



JONES LANG  
LASALLE

*Real value in a changing world*

# The Green *Phoenix*

Burgeoning markets in  
challenging times

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# Global Occupier Survey: Asia Pacific respondents

- Sustainability is increasingly critical - 65% said it is a critical issue today, up from 46% from 2007
- 75% said that energy/sustainability influences their location decisions
- 81% consider Green Building Ratings in building selection
- Sustainable solutions remain difficult to find - 68% cited limited to no availability, up from 48% in 2007
- Over half of respondents said that they would pay up to 10% more rent to occupy a sustainable building

Source: JLL and CoreNet Global Trends in Sustainable Real Estate: An Occupiers Perspective 2008

# Survey of Investor Sentiment: Australia

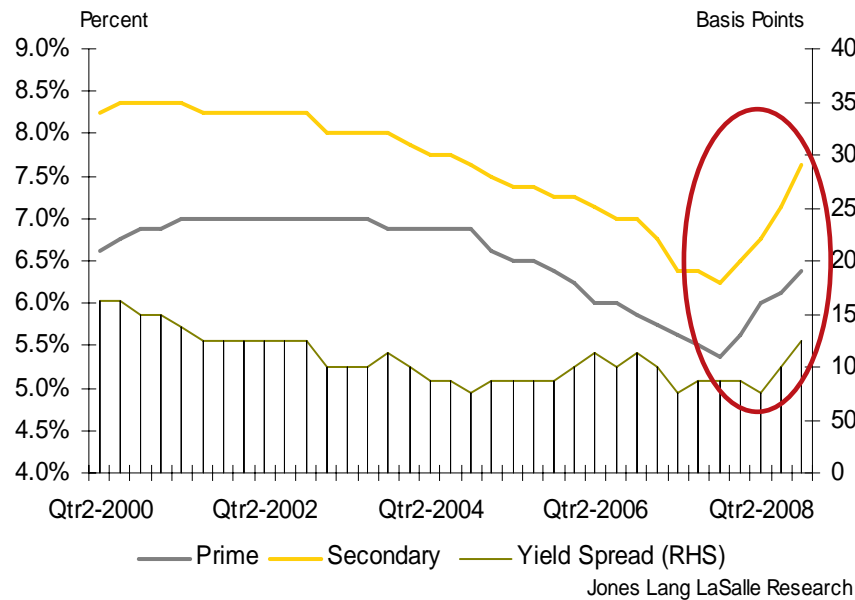
- 18% of Australian investors would pay more for a sustainable commercial office building, all other things being equal, compared to 29% in 2007
- Over 50% of investors continue to consider sustainability a 'tie-breaker' factor in investment decisions
- Tenant expectation is rated as the most significant issue when considering sustainability (a relatively stable 74%)
- Achieving green ratings continued to be ranked the second most important sustainability driver (75%)
- Impact on rentals (51%) and building valuations (48%) also remain strong drivers for sustainability

Source: Jones Lang LaSalle Survey of Investor Sentiment, November 2008

# Yield Compression: The big theme 2000 to 2007

- Past 10 years:
  - Value rising faster than rent
  - Led to focus on quantity not quality – investors competed for assets, not tenants
  - Market not rewarding asset quality – no incentive to improve
- This trend is now reversing = **focus on quality = management and refurbishment**

### Sydney CBD Yields



### Melbourne CBD Yields

