

WHY CHOOSE A HIGH-PERFORMING BUILDING FOR YOUR NEXT TENANCY?

Staff costs, including salaries and benefits, account for up to 85 to 90 per cent of a company's total expenditure¹. Which, when added to energy consumption and rental outgoings, has a huge impact on a company's cost base. When it comes to staff attraction and retention, research indicates tenants are placing thermal comfort and indoor air quality second only to public transport proximity in their top workspace priorities.²

An overwhelming body of evidence published over the past decade draws a clear link between best practice indoor environment and the savings that can be gained from healthy, happy and productive staff. The following estimates demonstrate the clear benefits of high-performing buildings for tenants and build a business case for choosing a best practice office.

A 5,000sqm office in a 4.5 Star NABERS energy-rated base building, with a 5 Star Green Star rating and best practice lighting power density, could save a typical financial/professional services company with 333 staff:

50% electricity savings (from lighting)	\$18,200 / year
41% reduced absenteeism (681 less sick days)	\$262,014 / year
50% greater employee retention (equivalent to 17 staff)	\$824,792 / year
11% increased productivity	\$3,654,744 / year
Total Possible Savings	\$4,759,750 / year*

With the above possible savings, a company could afford to spend \$250/sqm more on an average B Grade office building and still save over \$3.5 million per year. Read on to see how these numbers have been calculated.

1) City of Melbourne report Zero Net Emissions by 2020: A Roadmap to a Carbon Neutral City
2) Colliers International Research, Australia/New Zealand. (2012). Colliers international office tenant survey. Retrieved from website: http://www.colliersvideo.com.au/eMag/Office_Tenant_Survey_2012/



When translating this high-performing building scenario to a 1,000sqm office, it's estimated up to \$950,000 could be saved per year.*

*These figures are based on projected outcomes, applying existing averages for samples. Differences in the future may change and your specific circumstances may differ, affecting the outcome.

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SOURCE DATA

General Assumptions

- 1) www.mycareer.com.au. (2013, Feb 06). Banking & financial services salary centre.
- 2) NSW Department of Premier and Cabinet, Office of Environment and Heritage, (2011). NABERS energy guide to building energy estimation.

Electricity (Lighting)

- 3) Commercial Building Disclosure, (2010). Guide to commercial building disclosure tenancy lighting assessments.
- 4) Commercial Building Disclosure, (2013). Building energy efficiency certificate register.
- 5) NSW Department of Premier and Cabinet, Office of Environment and Heritage. (2012). Energy Saver energy efficient lighting technology report.

Absenteeism

- 6) Murphy, J., Smith, F., & Roberts, P. (2012, Feb 07). Absenteeism reflects sick organisation. Australian Financial Review.
- 7) Sustainability Victoria, the Kador Group, (2008). Employee productivity in a sustainable building: Pre- and post-occupancy studies in 500 Collins Street.
- 8) Kats, G. Capital E, (2006). Greening America's Schools: Costs and Benefits.

Retention/Satisfaction

- 9) Reeder, M. (2011, Jan 14). Want to keep your employees? Try better benefits. Reuters.
- 10) Macaulay, D. (2011, May 25). A world of firsts. *ecostructure*, 9(3), 36.

Productivity

- 11) Brookfield Multiplex, (2011). Corporate Profile.
- 12) Lockwood, C. (2006, Jun). Building the Green Way. *Harvard Business Review*.
- 13) Sustainability Victoria, the Kador Group, (2008). Employee productivity in a sustainable building: Pre- and post-occupancy studies in 500 Collins Street.
- 14) Green Building Council of Australia. (2012, Mar 29). Trevor Pearcey House.
- 15) Umow Lai. (n.d.). Melbourne office tenancy case study.
- 16) The GPT Group. (2012, Jul 26). 6 Star Green Star fit out and a zero carbon office for GPT in central Sydney's MLC centre. Announcements & media releases.
- 17) Fisk, W. J. (2000, Oct). Health and productivity gains from better indoor environments and their implications for the US Department of Energy. Presented at E-vision 2000 Conference, Washington DC.

SO WHAT DEFINES A HIGH-PERFORMING BUILDING?

- 4.5 Star NABERS Energy rating
- 5 Star Green Star rating
- 7 w/sqm lighting power density
- Good indoor environment
- Proximity to transport and amenities



WHERE DO THESE NUMBERS COME FROM?

The potential savings identified are drawn from over a dozen Australian and international case studies claiming measured or perceived benefits from high-performing buildings and offices, as referenced above. The calculations have been generated by averaging the savings percentages and applying them to a fictional financial services company looking to occupy 5,000 square metres of office space in the Sydney CBD.

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