

Healthy building as important as sustainability rating

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Pictured Above: Greg Preston | National Director of Preston Rowe Paterson Australasia

A HEALTHY building rating system that certifies buildings on their ability to maintain clean and safe spaces, similar to the current Green Star and NABERS environmental ratings, could help commercial property attract and retain tenants in the post-COVID environment.

While some certification systems address air quality, Greg Preston, managing director of property valuation firm, Preston Rowe Paterson, said a rating system devoted to health and ability to maintain clean and safe spaces has merit.

Speaking at a recent property event held by Property Funds Association, Preston said the technology available for providing a clean and healthy working environment is evolving rapidly, and “it’s probably just a matter of time before a healthy building rating is introduced”.

“Proptech innovations including building monitoring systems, smarter air filtration, and ultraviolet light which can disinfect are becoming more common.”

Medical tech start-up Plasma Shield recently secured \$550,000 in South Australian government funding for trials of its air purification technology, which is initially being targeted for healthcare buildings but could be rolled out in office spaces in the future.

“While there would be costs involved in implementation there were benefits on valuations, for both owners and tenants, and for investors,” Preston said.

According to the Green Building Council of Australia, green buildings attract a 4.3% value premium and a 13.4% increase in net income.

“Building owners would be more confident in getting tenants and in achieving higher rental returns while giving away fewer incentives,” Preston said of a “healthy” building rating system.

“Owners would potentially enjoy stronger capitalisation rates and cash flows, attracting more investment.

“Tenants would be more confident in staff retention and getting their staff to return to the office.

“For valuations, anything which could reduce the potential for rental impairment is a good thing.”

Property Funds Association chief executive officer, Paul Healy, said such innovations had the potential to benefit investors.

“New technologies which can make our commercial property assets safer will encourage and attract investors into property funds.”