

# Midlands *newsletter*

## Do sustainable buildings perform better?

Over 60 people attended the lunchtime briefing at Nottingham Trent University considering the potential competitive advantages of sustainable buildings.

Property agent, Innes England, was a main sponsor of the event, which included speakers from Innes England, the IPF and Nottingham Trent University. During the event, **Paul Royston** from Nottingham Trent University's School of Architecture, Design and the Built Environment, looked at recent research as to the valuation and investment performance of sustainable buildings. This focused on the return to investors and whether there is evidence of a sustainability premium.



Louise Ellison; Darren Hobson (seminar Chairman); Paul Royston, Nottingham Trent University; and Craig Straw, King Sturge

**"Assessing the impact on rental and capital values of enhancing the sustainability characteristics of buildings is still in its infancy and hampered by data constraints. Nevertheless, ongoing research is tending to support the view that more sustainable buildings are able to find occupiers more quickly and achieve greater protection from the risk of future obsolescence and value depreciation."**

**"Property valuers are waiting for clear market evidence to emerge before they adjust valuations accordingly. The most interesting question is when, not if, this will happen."**

**Craig Straw**, Director at Innes England, provided a commercial viewpoint of the sustainability question and what this means for the Midlands property market.

He said: "Sustainability is a massive issue in the property industry today, which is why this event was so relevant and gave us the opportunity to speak to industry professionals about what sustainability actually means for their business and how it can be measured. The key focus of my talk was to look at the impact of the sustainability agenda from the perspectives of investors, developers and occupiers. Due to our experience of the Nottingham and wider East Midlands market, I was able to use real life examples to consider the market dynamics around sustainable design and what current and emerging trends there are."

The sustainability agenda is currently being driven by new building and environmental regulations which directly affect new build projects. However, new builds are only a small proportion of the existing stock of commercial property. **Louise Ellison**, Research Director at the IPF, examined the research in this area including the discussions that are being held with government on this issue.

In her view, **"Our industry will be increasingly affected by sustainability policy and legislation. We need to work with Government to ensure that regulation is manageable and avoids the pitfalls of unintended consequences. There are business opportunities too in working more closely with clients to ensure their sustainability needs are understood and are supported by the property they choose to occupy. This is an increasingly important part of the business agenda and is not going away."**