NO TIME TO WASTE

How do builders create new and existing buildings in New Zealand to comply (with integrity) to green construction principles? The second *Progressive Building* roundtable posed this vexed question to industry experts.

COMPILED BY JOELLE THOMSON PHOTOGRAPHY ANDREW COFFEY

PB: Green building is relatively new in New Zealand. Where have you started to see change happening and where has the demand come from in your part of the building delivery chain?

Paul: At Jasmax we've been using the Australian Green Star tool for several years now, especially for larger corporate clients, central and local government and, more recently, developers who are seeing significant opportunities in the market at times of increased competition.

Geoff: It's been within the last year for Multiplex in New Zealand as the company began to focus on the Green Star with the BNZ project. A lot of demand is coming internally from our development and capital divisions but, externally, we are seeing interest right through the supply chain.

Phil: We have been introducing a number of sustainability initiatives through our property portfolios such as energy efficient light fittings and use of waterless urinals over the last two years. Our big introduction by end-user demand was Meridian Energy with the Site 7 Kumototo, which is 50 to 60 per cent complete in Wellington. This project has introduced us to the green building principles to a much higher level much quicker than we would have otherwise.

PB: As an investment company, does Dominion Funds see green building as a smart business decision?

Phil: Sustainability is a component of any business model, globally. It is totally inconceivable today to write a business model without sustainability and environmental considerations.

PB: How is the Green Star rating tool making a difference and how is that becoming part of construction contracts?

Paul: The tool is allowing clients to define how green they want a project to be and this can be written into briefs, development and leasing agreements. It has become a universal rating so that everyone in the industry understands it. The New Zealand Green Star is also close to the Australian one, so the familiarity makes it as simple as possible to use it and apply.

Geoff: It gives the industry a vehicle to assess and compare buildings which we previously haven't been able to do here in New Zealand. The issue of sustainability is already being introduced into lease agreements and they often have back-to-back obligations with construction contracts for new buildings.

PB: How important is it to have an internationally-aligned rating tool?

Geoff: Very important, especially between New Zealand and Australia, given our close business activity. Stakeholders need to have the confidence that the Green Star rating in either country meets similar criteria.

PB: From an investment point of view, is it important to have an internationally-aligned rating tool?

Phil: All of our property interests are in New Zealand but I think there definitely needs to be an internationally-rated tool.

Paul: In order to get buy-in from all sectors of the industry it's also important that it's impartial and not led by one profession.

PB: Is it important to have buildings certified by an independent party and why or why not?

Geoff: You need an independent organisation to give the industry confidence that there is a creditable and tangible means to rate and compare buildings.





APRIL MAY 2007 PROGRESSIVE BUILDING

"THERE WILL NEVER BE A FINAL VERSION OF GREEN STAR ANYWHERE IN THE WORLD. IT WILL CONTINUE TO EVOLVE BECAUSE SUSTAINABILITY IS A MOVING TARGET AND THE TOOLS REFLECT THAT."

– PAUL JURASOVICH, JASMAX.

Phil: I believe a lot of people see the Green Star rating as something that just pops out at the end. It's a benchmark level for the whole process; the supply chain from design, procurement and construction through to completion and occupation. It's a tool that considers the whole lifecycle of a building.

PB: So is having buildings independently certified going to stop green washing in the industry?

Phil: The property industry is well placed to look at certification and standards because it's an industry that's always had standards. I think that end-users are now very well informed too. Having the benchmark in the

type of buildings that will carry this rating will soon be well understood and become acceptable industry practice.

Jane: It's a voluntary tool so the industry has said 'we want a certifying process'. The links through to the New Zealand Building Code will become clear over the next year and the Code's standard will hopefully move as our bar keeps rising within the building and construction industries.

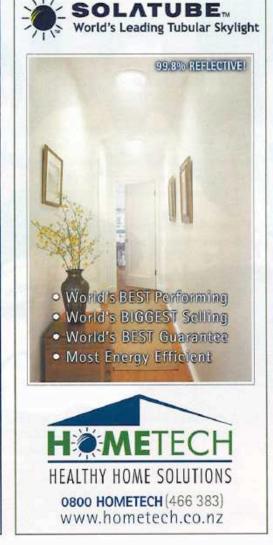
Paul: There's a big shift in the Building Code. Where the old New Zealand Building Act set minimum levels of building energy efficiency, the 2004 Act addresses wider issues of sustainability. Unfortunately, there is still

that misconception in the industry that the Building Code is best practice whereas, at the end of the day, it's only a minimum standard.

PB: Does the Government want the industry to regard the Building Code as a minimum standard or as best practice?

Paul: The industry needs to understand what the Code defines – a minimum level of performance only. But we are starting to see the development of standards and supporting guidelines that show the industry how to achieve levels of better and best practice. An example is NZS/PAS 4244:2003 Insulation of Lightweight Framed and Solid Timber Houses. The Green Star tool is a logical next step.





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Geoff: The Building Code needs to specify minimum standards but the contention is what the minimum standard should be. The difficulty in keeping the Building Code up to date has always been an issue and will continue to be the case, given that it is a fundamental document to our industry.

Paul: Unfortunately there's a big time lag between reviews in the Building Code and changes that are actually instigated in it.

PB: Do you think that clients are on the same page as those in the industry who are embracing the Green Star rating or do you have to push it?

Paul: The public is becoming better educated and more aware of the pressures operating on the environment. Al Gore's movie has had a huge, positive impact. People who previously knew nothing and had little interest are now talking and becoming enthused about sustainability, and this is reflected increasingly in our client base.

Phil: It's a platform of huge wealth effect to have sustainability principles. It's much bigger than just buildings.

Paul: Companies that perform sustainably are proven to perform better. A KPMG study of the world's 250 largest organisations showed that shares in companies that demonstrate the greatest respect for the environment are valued significantly higher than those of their competitors. Organisations are now recognising the relationship between being green and profitability.

Geoff: Education throughout the industry is increasing rapidly, especially with the like of the Green Star rating tool introduction. On a wider note, the likes of Al Gore's movie The Inconvenient Truth and Australian droughts are bringing environment issues into the household, which is vitally important from an environmental perspective.

Jane: There have always been people who will trailblaze it and now we've shifted it to

showing that it is a smart business thing; that it has value in productivity and health gains and more. It has shifted from being fringey to being mainstream.

Geoff: There have always been queries about payback periods and the tangible versus the intangible benefits in providing ESD into a building. Over the next few years, we are likely to see those payback periods becoming more and more attractive.

PB: What is the biggest cost of green building – changing people's mindsets or paying for materials and labour that comply with green principles?

Geoff: Materials first from a constructor's point of view. We are now seeing companies providing more environmentally sustainable products onto the market, which is an encouraging sign.

Paul: We've seen a big shift from suppliers in the industry in the last few years, following



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overseas trends. For many, sustainability has become the norm and is now slowly filtering down into end products.

PB: What are the gaps in education and segments of the delivery chain, in terms of understanding what a green building is?

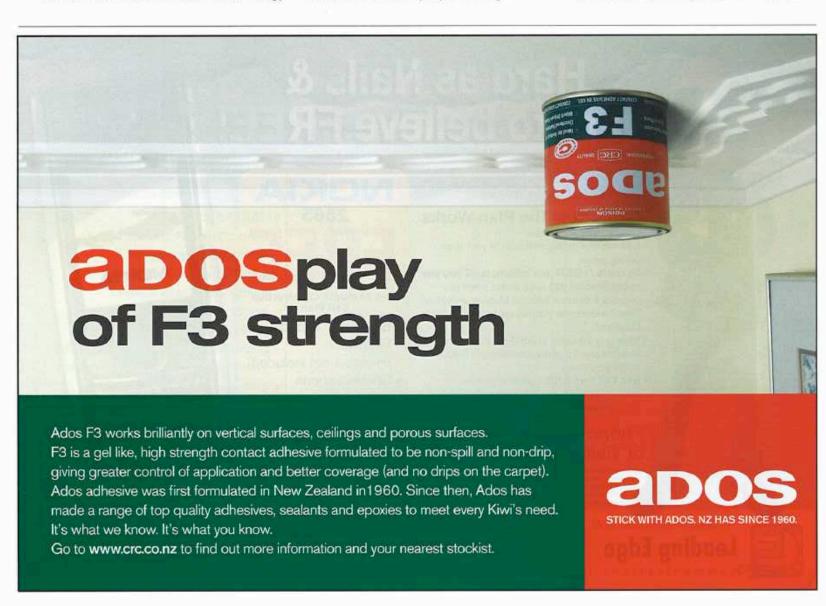
Geoff: New Zealand traditionally has been quick at picking up on new initiatives and ESD seems to follow this trend. What might take some countries five to 10 years to adopt we are likely to pick up in two to five years.

Paul: I think New Zealanders tend to underestimate their abilities. The reality is that we now have the skills, tools and technology to easily improve the environmental performance of all buildings in this country.

Jane: Demand is being created from the endusers; both investors and developers see it as a smart opportunity. I think that all of the points enabling that to be delivered are the engineers, architects, project managers and construction companies - all of whom are hungry for people with experience. I think there's high demand for people with actual experience on projects. I am seeing an influx of people coming from overseas to fill some of those gaps at the moment and I also see a strong demand for education here. There are definitely skilled people in all of those areas but there are a lot of people wanting to be more skilled. Experience is everything at the moment. The education of the enduser has to be one of the highest priorities, so that end-users are able to understand what a green building is and how to achieve the principles of one.

Phil: The end users need to understand that green buildings include an equation about performance demand beyond initial occupation, which will put an interesting twist to the whole economic equation and building lifecycle of green structures.

Jane: It's also about responsibility and who carries that responsibility. It starts to come into contracts and complexity about where



that responsibility lies. There are a lot of question marks around who should take responsibility for managing the entire process of construction, furnishing and then occupying – in a green and sustainable way – a green building in this country.

Phil: Green building throws up a different range of outcomes; quality of air, of water, of the health of building occupants and there are so many other features.

PB: What is the way ahead for green buildings in New Zealand?

Paul: We need to work together. The tool itself brings everyone together from day one and gives the potential for team effort through all stages of the project cycle. Getting the team on board early with a common goal invariably produces a better value and performing result.

Geoff: The easier piece of the puzzle has been completed now with the design tool

soon to be released. I think the big hurdle is understanding the performance validation process and how to measure building performance. That's the next big think tank for us all in this industry.

Phil: New buildings that are adopting this are at the top of the pyramid but there are only going to be so many new buildings in New Zealand. The big challenges are in developing the tool for existing building stock; how green features can retro-fitted to existing stock. That's going to have a much greater effect on a wider pool of people and for that to happen we need to be educating people.

Jane: What has to happen in the industry now is for people to look at their own business and see where the opportunity is for them. This is not a fad but a long term change in the industry.

Tell us your thoughts about green buildings in New Zealand. Email: pbeditor@agm.co.nz

WHAT ARE SUSTAINABLE BUILDINGS?

"Generally speaking, sustainable or green buildings are buildings that are sited, designed, built, renovated, operated, or reused in an ecological and resource-efficient manner that reduces the overall impact to the built and natural environment. They use key resources like energy, water, materials, and land more efficiently than buildings that are simply built to minimum code standard. Because they invariably create healthier internal environments, with more control, natural light and cleaner air, they also have been shown to positively contribute to improved occupant health, comfort, and productivity."

Paul Jurasovich, PhD (Arch) B Arch (Hons), JASMAX

