

Green is in despite preference for cheap homes

By Joseph Wong
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While demand for residential property is shifting towards affordable homes, sustainable and green homes remain a factor that attracts buyers and investors despite the extra premium they carry.

Commercial buildings and offices are now leaning towards green initiatives for the cost-savings and tax benefits, but residential units are fast catching up in terms of gross floor areas. That there is a big shift towards sustainable and green homes is undeniable.

On March 4, Green Building Index Sdn Bhd announced it had passed its 150 million sq ft milestone, making it the first and largest gross floor area certified by a single green certification organisation.

The figure includes non-residential property like commercial, industrial and office premises. But the figures speak for themselves.

Residential new construction (RNC) as of Feb 15 stands at 78.61 million sq ft, which is more than half the current 153.82 million sq ft, says co-chairman of the GBI panel Chen Thiam Leong.

“The cost of going green is lower than what the general public perceives,” he says, explaining that if developers were to plan ahead for their projects, the cost difference could be as low as a 1% increase compared to converting an existing project into a green one at an estimated 6% increase.