



Sustainability + Industrial Buildings

August 2007

Overview

- + Poor Cousins
- + Two Fronts
- + The Challenges
- + What's Next



The Poor Cousin – Sustainability to Date

When it comes to sustainability:



Commercial – Sophisticated,
Mature Market

- + ABGR
- + Green Star
- + Tenant Expectations
- + Tenant Requirements
- + Media Focus
- + Research (Cost & Productivity)



Industrial – Unsophisticated,
Immature Market

- + Part J – BCA (not overly onerous)
- + Approval conditions (Ad hoc, localised)

The Poor Cousin – The Landscape is Changing

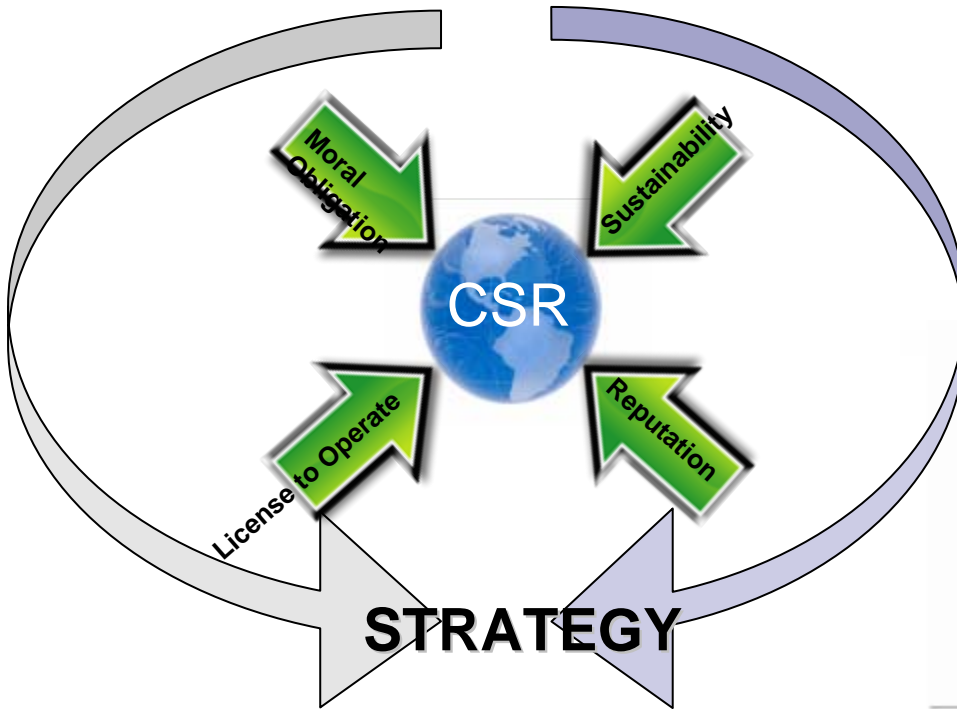
It is clear to Goodman Group that landscape of sustainability in the industrial sector is changing:

1. Tenant expectations – increased enquiry
2. Statutory requirements
3. Green Star Industrial Tool



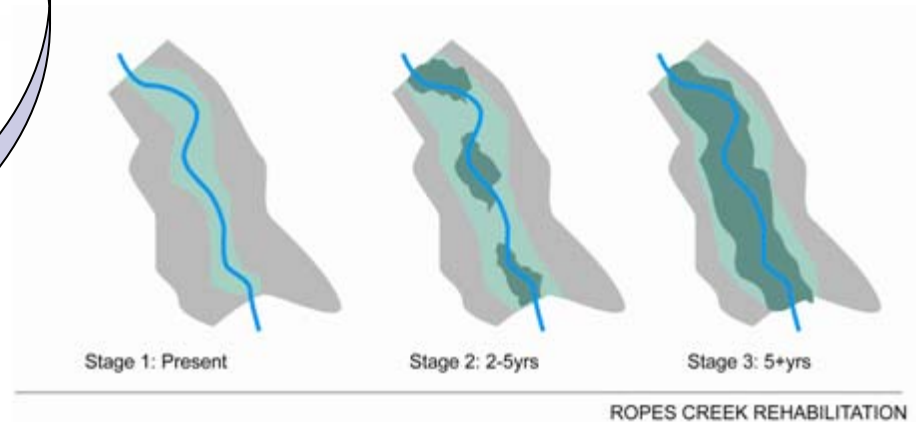
The Poor Cousin – Goodman's Response

Corporations have tended to respond to the demand for CSR as a result of 4 key arguments:



A strategic response to CSR is a source of:

- + Opportunity;
- + Innovation; and
- + Competitive advantage



Two Fronts – The Infrastructure & The Building

- + Commercial developments tend to be holistic and integrated by nature
- + New industrial developments tend to have two very distinct components:
 1. Estate/Infrastructure works
 2. Building works
- + The sustainability opportunities are very different
 - + Macro; and
 - + Micro



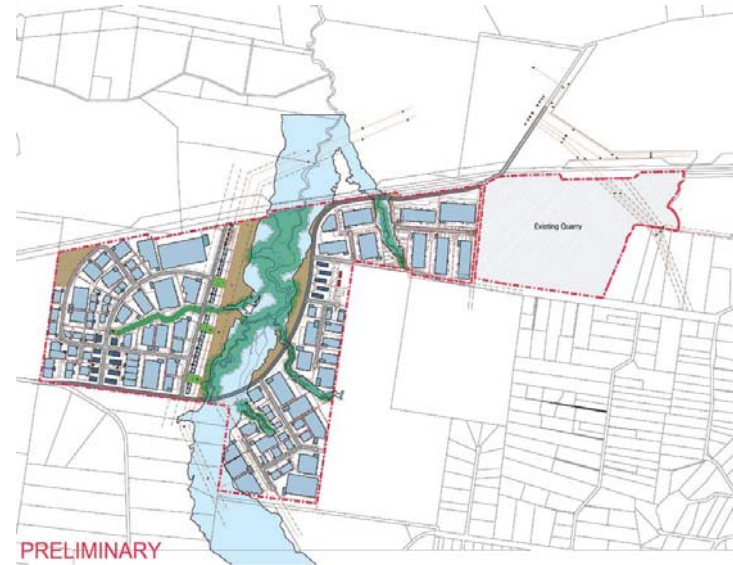
Two Fronts - Infrastructure

- + Large scale opportunities:
 1. Water; and
 2. Energy
- + Water – massive opportunities for one of the driest countries on earth:
 1. Large site areas;
 2. Massive roof space; and
 3. Lagging infrastructure
- + Energy – Same concepts apply

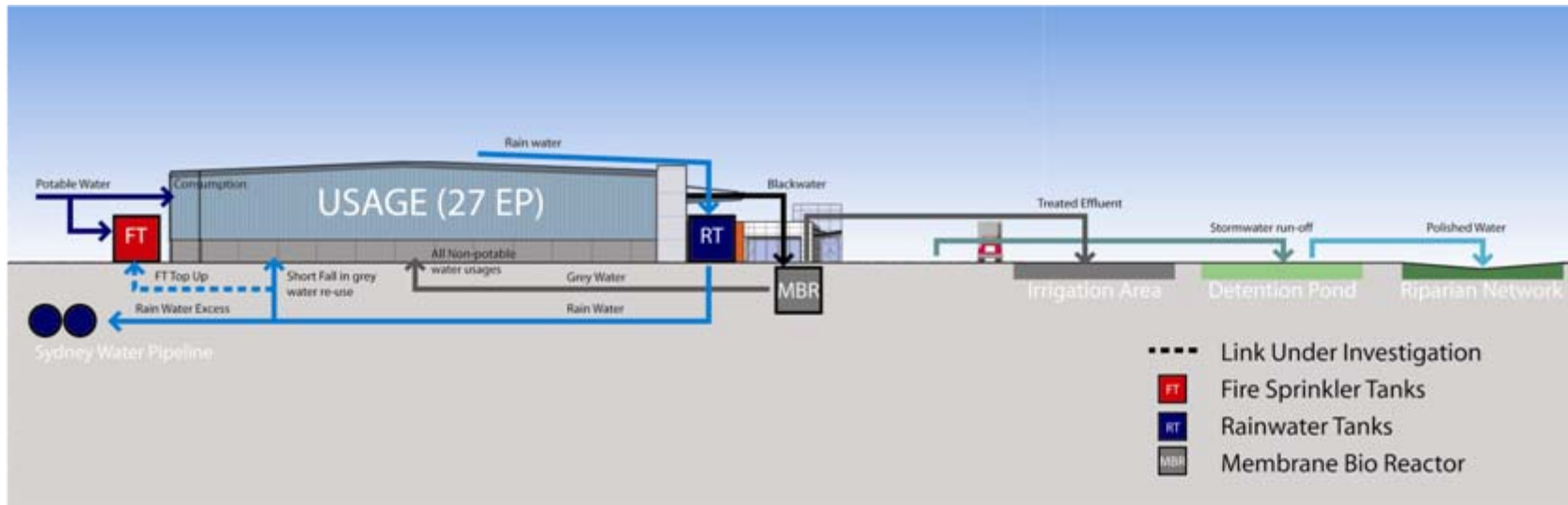


Infrastructure – Water – Western Sydney

- + Project in Western Sydney – circa 420ha
- + Employing two key water infrastructure technologies:
 1. Rainwater harvesting;
 - + 6160MLpa (1% Sydney Supply);
 - + 70% reduction in potable water use
 2. Water recycling (grey & black water)
 - + Irrigation;
 - + Non-potable uses
 - + No connection to sewer
- + 10% environmental conservation area



Infrastructure – Water – Western Sydney



Infrastructure – Energy

- + 3 opportunities that keep being reviewed for energy:
 1. Co-generation
 2. Solar
 3. Wind
- + 3 barriers to entry:
 1. Supply;
 2. Cost; and
 3. Location

Two Fronts – The Building

- + Compared to the traditional ‘big wins’ in commercial opportunities for industrial buildings are more limited
- + Logistics/Distribution are by their nature passive shells
- + Do not believe the focus on energy and water that is prevalent in commercial will pay the same environmental dividends:
 - + Office – mechanical;
 - + Warehouse/office – zoned lighting;
 - + Solar/PV lighting systems;
 - + Waterless urinals;
 - + Recycled flush systems; and
 - + Recycled drinking water??????

Two Fronts – The Building

+ Where do the big opportunities lie?

1. Materials; and
2. Design

+ Materials:

1. Structure (pre-stressed steel);
2. Cladding (ETFE); and
3. Slabs

+ Design:

- + Multi Story?



The Challenges

- + Two key challenges face the evolution of ESD and the industrial property sector
 1. Authorities:
 - + Lag technology;
 - + Tenant/landlord expectations
 2. Tenant Expectations:
 - + Managing additional costs; and
 - + Gross vs. Net Costs

What's Next?

- + Education of industrial property stakeholders:
 - + Tenants;
 - + Builders;
 - + Agents/Tenant Reps; and
 - + Consultants? (Dare I say it)
- + Development of the Green Star Industrial Tool



thank you+

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