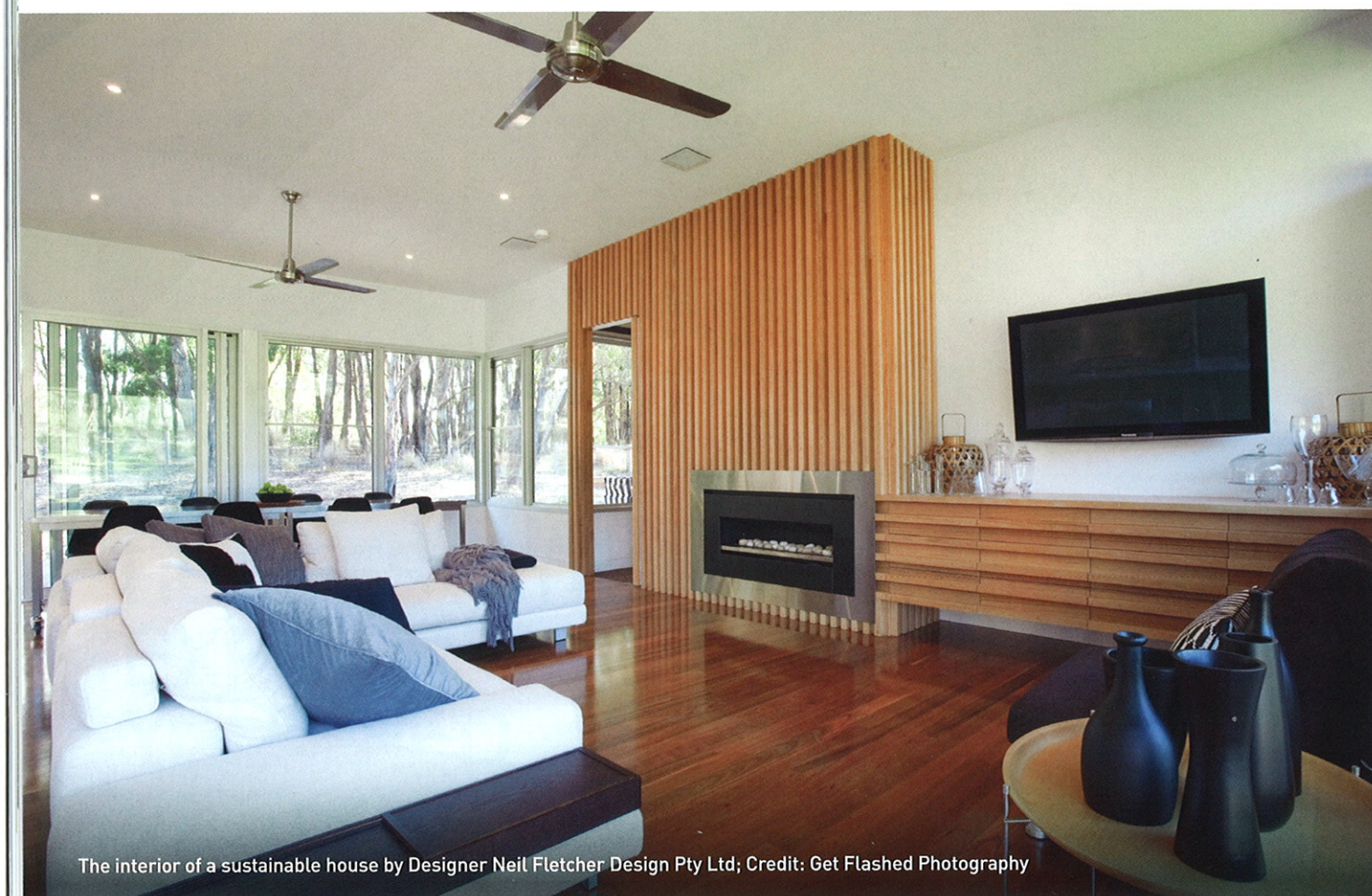


MAKING HOMES 'GREENER' – WHY AND HOW TO DO IT



The interior of a sustainable house by Designer Neil Fletcher Design Pty Ltd; Credit: Get Flashed Photography

BY LOOKING AT A REAL WORLD EXAMPLE, THE BUILDING DESIGNERS ASSOCIATION OF VICTORIA (BDV) HAVE PROVIDED INFORMATION FOR AGENTS THAT MAY ASSIST LANDLORDS TO MAKE THEIR PROPERTIES MORE ENERGY EFFICIENT AND HELP TENANTS TO BE MORE COMFORTABLE FOR LESS.

First, let's better understand what a 'green' home is. In short, it's a home that is energy and water efficient, built using sustainable materials, that provides for accessibility, and has finishes and interiors that are non-toxic and good for human health. There currently aren't that many of these homes available, particularly in the rental market, but properties can be upgraded and made more efficient with the right changes. There is much that property managers can do to add value for their landlords and tenants, while creating a point of difference for themselves.

"THE RUNNING COST FOR THE AVERAGE FAMILY USING AN ELECTRIC UNIT IS AROUND \$1,300 PA TO RUN..."

You will have noticed from the article 'Making Rental Homes Greener' that 57% of renters now take energy efficiency into account when choosing a rental, and 90% would have made changes (if it was their home) to use less electricity and gas. Combine that research with the following independent findings, and it's clear that consumer demand is changing.

- Consumers are increasingly basing purchasing decisions not just on value, but on their values. (*Berrett-Koehler Feb 2011 – The new rules of green marketing*).
- In Europe: 7.5% increase in market value on 'green' properties, rental yields are 3% higher and there is a 3.5% increase in occupancy rates (*Credit Suisse Property Fund Manager Rayner Scheway, 2011*).
- In the USA: green residential properties are obtaining a 10% higher market price and selling 25% faster. (*Cisco DeVries, US Govt. 2011*).
- 74% of Australians chose to buy sustainable products in the last three months (*Rainforest Alliance, 2011*).
- In many countries highly efficient 'green' homes are renting (and selling) up to 10% faster...and are valued on average 10-15% higher than a comparable 'traditional' home. (*Smart Money study, 2008, Australia*)

The driver for efficient homes has become the significant energy cost increases being experienced all around Australia, which seem set to continue into the foreseeable future. This is putting additional stress on household finances and, as a result, the energy efficiency of a home is becoming a consideration when purchasing or renting. But what makes a home efficient? There's more to it than a bit of low energy lighting.

This is where the services of an Accredited Home Sustainability Assessor (AHSA) can help. AHSAs know what to look for, what is practical to do in a particular situation, and can identify ways to make a home more energy efficient, and therefore desirable to potential tenants. For example, there are often requests from tenants to install air conditioning which the landlord usually does not want the expense of doing. In many cases, a fan and some appropriate

shading would probably suffice. Cheaper for the landlord, cheaper for the tenant to run, and better for the environment. This is the sort of assistance an AHSA can provide.

Property managers could provide a better service to landlords and their tenants by understanding the energy saving features of a property, what some of the options are, and being better informed of the current rebates, grants and free products that are available in their local area.

An example of this is hot water. The running cost for the average family using an electric unit is around \$1,300 pa to run, whereas a gas boosted solar unit would cost around \$300 pa (at today's pricing). In Victoria, those properties with old electric hot water systems are eligible for rebates to change over to either a solar or gas instantaneous system. As up to 25% of an energy bill can be hot water, it's worth encouraging the landlord to opt for one of the more efficient options rather than just replacing like for like. The cost of installing a solar unit would be a higher capital outlay, but the rebates can offset up to \$1,500 of the cost, and it makes the property more rentable and saleable later.

If property managers made their landlords aware of these options, they would be adding value to the relationship, and the property. As an aside, if the landlord has an ABN, they can also write off up to \$6,500 per item this financial year for energy efficiency improvements. There is probably no better time to encourage landlords to 'green up' and get a bit of future 'proofing' into their property assets. By using an Accredited Home Sustainability Assessor to identify what is appropriate for a particular property and what financial assistance might be available, an agent can assist their landlords and tenants in being more comfortable, for less. And that adds value to the service.

In short, the demand is there, and consumers are now looking for energy efficient homes to live in. Agents who can educate their landlords by encouraging appropriate, efficient features for their properties, and promote that to prospective tenants, give themselves some credibility and, at the moment, an edge on their competitors. Agents would benefit from

knowing what's available and how to benefit from using the skills of AHSAs. The BDV has a list of Accredited Home Sustainability Assessors in Victoria at their website, at www.bdav.org.au, while Sustainability Victoria has a list of current rebates available on their website at www.sustainability.vic.gov.au. Both are excellent resources that offer great value to the property industry, should it choose to use them.



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The Building Designers Association of Victoria is an assessor accrediting organisation for Home Sustainability Assessors and Thermal Performance Assessors. Danielle King serves on the BDV's Energy and Sustainability Hub Advisory Board, and chairs the BDV's Sustainability Advisory Committee. She runs Green Moves Australia, a company committed to working with others to make a difference by making properties more environmentally friendly.

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