

Northern delight: green not grim

JULIA KAY

Its Dales may be green, but is the rest of Yorkshire ready to go green and deliver on the government's low-carbon building agenda?

A room full of property investors, developers and advisers, who attended a green property conference hosted by the Green Gateways Business Club and Leeds Metropolitan University last month, certainly think it is.

Lambert Smith Hampton's head of Yorkshire, Guy Gilfillan, told the audience that one city in Yorkshire is "well-equipped" to capitalise on the future desire for green property.

That city is Leeds, which Gilfillan says has more buildings with BREEAM excellent or good ratings than its larger rival Manchester across the Pennines in Lancashire. These include Leeds Metropolitan's Rose Bowl, the Icon Business Centre at Thorpe Park, the Northern Ballet Theatre and Fearn's Wharf.

Developer BAM Properties, which has a number of schemes in Leeds, claims the BREEAM excellent rating it achieved on its 96,000 sq ft Lateral office building on Sweet Street enabled it to secure a prelet to the first secretary of state and the Highways Agency.

Development manager Neil Mort says ethically driven occupiers will only seek headquarters buildings that offer both economic and brand value by reducing carbon emissions.

As such, the company is committed to "greening" its buildings. Some 75% of its portfolio is BREEAM excellent rated, and between 2008 and 2009 the firm reduced its CO₂ emissions by 11% – enough carbon, says Mort, to fill Wembley Stadium.

Land Securities, the UK's largest listed property company, is also committed to its green profile in Leeds. The REIT, which last July started work on its 750,000 sq ft Trinity Leeds shopping centre, is keen for the £350m scheme to achieve a BREEAM excellent rating, and is working closely with incoming tenants to drive high environmental standards.

ANALYSIS

Developers claim green credentials are helping them to fill their properties

IPD says sustainable property has been underperforming but there are signs of change

LandSec environmental director Dave Farebrother says this helps with cost efficiencies as well as demonstrating corporate social responsibility.

Farebrother's current focus for Trinity Leeds is anaerobic digestion – generating energy from waste. He says that almost 100% of waste from shopping centres is produced by retailers but it is usually managed by the landlord. At Trinity Leeds, Farebrother is keen to make sure the centre achieves "zero waste to landfill" – a goal the REIT has already achieved at six other centres, including the 685,000 sq ft White Rose in Leeds.

One of the major green successes so far in Leeds is Citu's Greenhouse mixed-use develop-

ment in Beeston. The scheme, which provides 172 homes and 15,000 sq ft of office space, was completed early last year and is already more than 75% sold, despite the virtual halt in the housing market in the region. Citu's Fraser Stride attributes this success to the project's green credentials.

The £27m Greenhouse scheme is one of the country's most environmentally sound developments, saving 169 tonnes of carbon and 3.8m litres of water a year, making it around 60% more efficient than the average new-build. Tenants are also able to view utility bills on their televisions, enabling them to see energy use translated into carbon emissions.

Stride says the scheme's office space is also filling quickly.

"Businesses want to align their messages with a distinctive eco brand, and the scheme is attracting tech companies that value the 100Mb internet capacity," he says.

However, while developers in the region seem to have cottoned on to the fact that "where there's no muck, there's brass", figures from LSH reveal that the current demand for sustainable buildings in Yorkshire is zero.

The findings are not totally surprising given that a new Sustainability Property Index from IPD shows that environmentally friendly buildings have underperformed their less "green" counterparts by 4% since the first quarter of 2008.

The index, launched in November, found that, in the 11 quarters to Q3 2010, less sustainable properties delivered a cumulative total return of -10.8%, compared with -14.9% for more sustainable properties. And, in the three-year period of the study, capital depreciation among more sustainable properties was -28%, compared with -25.2% for less green schemes.

However, IPD says there are signs of a change of fortune for the sustainable property sector, with a capital growth in Q3 2010 of 1.2% for sustainable buildings, compared with 0.9% for "regular" assets.



1 Greenhouse is one of the UK's most environmentally sound developments 2 Rose Bowl achieved BREEAM excellent rating 3 The Highways Agency took a prelet on Lateral office building