

MEDIA RELEASE

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Greener homes threatened by global financial crisis

The drive to make our homes green has taken a battering as a result of the current global financial meltdown, a leading academic and author has warned.

Deakin University Professor Richard Reed said the high profile economic market meltdown is also threatening the push for more sustainability, particularly in property, with everybody turning their attention to the bottom line.

“It is clear that sustainability has already been removed from the front page of the newspapers and replaced with the economic downturn...this has widespread implications for society’s perception about the importance of sustainability when compared to financial returns.

“And yet sustainability remains important, with things like dam levels still dropping,” he said.

Professor Reed said from the perspective of the average homeowner, this turn in economic events means it will be less likely money will be spent on making their homes greener.

“From a valuation perspective, sustainability is a long-term endeavour and people don’t look at that if they are at a point where they are losing money on their home.

“They won’t be looking at installing water tanks or solar panels as when push comes to shove, price becomes a higher priority than sustainability and climate change.

“When money is tight, you’re not going to the shops to buy free range eggs.”

Professor Reed said from an investor point of view, the news for sustainability was also bad.

He said due to the volatility and uncertainty in the sharemarket, many investors will turn to property. But people will be looking for short-term financial gains rather than long-term benefits.

“From an economic viewpoint sustainability does not pay over the short-term. It is agreed by global experts that sustainability must be viewed from a long-term perspective and not from a short-term one. There is no short-term fix.”

However he stressed that both investors and home-owners should remember that property does have value over the long-term.

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Deakin University Professor of Property and Real Estate, Richard Reed, is a valuer and co-author of the book *A Greener House* which examined the relationship between sustainability and value for residential property. He will be speaking on this topic on 14 October as part of DeakinWeek – www.deakin.edu.au .

Professor Reed is available for interview and can be contacted on (03) 9251 7605 or 0419 596 483.

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