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Is there a cost premium for green buildings in Qatar?

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ABSTRACT

This paper aims to open a discussion about the cost premium for green buildings in Qatar. It looks back at what Qatar has achieved over the last decade to explore the issue of green building cost premiums: why do they exist, what can we do about them, and why should we accept them? In this paper, the term 'green buildings' is used to specifically refer to buildings pursuing certification under the USGBC's 'LEED' or the GORD's 'GSAS' rating system, which are the most commonly used certification types in Qatar. However, lower oil prices have led to tighter spending and a greater focus on value engineering and cost savings. The environmental benefits of green buildings have been well documented; however, this paper aims to shift the discussion towards the economic aspects of green buildings. This paper analyses the costs and benefits of the main GB rating systems used in Qatar, such as GSAS and LEED. By identifying the costs of building green, this paper aims to inform developers how to minimise the cost premium while getting more benefits. It also identifies some of the underlying causes of key problems that can occur in GB projects, where GB cost premiums can increase beyond what is typical for the certification level achieved. These problems can often lead to symptoms beyond cost over-runs and can manifest themselves as time delays, quality and other issues. Some of the key strategies are also identified to reduce GB costs and increase the economic benefits from achieving GB certification. The paper concludes with some recommendations for how GB rating systems can be adopted by authorities on a wider scale to effect a greater scale of change. It looks at some key issues with the GSAS rating schemes that have an impact on GB costs, and argues for a common energy simulation approach across all regional GB rating systems in the GCC. It discusses how the integrity of a GB rating system is imperative to building confidence in the value of each certification level, which should result in 'Green Premiums' being reflected in the property market. The paper concludes with the argument that with the support from Qatar Green Building Council and GORD, Qatar's planning authorities need to take the lead in pushing Qatar to develop more sustainable buildings.

Keywords: Green buildings (GB), green building rating systems, sustainability, costs, design, construction

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