

Green Cities Conference 2009

Brisbane, Australia

The Green Phoenix: burgeoning markets in challenging times

Louis Armstrong, RICS Chief Executive

RICS - Who are we ?



- The mark of property professionalism worldwide
- **140 000 professionals(qualified, trainees and students) operating in 146 countries**
- Advancing global standards in land, property and construction and the environment
- **Professional regulation, consumer protection and advice**
- Impartial thought leadership in the public interest
- **Cutting edge research and economic analysis.**

Changing Attitudes: How Green is my Surveyor?

RICS Green Gauge Survey – preliminary 2008 results

- 67% of RICS members think sustainability issues are more important to their business than one year ago

- “To what extent do you think the economic recession will impact on the extent of your organisation’s sustainability-related work?”

- no impact (40.9%)
- negative impact (38.8%)
- positive impact (20.3%)

Increasing client demand

In their current role 65% of members have received specific instructions from clients relating to sustainability. The top seven areas for instructions are:-

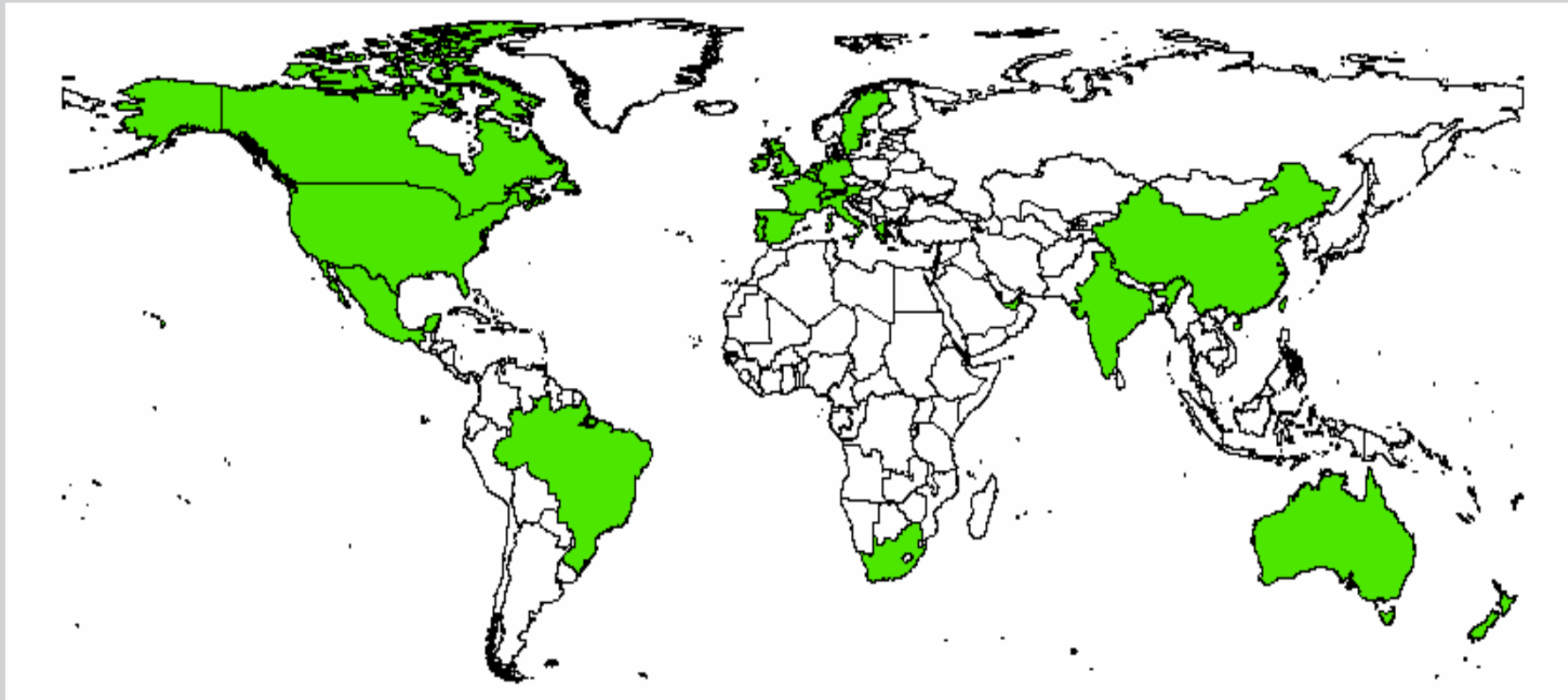
Design	57.8%
Land use planning requirements	31.2%
Legal compliance	42.9%
Construction	56.9%
Development	33.6%
Occupation	37.4%
Post-occupancy, disposal and demolition	17.9%

Global drivers for change

- **European Union** – Expanding on the Energy Performance of Building Directive EPBD
- **Middle East** – Diversification away from Carbon intensive energy.
Eg. Abu Dhabi - Masdar City, a zero carbon, zero waste community
- **USA** – New Obama administration has already outlined plans to retrofit 75% of Federal Estate, invest in green energy and increase the use of mass transit.
- **China** – increasing government interest to reduce carbon footprint
- **UK** – Has now passed legislation requiring an 80% reduction in greenhouse gas emissions from the 1990 baseline
- **India** – under increasing international pressure to reduce emissions.

Achieving the changes needed

RICS has commissioned University College London to create a zero carbon capacity index capturing the capacities of countries across the world to make progress towards the ideal of a zero-carbon built environment



How does the ZC² index work ?

1) The current state or baseline for a country based on indicators for both

- energy supply, and
- energy consumption;

2) The policy levers in place which could potentially facilitate movement towards a zero-carbon built environment relative to this baseline; and

3) The likelihood of take-up of these policies within the coming year.

And the results are...

	RICS GLOBAL ZC² INDEX	
	Index Ranking	Index Figure
France	1	64
Austria	2	58
Brazil	3	50
Germany	4	50
Sweden	5	44
New Zealand	13	-3
Hong Kong	18	-23
Australia	20	-29
Canada	21	-33
Singapore	22	-35
South Africa	23	-51
Greece	24	-54
USA	25	-56

As a profession ...

The key area where the surveying profession can contribute is in reflecting sustainability in property valuations.

- Valuers need to assess whether sustainability factors impact on the risk and return profile of the asset being valued
- RICS continues to undertake research in this field to build the evidence base professionals need
- RICS is currently consulting over a Valuation Information Paper on sustainability
- RICS supports the **Vancouver Valuation Accord**. This aims to standardise approaches to the valuation of sustainable property.

RICS in the Oceania region and Australia have an active sustainability steering group who are ..

-Reviewing and updating the RICS Environmental Make Good Guidance Note

-Providing guidance on commercial green leases

There are many opportunities ...

globally and locally

LAND

- management of land for food and energy crops
- energy from waste
- spatial planning
- renewable energy
- energy strategies
- water management.

PROPERTY

- RICS “Red Book” & Vancouver Valuation Accord
- green leases
- advice on new legislative drivers
- building adaptation
- benchmarking, reporting and setting standards
- cooperation with groups such as Australian Sustainable Built Environment Council and Green Building Council of Australia.

CONSTRUCTION

- zero carbon
- new infrastructure works – water, transport and food supply,
- carbon capture and storage facilities
- future proofing
- energy security
- new technology (solar, wind)
- lifecycle costing.

Conclusions ...

- International attention is increasing
- Governments to lead
- There will be new statutory obligations
- It is a recession proof issue, business cases are strengthening
- As education and knowledge increases, so too does client demand
- A focus on performance, measurement , data collection and benchmarking is emerging.