

Sustainability and real estate the change is coming

The evolving situation in the domain of 'green buildings' and the various certification labels is not just an academic exercise. If it is to have any genuine benefit for the planet in terms of emissions of greenhouse gases, and any consequential benefit for building users in terms of reduced energy bills, it will inevitably impact upon real estate strategies. So what is the current thinking in this area?

It is still too early to talk of wholesale changes in the buildings that major corporations and associations choose to occupy. You can't change to 'greener' buildings in the same period of time that you can change the cars in your company fleet, but it is not too early to look at current thinking.

A recent survey by one of the world's leading real estate advisors and brokers – Jones Lang LaSalle – drawn up in partnership with Corenet, is a good place to start. This survey shows that 64% of respondents believe that sustainability is a critical business issue today, and almost all (92%) consider it to be critical in terms of location decisions. And while this theoretical attitude has not previously translated into a willingness to pay more for 'green' offices, the percentage of respondents who now say they would do this increased from 37% to 50% between 2009 and 2010. The anticipated extra cost is generally accepted to be up to 10%. Just under 90% of respondents now take into account certification or energy labels when selecting their buildings. The major focus remains on energy efficiency

and waste recycling (65% and 61% of respondents respectively).

Brussels – a model of sustainable development...

Moving closer to home, the Brussels Region has set some ambitious targets for itself. It is one of 1,600 cities which have committed to reducing greenhouse gas emissions by 30% between now and 2025. The Region has therefore undertaken to drastically improve the energy efficiency of buildings through promoting sustainable techniques both for new constructions and for renovations. This latter point is crucial, because as all the experts continue to point out, there are far more existing (and therefore generally energy-inefficient) buildings in our cities, than new ones. However, it is in the area of new buildings that it is easier to act. In concrete terms, the Region has opted to take the lead, and to modify its own real estate strategy with immediate effect where new constructions are concerned. From last year (2010) all new public constructions

Exemplary building

The building located at Rue de la Science 15-17, in the heart of the European district, is to undergo a total renovation by owners Cofinimmo, who lodged a permit request in June. The objective of the renovation, which is being designed by architects Art & Build, will be to provide a sustainable and ecological building (and renovation process) which will attract BREEAM 'Very Good' certification. It is also intended that the building will be able to compete in the competition for exemplary buildings 2011 being organised by the Brussels Environment Agency IBGE. / Alongside these ultra-ecological criteria, Science 15-17 is also designed to fit into the objectives of the Brussels Region in terms of renovating and reinvigorating the whole of the European district, in particular with the 'Projet Urbain Loi'. These objectives include a greater mixture of functions, and a higher degree of 'citizen-friendliness'. In the case of this building, this aspect will involve the creation of a plaza and public area, along with an interior garden visible from the outside via a 5-storey glazed atrium.



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were required to meet passive energy norms, and from 2015 this will be a requirement for all new buildings, public or private. One of the most easily recognisable elements is that energy used for heating will be reduced from the current 150 kWh/m²/year, to one tenth of that figure – 15 kWh. This is made possible by better insulation and air tightness, along with ventilation systems which include heat exchangers. Where the Region's existing buildings are concerned, these will be the subject of similar techniques if they are to be renovated, or to environmental management programmes if they are not. By both putting this policy into place for itself now, and imposing the norms on others from 2015, the Brussels Region is therefore in effect imposing a change in real estate strategies.

Exemplary eco-district

One of the best known urban regeneration projects in the capital is the 'Urbain-Loi' project, known as PUL. This will see, alongside substantial residential accommodation, an extra 240,000 m² of office building, mostly designated for the European Commission, which already occupies 800,000 m² in the district. The European Parliament has asked the Commission to ensure that from now, its new

buildings correspond to the same heating and cooling norms as new residential property. The requirement in terms of energy goes beyond simply reducing the bills. The Parliament has set the objective of have new buildings which, by the end of 2018, will have net energy consumption 'no worse than zero'. Along with procedures such as water management, the production of renewable energy on or off site is set to make this goal attainable. As is the case with the Brussels Region, this is another example of a major buildings user, and again user with substantial power to have its decisions applied, changing its own real estate strategy. Christian de Portzamparc, the French architect and planner who won the competition to set out the master plan for PUL, has explained his philosophy that 'closed lots' were no longer appropriate in modern cities, and that light, air and views had to be provided, even when tower blocks were involved. Opening up means of communication on foot, he has stated, will ensure that shops and restaurants were encouraged to come into a zone which, previously, was something of a disaster. This requirement for mixed use within the district, along with better public transport access are two of the major pillars of the Region's plans for future urban development.

Building environmental certification

It remains the case, however, that the current situation regarding certification of buildings – and how else is an occupier expected to know whether he is following best practice (and the law) or not – is still lacking in clarity. Ismaël Daoud of the Brussels Environmental Ministry, speaking at a recent 'Buildgreen' conference, explained that a wide-ranging process aiming to build a single 'Belgian certificate' was underway. This is in response to market demand, as he emphasised that the market needed a single reference point, to avoid the current confusion. The certification being established would cover all types of building, and would take in all of the major criteria found in other existing certification schemes, but in particular in the much-used BREEAM system, and in the Belgian Valideo label. The Brussels Region's 'Exemplary Buildings' criteria are also, of course, being taken into account. Stephan Sonnevile, CEO of developer Atenor, confirmed that he wished to work with a single norm, wherever the building is, and of whatever type. But commenting on the decision for Belgium to establish its own certification system, he said he would have preferred the BREEAM system to become more widespread in Belgium, rather than a new certificate created: "It will be difficult for me to convince a British or German investor that our new Belgian certification is a good as, or better than, BREEAM, even if it is", he detailed.

Speaking at the same conference, this time from the real estate advisors' side, Jones Lang LaSalle Belux CEO Vincent Querton agreed that the existing situation is far too complicated, and that the market needs to be simplified. But he introduced another element dear to corporate hearts – cost. He referred to what is known as 'green value', and said that this undoubtedly exists. A building not conforming to the latest standards would lose more value than a building which did, creating a 'sustainability risk'. He said that the driving force behind green buildings – as far as the market is concerned – would come not from tenants (who have to take all sorts of criteria into account when deciding on a location), but from the developer/investor side. Although on the subject of retail, the principles are the same, speaking at the 'Shopping Centres of the Future' conference organised by Editions & Séminaires, Robert Bonwell, CEO of the retail department at JLL for the EMEA region, referred to a potential future law in the UK which could make it illegal to sell complexes which did not meet certain energy criteria...!

One thing is certain, despite this current reality on the ground, where the public authorities such as the Brussels Region and the EU go today, others will inevitably go tomorrow. Except that 'tomorrow' in terms of changing real estate policy, means starting right now...

Tim HARRUP ■



Stephan Sonnevile (CEO Atenor), Ismaël Daoud representing Brussels Environment Minister Evelyne Huytebroeck and Vincent Querton (CEO Jones Lang LaSalle) - left to right- agreed on the need for a single, harmonised environmental certification system