

SA - the world's fastest growing green building market

Nearly eight years ago, green building in South Africa was considered the “right thing to do” for the environment. But more developers are heeding the call for sustainable building as they are becoming more mindful of economic benefits and the country is positioning itself as the fastest growing sustainable building country in the world.

“Environmentally sustainable buildings”, “rain harvesting” and “off-the-grid innovations” have been bandied about for years, but are now gaining credibility.

The growth of green building in South Africa trumps that of established sustainability building regions such as Europe, Australia, United States, United Arab Emirates, Singapore and Brazil. This has been confirmed by United States-based McGraw-Hill Construction in its World Green Building Trends survey.

While South Africa is only playing catch-up to its developed and developing counterparts, the survey pegs the country's take up of green building to grow three-fold, from a measured 16% in 2012 to 52% by 2015. A total of 60% of firms in the survey reported future green commercial developments by 2015, while retrofits came in at 58%.

“The future for green building is more concentrated in South Africa compared to other parts of the world...Notably, South Africa is one of the only countries with a high reported level of green activity in the residential marketplace,” McGraw-Hill Construction notes.

While green building in South Africa is still about the drive for companies to operate in “a more socially and environmentally responsible manner”, financial incentives are becoming realised, says Neil Stuart-Findlay, portfolio manager of the Investec property equity fund.

“Businesses strive to operate more efficiently in a climate of sharp increases in operating expenses such as electricity and water. As these costs rise, businesses are looking for ways to contain their total cost of occupation,” explains Stuart-Findlay.

His sentiments are echoed by the survey which also notes that developers in South Africa are focusing on matters of bottom line, with the second motivation being natural resource conservation.

Beyond saving on operational costs, the Green Building Council of South Africa (GBCSA) says studies in the United States and Australia have shown higher returns on assets extending to rental rates in green buildings to be approximately “6% and 5% higher respectively.”

“The drive towards greening initiatives is also about the competitiveness of what landlords are offering. If buildings are developed in a cost-effective manner, green buildings are likely to become an even more desirable offering, potentially driving stronger occupancy levels from tenants and hence higher rentals, over time,” adds Stuart-Findlay.

Green star rated buildings

According to GBCSA programme manager, Jo Anderson, there are 34 buildings rated in the four green star category, 13 in five star and three as six star. The buildings ranked comply with the

criteria of using green and innovative technologies including efficient energy and water use; waste disposal; the use of recyclable materials in construction; sustainable use of space and use of natural lighting.

The 30 654 square metre Department of Environmental Affairs building in Pretoria made the cut to achieve the prestigious six star rating – a category considered in line with international best practice.

“This is the first government building in South Africa to achieve a six star Green Star South Africa rating and the first six star rated building in the City of Tshwane”. The building’s roof is covered with solar panels and rain harvesting system, catapulting the building to its green credentials.

The other two in this category are Cape Town’s No. 1 Silo at the V&A Waterfront and Midrand’s Vodafone site solution innovation centre.

The 18 723 square metre commercial office space, No. 1 Silo achieved the rating for its water efficient fittings and fixtures, a system which monitors energy and water use, lighting used when required and a storm water retention-enabled roof.

The 458 square metre Vodafone site solution innovation centre at the Vodacom campus in Midrand ticks the appropriate checks for renewable energy use, water sustainability, appropriate material and technology used in the building’s design.

The five green star rating has been awarded to, among others, Standard Bank’s head office in Rosebank, DSTV City in Randburg which is still under construction and Group Five’s head office within the Waterfall commercial business park.

The four star green rating, under the banner of “best practice” sees Sandton’s Alexander Forbes, Nedbank’s head office, Alice Lane Building 1, Worley Parsons building at Melrose Boulevard and more.

Developments in the pipeline

Anderson says the GBCSA has 62 certified green buildings with an additional 150 buildings in the pipeline for certification.

In four years’ time, Sandton will see the opening of Discovery’s new 87 000 square metre head office costing in excess of R2 billion. The developers of the building, a joint venture between Growthpoint Properties and Zenprop Property, will target a five star green rating. Growthpoint Properties office division director, Rudolf Pienaar says the new Discovery head office will be one of the most environmentally sustainable and efficient buildings in Sandton. “It is also set to become a landmark on the Sandton skyline. Green building plays a key role in providing spaces in which businesses can thrive,” he says.

Source: Moneyweb