



# GREEN LEASE TOOLKIT





**24 RICHEFOND CIRCLE, UMLHANGA RIDGE:**  
4 Star Green Star SA - Office v1 Design & As Built

## GREEN BUILDINGS AND CERTIFICATION

Before exploring the range of Green Lease options, it is important to look at the green building certification framework developed by the Green Building Council of South Africa (GBCSA). The GBCSA was founded in 2007 and adopted the Australian Green Star certification system for South Africa. There are a wide range of certification systems on the global stage, with LEED (USA) and BREEAM (UK) widely regarded alongside Green Star. Green Star SA has been amended to reflect local standards and conditions by a series of technical working groups (TWGs). Green Star SA rating tools have been developed for the following building types:

Which building typologies are catered for under the current suite of Green Star SA tools?

- ▶ **Offices**
- ▶ **Retail centres**
- ▶ **Multi-unit residential developments**
- ▶ **Public & education buildings**

The GBCSA is scoping the development of tools for existing buildings, commercial interiors and communities (at a precinct scale).

The GBCSA is also developing a rating tool for existing building performance via an Energy & Water Benchmarking tool. Similar in function to the Energy Star tool in the USA and the NABERS tool in Australia, this tool will allow property owners to establish how the annual performance of their building compares to the industry norm for a similar building in the same location.

*“To achieve this, landlords and tenants must invest in, and operate buildings along sustainable principles.”*



## PROGRESSING GREEN BUILDING DEVELOPMENT

Despite the successes achieved by green building certification, there are still some fundamental barriers to the broad roll-out of green buildings across the industry, including:

- ▶ Differing benefits to landlords and tenants
- ▶ Addressing existing building stock
- ▶ The mechanics of lease agreements

Ultimately, functional green buildings must achieve operational performance that improves both indoor environmental quality and reduces the negative impact on the environment. To achieve this, landlords and tenants must invest in, and operate buildings along sustainable principles.

The biggest hurdle to green development is the gap between long-term operational savings and the up-front cost of “greening” a building. Typically, landlords are responsible for the investment in the building’s “potential”, while the tenants are responsible for the operating costs – creating the following challenges:

- ▶ **The landlord’s return on investment for efficient equipment can only materialise with increased rental and lower initial yields, rather than realised savings during the lifecycle of the equipment**
- ▶ **The tenant gains from an improved indoor environmental quality and potential utility cost savings; while the landlord isn’t able to share these direct benefits**

