

Being Green

An Economic Perspective

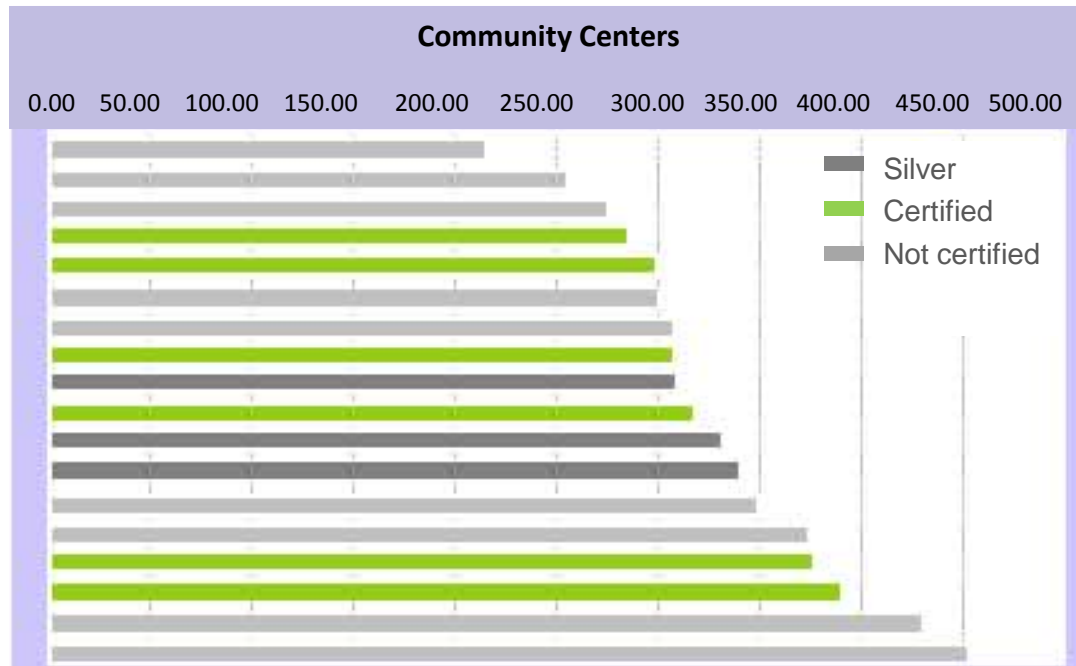
RICS CPD Event 2010





How much additional will the green project cost?

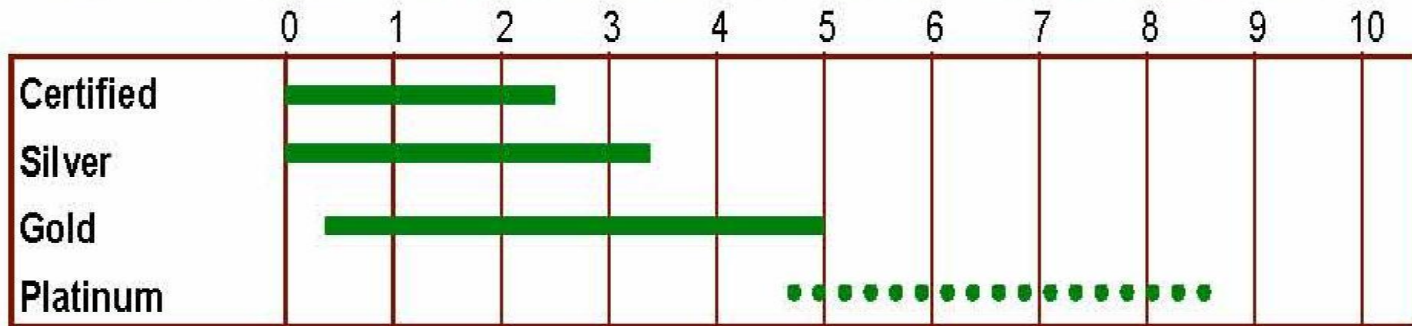
Cost of Green



Source: 'Cost of Green Revisited' by Davis Langdon

Although there is no 'one size fits all' answer to this question, various studies have demonstrated that green buildings do not have to cost more

Cost of Green



Typical incremental percentage capital cost of meeting LEED

Source: 'Cost of Green Revisited' by Davis Langdon

+ 2%

of total construction cost for LEED certified buildings

Sources: Gregory Kats et al.'s 2003

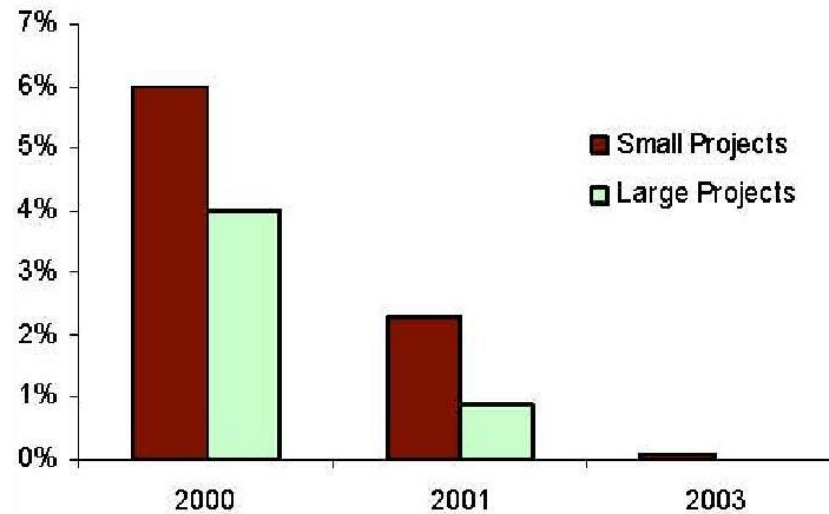
U.S. consensus reports

Ian Theaker (CaGBC)

+ 5%

Source: A recent international study in 6 countries and regions (Brazil, China, Europe, India, Japan, US)

Cost of Green



Incremental costs of green buildings

Source: 'Managing the cost of green buildings' by Kema Xenergy 2003



How can I reduce initial and final cost?

Reducing Cost

The **top five barriers** to controlling costs :

Lack of a clear green design goal

Mid-stream attempts to incorporate green

Decentralised management of the green building process

Lack of experience / knowledge with green building

Insufficient time / funding

Sustainability is not a below-the-line item.





Why build green?

Benefits of Green Buildings

In comparison to the average commercial building:

Green buildings consume 26% less energy

Green buildings have 13% lower maintenance costs

Green buildings have 27% higher occupant satisfaction

Green buildings have 33% less greenhouse gas emissions

Source: USGBC

Benefits of Green Buildings

Healthier spaces, healthier people

People spend about 90% of their time indoors.
Indoor levels of pollutants may be up to ten times higher than outdoor levels.

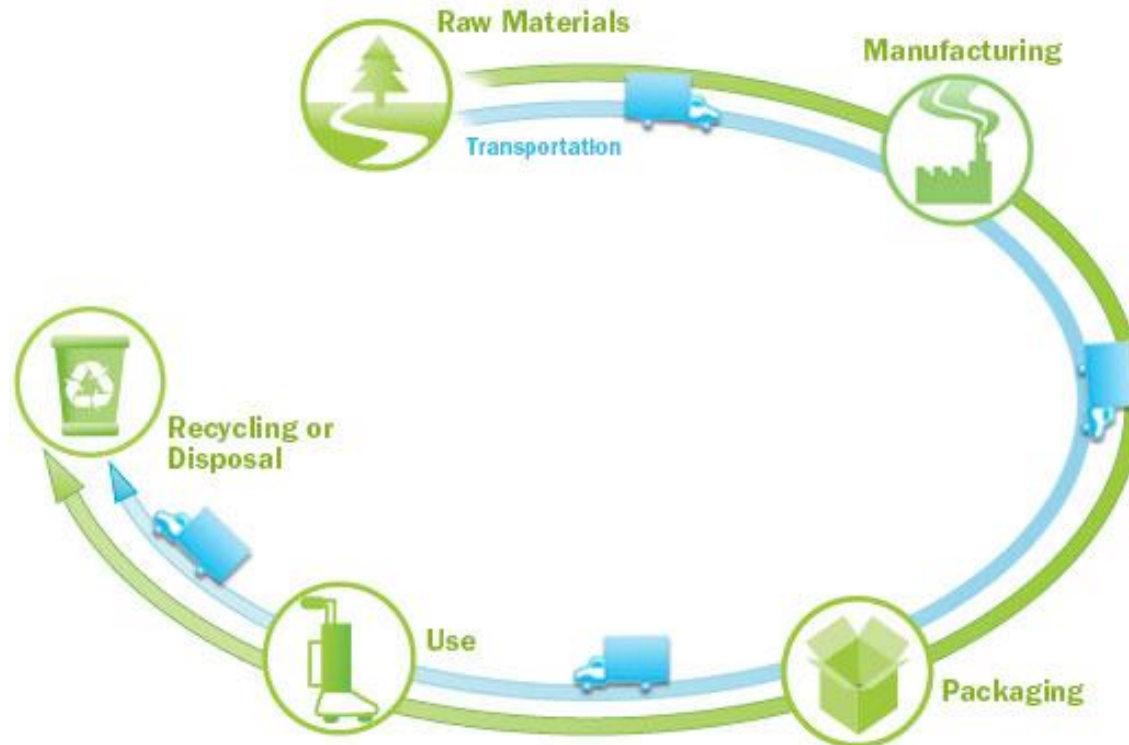


Triple Bottom Line



Source: <http://www.cooper.com>

Life Cycle Analysis



Life Cycle Analysis (LCA) is used to quantify the costs and benefits of materials and products over their lives



The cost of building green is now proving to be negligible

Costs are further reduced through incentives or government subsidies

Traditionally built facilities will soon become obsolete

Green starts with you



Being Green: An Economic Perspective

Thank You

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