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## **MEDIA RELEASE**

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### **Property sector recognises the need for a more socially responsible industry**

#### **But industry calls for better tax concessions and investor benefits**

##### *Property sector facing up to a more sustainable practice*

The property sector is embracing the growing move to be environmentally sustainable with property managers keen to find ways to engage in socially responsible practice that benefits investors. However, benefits to investors need to be enhanced if the industry is to fully embrace socially responsible practices.

A recent industry survey conducted by ADPIA found that 41.7% of property fund managers see sustainability issues as an opportunity for business development. However, almost 50 percent of property fund managers have little understanding of their tenant's interest in sustainability issues such as carbon management, water efficiency and green ratings, and over 40 percent consider sustainability issues a cost or compliance issue.

##### *Opportunities for business development*

Speaking at this years Australian Direct Property Investment Association (ADPIA) conference, keynote speaker and former leader of the Liberal party Dr John Hewson, surprised attendees when he said that he agreed with Kevin Rudd when he assessed global warming as 'the greatest moral imperative of our time', back in 2010.

But his sentiments were echoed by Michael Snare of Point Project Management who said that both public and private organisations are looking to engage in a more socially responsible practice.

"Good corporate citizens are recognising the obligation and the benefits that flow through social responsibility. Public policy recognises that as a community we need to take action against climate change," said Mr Snare.

##### *Green Index / Rating Tools*

With many organisations mobilised to move into green building, performance based rating systems such as NABERS and Greenstar allow them to measure their operational impacts on the environment.

Dr Anthony De Francesco, Managing Director, IPD said that recent data

collated by IPD found that assets rated by a green index either NABERS or Greenstar, have on average delivered better results.

“When comparing 40 rated assets to all the non rated assets in our office pool, we can quite clearly see that they have out performed. Buildings with a green star rating have on average returned better results and it is not surprising as they are going to be the better quality assets,” said Mr De Francesco.

### *Tax Breaks Green Buildings*

In delaying the \$1 billion Tax Breaks for Green Buildings (TBGB) programme, the Australian Government’s department of Climate Change and Energy Efficiency is said to be considering a more effective way to implement the programme that will give organisations tax concessions by improving energy efficiency in their buildings.

Nicola Woodward, Director, Apex Property Consulting said that TBGB is currently a complex system that has a limited scope of eligible projects and there needs to be a greater incentive to encourage organisations to make the change to green office space.

“Industry is undoubtedly looking to move into this space, socially responsible organisations want to make the commitment. However where we currently sit with regards to TBGB, time, cost and uncertainty are all factors that leave property managers questioning whether moving into green buildings will benefit their investors.”

#ENDS#

Notes to editor

### **NABERS**

The NABERS Federal Government Scheme is a rating tool used for office, hotel and retail space and is linked to CBD Mandatory Disclosure Legislation that came in to effect in November 2010. Also linked to Green Building Funding and proposed Tax Breaks, NABERS rates buildings on a 0 to 5 scale from poor to exceptional covering energy, water, indoor air quality and waste.

### **GREENSTAR**

Greenstar encourages the adoption of green building practices principally in design of new buildings and promotes green building programs, technologies and design practices. Greenstar has a 0 to 6 rating but is not linked to any legislative requirements.

### **ABOUT ADPIA**



The aim of ADPIA and its members is to help Australians build wealth and financial security by collectively investing in property through managed property investments and property syndicates. ADPIA's membership includes property fund managers, custodians, property financiers and other professionals in the property industry.

ADPIA's aims include:

- Leadership in the direct property investment sector;
- Representing the interests of members to the government, media and the public;
- Providing education to members and the public;
- Building consumer awareness and confidence of direct property investment;
- Assisting professional growth of its members;
- Producing and distributing effective research material to members and the public; and
- Promoting integrity and Best Practice standards amongst the industry.

For more information, please visit [www.adpia.com.au](http://www.adpia.com.au) or contact:

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