
*****	5 Star Green Star NZ Certified Rating (score 60-74) signifies ‘New Zealand Excellence’
*****	6 Star Green Star NZ Certified Rating (score 75-100) signifies ‘World Leadership’

Aspects of the building are measured and scored against the following criteria to give the overall “Green Star Rating”.

New Zealand Weightings	
Management	10%
Indoor Environmental Quality	20%
Energy	25%
Transport	10%
Water	10%
Materials	10%
Land use and Ecology	10%
Emissions	5%
Total	100%



Meridian Energy Building in Wellington

Beca green building experience

Beca is a founding and Board member of the New Zealand Green Building Council; and has been involved in a number of projects that have been accredited with Green Star Rating.

A recent example is the Quay Park One building in Auckland, situated in the Quay Park area.

Our building services team assisted developer Mansons TCLM Ltd in achieving a New Zealand Green Building Council Five Star rating for this new office development. The Beca team acted as building services engineers and as ESD (environmentally sustainable design) advisor to Mansons for this building; which will be occupied by the Bank of New Zealand.

Quay Park One's sustainable features include solar control glass, efficient air conditioning and lighting, low usage water fittings, a rainwater recovery system for toilet flushing, low environmental impact construction materials and industry leading recycling and waste recovery procedures on site. Beca Green Star Accredited Professionals were responsible for preparing the submission that secured the Five Star rating from the New Zealand Green Building Council.

Recent research suggests that 'green' issues are becoming a key factor in the decision making process by both building owners and tenants. Beca Valuations is well placed to assist clients in realising the value of environmentally sustainable design.

Placing a value on going green

Commercial properties are predominantly valued using the capitalised income approach. In adopting this method the Valuer is attempting to replicate the decision making process that a potential investor undertakes when carrying out the due diligence process for a potential investment.

Currently there is limited evidence available for the rental levels Green buildings in New Zealand achieve when compared to more traditional buildings. While some tenants regard being located in a sustainable

or Green building as important, what they are prepared to pay above the standard market rentals in order to do so is not clear. However, a growing number of tenants are aware of sustainable building issues and the demand for this type of space is likely to grow.

This may eventually lead to the question being not what premium a Green building achieves, as this is likely to become industry standard, but what discount below the market is applied to a non-Green Building.

Updates to the New Zealand Fire Service Levy

As at 1 July 2008 the New Zealand Fire Service Levy has increased to 7.6 cents per \$100, up from 7.3 cents. When calculating the fire service levy payable on commercial property, A Guide to the New Zealand Fire Service Levy states:

"Where the fire insurance contract for other property provides for settlement of any claim on a basis more favourable than its indemnity value (IV), or where there is no sum insured, the amount of the insured value is the IV of the property (provided it is supported by a declaration or a valuation). The IV is calculated as the replacement value of the property, less any depreciation on an age and condition basis."

Beca Valuations would be happy to help with any of your valuation requirements including assessing values to be used in assessing New Fire Service Levies.

Beca Valuations Limited is able to draw on the international knowledge gained by the Beca group of companies in order to assist with your valuation requirements.

For more information, contact: Marvin Clough

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Have you assessed the value of your property to calculate the new Fire Service Levies payable?



Do we have your correct details?
Contact us at: value@beca.com

New Zealand
Auckland
Wellington
New Plymouth
Christchurch
Tauranga
Hamilton
Dunedin

Australia
Brisbane
Melbourne
Sydney
Wollongong
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Indonesia
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