

Media Release
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Property Council/IPD New Zealand Green Property Index results

The Property Council/IPD New Zealand's Green Property Index released at the Property Council and Green Building Council Green Property Summit reveal that total returns for green-rated buildings in New Zealand are higher than their all-office counterparts (see graph 1).

A comparison of the All office sample and sample of Green Star rated buildings reveal that the capital value of Green Star office buildings is 19% higher per square meter, net income is 17% higher per square meter, operating expenses are 9% less per square meter and capital expenditure is 48% less per square meter (see graph 2).

While data suggests start-up costs for green office buildings might be higher, over time they are outweighed by the benefits, including higher tenancy rates.

Property Council chief executive Connal Townsend says the IPD results are a strong indication of the direction in which the market is headed.

"These results show us that green buildings are highly desirable and offering the type of returns investors are looking for. This is a good example of why we don't need green building regulations written into district plans and consenting processes.

"Going green is an inevitable phenomenon which will ensure business profitability in the property sector, but one which must occur organically."

The Summit was held on 26 March and attended by delegates from around the world and New Zealand.

A recent report by KPMG, CPA Australia and Global Reporting Initiative into how Australian businesses drive value from sustainability states that sustainability is considered a long-term strategy to business. According to the report, investors are demanding to know how resources are allocated to create value in the short, medium and long-term.

Property Council believes the same approach should be adopted in New Zealand and businesses should be allowed to plan for building sustainably as part of their long-term strategy as opposed to being forced to adhere to regulations that may not be entirely realistic or feasible at the time of their inception.

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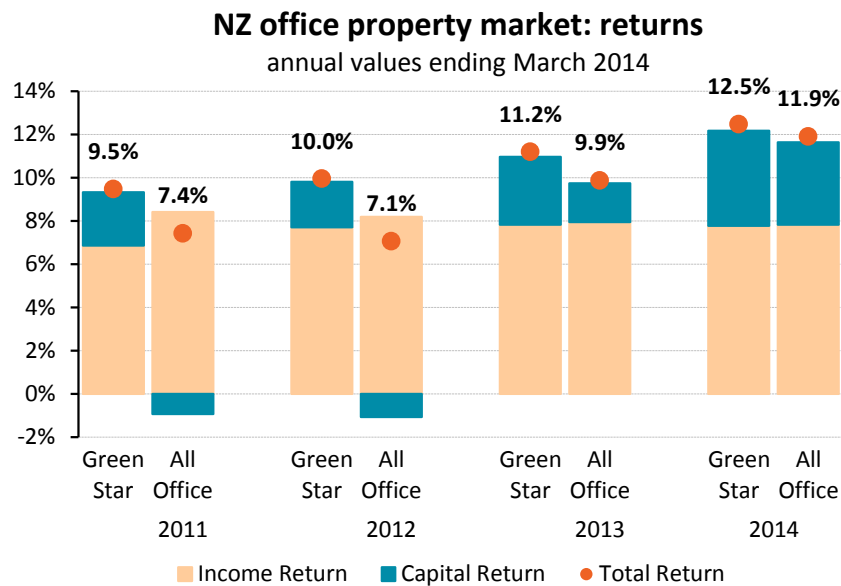
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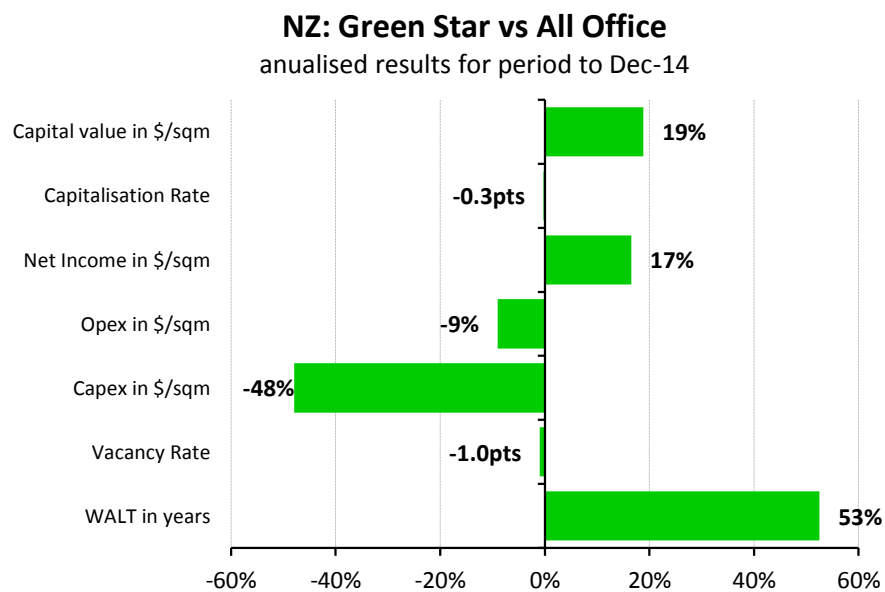
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About



Graph 1. NZ Office property market returns



Graph 2. NZ Green Star vs All Office

Property Council New Zealand

Property Council is New Zealand's commercial property voice. Property Council represents New Zealand's office, industrial, retail, property funds and multi-unit residential property owners, investors and managers. Property Council's branches throughout the country represent some of the largest commercial property portfolios in Auckland, Waikato, Bay of Plenty, Wellington, East Coast/Hawkes Bay and the South Island and Otago region, the value of which exceeds billions.