

Real Estate Goes Green

Climate Change offers unprecedented opportunities for real estate sector

Climate Change is ushering in a new, carbon-conscious world. This was reflected also at KIINKO Annual Convention 2008 in November, with number of international experts expressing their views on the subject. It was widely assessed that real estate and construction industry are in the forefront in the fight against Climate Change.

As the real estate professionals gathered at Hotel Aulanko, Hämeenlinna, Finland, they learned a great deal about what the future of green construction might be. Seppo Junnila, Business Director for Sitra, the Finnish Innovation Fund, pointed out that the climate challenge is so vast that the corporate sector is needed to cope with it.

Going through the strategic assets of the real estate sector, Junnila noted that 45% of climate opportunities are to be found in the sector.

"The challenge is to create a new market – the low-carbon market," he said.

Role of buildings unclear

However, the role of real estate has yet to properly sink in. According to Junnila, only about 10–15 per cent of executives understand the significance of real estate – i.e. how buildings and their users impact environment.

While buildings generally cause 30–40 % of CO₂ emissions, in Finland that figure is even higher (45%). The upside is that buildings – both new and existing ones – therefore offer the best cost-benefit ratio for reducing carbon. Issues such as insulation, lighting and heating can make a big difference, Junnila said, adding that the indus-

try now stands on the threshold of unique opportunity.

"And even more importantly, no other industry can provide a believable roadmap to achieve a sustainable society," Junnila declared, urging the sector to take a leading role in the fight.

Corporations joining carbon crusade

Andrea Smith from the UK-based Carbon Disclosure Project (CDP) talked about the work CDP is doing to get big corporations to own up to their carbon footprint and to do something about it. Smith remarked that in the UK professionals in the field look to Finland as a model of cost-effective, green construction – but Finland could market its expertise more.

Smith reported that companies are joining CDP to secure competitive advantage; the corporations want to "come prepared," she said.

Smith also acknowledged

that in real estate carbon benchmarking is difficult since every building project is unique.

"However, real estate leaves such a legacy, that the end product – the building itself – should be beautiful, practical as well as enduring."

Mainstreaming the marginal

Gregory Franta, Senior Vice President of Rocky Mountain Institute, heads the Built Environment Team of the organisation. He is one of the global top experts in designing sustainable, high-performance buildings and communities. Since the 1970's, Franta has pioneered environmentally sustainable architecture resulting in successful "green" buildings around the world. Franta was also instrumental in the development of the U.S. Green Building Council's LEED certification programme.

According to Franta, a small ecological footprint is a sign of a healthy community – and there many ways to change for the better. There are number of existing community and corporate projects in the US, for instance, that give us a glimpse of the future. One day for instance, we might have "regenerative buildings" that make their own energy – or entire cities, for that matter.

Talking about high-performance green buildings, Franta pointed out that they are not just good for the environment – cost-savings are cost-savings, and "going green" makes perfect business sense, also.

For more information on the Annual Convention: www.propertyinvest.fi

