Building and Construction Authority

.

MEDIA RELEASE

NEW VALUATION GUIDELINE ON GREEN BUILDINGS

- *Green buildings impact property valuations through better value, image and operational efficiency*

Singapore, 12 Oct 2012 – A new valuation guideline on green buildings will help valuers be more aware and account for energy-efficient features when valuing properties. The guideline was introduced at the Breakfast Talk for CEOs jointly organised by the Building and Construction Authority (BCA) and Singapore Institute of Surveyors and Valuers (SISV), on the last day of the Singapore Green Building Week 2012. Senior Parliamentary Secretary for Defence and National Development, Dr Mohamad Maliki Bin Osman was the Guest-of-Honour for the event.

2. This is the first time the SISV is publishing a valuation guideline on green buildings, which will be incorporated in their newly revised edition of "Valuation Standards and Practice Guidelines", expected to be launched in November this year.

3. Although the methods of valuation will still remain the same, valuers will have to consider the income and cost implications of green buildings, which will likely result in higher property values depending on the nature and extent of green building features. This is in line with findings from last year's joint study by BCA and the National University of Singapore (NUS) in collaboration with six real estate consultancy firms, which reflected an increase in asset values due to significant savings in operating expenses for retrofitted commercial properties.

4. "Green buildings have a tremendous impact on value, image and operational efficiency. There is a need to assess the enhancement in the value and benefit of green buildings. The proposed SISV Guideline on Valuation of Green Buildings provides the framework for determining their appropriate market values," said Professor Lim Lan Yuan, President of Valuation & General Practice, SISV.

5. Mr Tan Keng Chiam, Regional Director, Head of Valuation Advisory Services, Jones Lang LaSalle Property Consultants Pte Ltd added "The movement for companies to practice corporate social responsibility to protect our natural environment through incorporating green features in our built environment is

gathering momentum. The new valuation guideline assists to keep valuers up to date and ensures that they adopt a more consistent approach when recognising the full value of energy-efficient buildings. The challenge ahead is for real estate appraisers to capture the tangible and intangible benefits of green features and translate them into quantifiable economic benefits for building owners, which would compensate them for their efforts."

6. In addition to the valuation guideline on green buildings, the SISV will keep valuers apprised on the latest developments in green building valuation through the dissemination of circulars, as well as talks and workshops for its members. The BCA will also support training programmes for valuers, to equip them with the knowledge of green building features to help them accurately assess the potential value of green buildings.

7. "BCA will continue to work closely with all our partners and industry stakeholders to help them realise both the economic and the environmental benefits of green buildings, and future proof our buildings and assets", said Dr John Keung, CEO of BCA, in his opening address at the Breakfast Talk for CEOs which was attended by close to 250 industry leaders.

8. Mr Chris Fossick, Managing Director, Singapore and South East Asia, Jones Lang Lasalle and Mr. Richard Paine, Head of Integrated Solutions, Lend Lease also spoke about the demand for green buildings, the rise of green tenants and green offices at the event.

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<u>About BCA</u>
The Building and Construction Authority (BCA) of Singapore champions the development of an excellent built environment for Singapore. BCA's mission is to shape a safe, high quality, sustainable and friendly built environment, as these are four key elements where BCA has a significant influence. In doing so, it aims to differentiate Singapore's built environment from those of other cities and contribute to a better quality of life for everyone in Singapore. Hence, its vision is to have "the best built environment for Singapore, our distinctive global city". Together with its education arm, the BCA Academy of the Built Environment, BCA works closely with its industry partners to develop skills and expertise that help shape the best built environment for Singapore. For more information, visit www.bca.gov.sg.

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