

New Focus on 'Green Building'

The electricity supply crisis is giving developers an incentive to adopt "green building" principles in their new property developments.

The newly established Green Building Council of SA says it believes that the electricity supply crisis is probably the "biggest promotion for green building that we can get".

The City of Johannesburg also announced this week that it was introducing new requirements to ensure greater energy efficiency in new developments.

Philip Harrison, executive director: development planning and urban management, said new developments would need to include alternative energy sources or energy-saving devices. Building plans would be evaluated in terms of these measures.

Europe has in the past embraced "green building" concepts far more readily than SA because of high base energy costs.

Historically, SA's power has been cheap. However, the electricity supply crisis and power utility Eskom's move to create adequate electrical infrastructure is set to make electricity costs soar during the next five years.

Now, more than ever, the relatively expensive "green building" concept is going to look a lot more attractive to developers and landlords because of escalating electricity costs.

David Lewis, MD of listed property loan stock company Diversified Property Fund, said that in Europe alternative energy technologies such as solar heating and wind generation had been more cost-effective because of the high power costs.

“SA has always had very low energy costs and electricity costs have never really been an issue.

“This is borne out by the example of aluminium smelters, which are huge consumers of electricity, choosing Mozambique and SA for operations because of their low energy costs,” said Lewis.

He said Eskom had warned that SA’s electricity costs were going to increase up to 20% a year for the next five years and that the country’s property developers were going to find themselves with no choice but to start seeking out alternative, more environmentally friendly forms of energy.

Another incentive is that electricity load-shedding makes 100% reliance on the power supply an unattractive and risky prospect. “It’s going to start making alternative technologies a lot more appealing to property developers, landlords and the public in general,” Lewis said.

“More and more users are going to look at solar water heating, which is expensive up front. But rising energy costs are going to make payback shorter.”

Lewis said another focus area would be a way of reducing the energy consumed by air conditioners through alternative energy sources.

Air conditioning can constitute up to 60% of a typical electricity bill, particularly in the retail property environment.

Norbert Sasse, CEO of listed property loan stock company Growthpoint Properties, said that as a “natural consequence of the electricity crisis, and with a multifaceted approach to being more energy efficient, it links in beautifully with the whole drive towards a green building initiative”.

“As you are now having to understand the electricity issues of a particular building, you are going to bring into your thinking the possible redesign of it — the use of solar energy and the use of natural light,” Sasse said.

Bruce Kerswill, executive chairman of the Green Building Council of SA — which was established in September last year to promote green building programmes, technologies, design practices and operations and innovation in sustainable building practices — said the electricity crisis was “forcing everybody who up to now hasn’t been looking at energy efficiency to seriously reconsider”.

“Of course people are also starting to explore the idea of alternative energy sources, which because of the low electricity prices haven’t been economically viable,” Kerswill said.

“Everybody understands that electricity prices can’t stay where they are and there is this whole supply issue,” he said.

He said the “exciting thing” about a new building was that a developer could achieve much in terms of saving energy just by careful design, at no extra cost.

“Using natural light, just the way you design windows, facades, shading and screening, can reduce the heat load of a building.”

Kerswill said there was “potentially” an opportunity to reposition the country as a “progressive force” in the green building field and stimulate a whole new sector of the economy.

“It’s going to need deregulation of the electricity sector, as well as some tax incentives. You could stimulate a big industry out of this such as manufacturing of solar water heating, solar panels, energy-efficient lighting, energy-efficient air conditioning components. It’s potentially a very big sector and there is now internal demand for these services, given the power cuts,” he said.

Marna van der Walt, president of commercial property association Sapoa, said many businesses were realising that back-up generators were simply not a sustainable solution in the long term.

“Apart from the capital outlay, they cost double the Eskom rate to run,” Van der Walt said.

“We need to find viable, alternative sources of renewable energy, as is being done in Europe and North America — such as solar or wind energy.”