

Media Release

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12 KEY OPPORTUNITIES FOR COMMERCIAL PROPERTY IN NETZERO ECONOMY

The Real Estate Institute of Australia (REIA) yesterday (30 October 2023) launched its first ever REIA Commercial Real Estate Sustainability Report 2023, as Australia embarks on its transition to a NetZero economy by 2050.

REIA President, Mr Hayden Groves said sustainability has emerged as a central pillar of the Australian commercial property sector, fundamentally altering the way businesses design, construct, operate and invest in real estate, and shaping the preferences of tenants and investors.

“This transformation is not merely a response to changing consumer preferences or regulatory pressures, rather, it reflects a broader recognition of the industry’s profound impact on the environment, society and the global economy.

“REIA’s Commercial Real Estate Sustainability Report 2023 explores ways in which the commercial property industry is changing, and will continue to change, as our economy and Australia’s consumer base gears up to decarbonise.

“Central to this, will be the adoption practice of owners in the mid to long term to adapting their spaces to consumer demand; but also, what Australia’s emissions targets will dictate.

“Getting the right information and making sure there is the right expertise on hand for our industry will be absolutely critical to achieving success through this transition.

“The Report takes a particular focus on the main implementation challenges our commercial sector – including our tenants and property owners – will face and identifies 12 critical adoption strategies practitioners should be looking at using to assist their clients.

Mr Groves said that an understanding of the Australian Government’s Scope 3 emissions targets and how this will change the operation of commercial properties is a very good place to start the discussion on sustainability.

“Scope 3 emissions targets refer to goals and objectives set by organisations to reduce or mitigate their indirect greenhouse gas emissions. These emissions are generated because of an organisation’s activities but occur from sources not owned or controlled by the organisation.

“With many organisations of all size persuasions – small, medium, and large – focusing on Scope 3 emissions to reduce their overall negative impact on climate change, the commercial property that organisations occupy has swiftly become a key focus for tenants.”

Mr Groves said this will be a key driver for selection of office space moving forward.



“While there are a multitude of reasons that tenants prefer prime grade office space over secondary grades, one of the major drawcards of better-quality space is the ability of tenants to reduce their emissions through their office space occupancy.

“As environmental awareness, sustainability practices and the regulatory environment demands it, it is anticipated these considerations will continue to gain traction.

“Addressing embodied carbon will likely become a more integral part of the real estate and construction industries,” he said.

The 12 key opportunities to assist investors to improve commercial assets as we transition to NetZero are:

1. Energy Efficiency Improvements
2. Renewable Energy Integration
3. Building Automation and Controls
4. Energy-Efficient Appliances and Equipment
5. Water Conservation
6. Green Building Certifications
7. Waste Management and Recycling
8. Indoor Air Quality Improvement
9. Tenant Engagement and Education
10. Green Roof and Landscaping
11. Carbon Offsetting and Mitigation
12. Regular Monitoring and Reporting

The REIA Commercial Real Estate Sustainability Report was powered by Re-Leased and is a component of REIA’s [Project CRE](#).

The Report was launched at REIV’s Shaping the Future of Sustainable Real Estate lunch in Melbourne.

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Established in 1924, REIA is a federated body of State & Territory Real Estate Institutes representing 85% of Australian real estate agencies. We are a national advocate for the Australian real estate industry which is made up of 46,793 Australian businesses that employs 133,360 Australians.

For more information visit www.reia.com.au