



Green financing is not the only tool to unlock the potential of the green real estate sector: GRIHA

Indian construction sector has immense potential to assist in achieving the intended nationally determined targets on climate action

New Delhi, March 3, 2017: The second day of the 8th GRIHA Summit in the capital set the tone for the need for sustainability going hand in hand with ample financing for all the ideas and implementation for creating an ecosystem for sustainable habitat. With the recent predication of the meteorological department that due to the impact of increase in greenhouse gases the upcoming summer will be one degree higher than normal average, and to add to this the unprecedented urbanization India is witnessing at present, the construction sector has a significant impact on climate change.

In a presentation made by a group of secretaries to the Hon'ble Prime Minister on energy efficiency earlier this year, it was acknowledged that buildings are the fastest growing sector in terms of energy use and it was proposed to target for 30% penetration for energy efficient buildings, which could help India save approximately 2500 MW of power. In the Indian context, green penetration in buildings is between 3% and 5% and if the inefficient use of energy, water and embedded materials continues, it could result in approximately 10 times increase in GHG emissions in the construction sector by 2050.

In his keynote address during the **'Financing green buildings' session, Mr. Subrata Dutta Gupta, Principal Financial Officer, IFC** said, "With the government leading the charge, just assuming 20% green penetration and 20 million houses constructed by 2022, we can expect annually 4 million tonnes GHG emissions avoidance, which is equivalent to taking 800 thousand cars off the road and 430 million cubic meters of water saved, which is equivalent to water supply to an additional 4 billion homes. This in itself should be a motivator for all of us to create and leave behind a greener India."

According to a study undertaken by Dodge Data & Analytics, IGBC and JLL, the green real estate market size is expected to be USD 180 billion and in India, green building construction is growing faster than any other country in the world. The Government of India's initiatives like Housing for All, Smart Cities, and Make in India, are expected to drive investments in the real estate sector. In addition, construction sector provides 45 million direct and indirect jobs, which is expected to increase to 76 million by 2022 (as per National Skill Development Corporation). In the light of this, it is critical to break the fallacy that financing is the trigger for unlocking the potential. Developers are already building certified green homes, there are several real estate financing instruments that can be utilised for developing green financing such as conventional bank loans, FDIs and private equity. Green bonds too could be a major tool to convert INDCs into climate action.



सत्यमेव जयते
Ministry of New and Renewable Energy
Government of India



Summarizing another session focusing on ‘Policy tools to promote energy efficiency in buildings,’ **Mr. Sanjay Seth, CEO, GRIHA Council**, said, “Policy intervention is equally necessary for both the new as well as the existing stock of buildings.” He also emphasised GRIHA’s commitment to provide cutting-edge green building rating system based on the underlying principle of ‘what gets measured gets managed.’

To create an ecosystem driven approach for green buildings, collaborative efforts are required from the government, multi-lateral agencies, private sector and the consumer. The government should work towards potentially translating the incentives provided to affordable housing to green housing, streamlining policies to promote the use of low-carbon and energy efficient construction technologies, incentivize the adoption of low-carbon materials and technologies, provide incentives and structures to check quality of materials through eco-labelling and rating systems. Private sector will need to work towards enhancing access to finance, promote micro-entrepreneurship, encourage PPP projects, and develop financing structures. Simultaneously, awareness needs to be created among consumers regarding the benefits of green buildings to create demand.

In another session, during the day, on ‘Transforming habitats through sustainable and resilient buildings’ focus was laid on several aspects of integrating resilience into buildings keeping the future course of sustainable development in mind. Climate change wreaks havoc on cities, and the brunt of it is borne by the buildings. Hence, the key takeaway from the session was to build resilience into the overall infrastructure through a proactive approach, instead of a reactive one, incorporating climate proofing from the start. Sharing his views on the occasion, **Dr. A. K. Tripathi, Scientist ‘G’ /Advisor (I &PA), MNRE**, said, “There is no dearth of sound technological ability and financing to build climate resilient green buildings. We need to focus on striking the perfect balance between technology and financial viability to ensure that we have sustainable buildings. In this regard, the planners, technologists and commercial builders need to work together at the helm of affairs.”

Sharing his thoughts during the valedictory session, **Mr. KE Ranganathan, MD, Parryware Limited**, emphasised on how green building is all about building a consciousness around sustainability. Praising the efforts by GRIHA in this regard, he said that Parryware supports this initiative as a responsible corporate brand through their product innovation.

During his concluding remarks, **Dr. Ajay Mathur, President, GRIHA Council**, said, “In order to mainstream the concept of green habitats, we look forward to partnering with Exhibitions India Group at Pragati Maidan from 10th- 12th May. We are also extremely delighted to have forged a strong partnership with the real estate developers community.”

As a telling testament of its commitment to promote green building infrastructure, the GRIHA Council has signed MoUs, both, with the private and public sector entities Viz. Madhya Pradesh Police Housing Society, Vatika Group, IREO, BESTECH and Conscient Group.



सत्यमेव जयते
Ministry of New and Renewable Energy
Government of India



About GRIHA Council

Together with The Ministry of New and Renewable Energy (MNRE), Government of India, TERI developed GRIHA (Green Rating for Integrated Habitat Assessment), which has been endorsed as the 'National rating system for green buildings in India' in the year 2007. GRIHA is a green building rating system developed to suit Indian climate and construction practices. The GRIHA Council issues GRIHA Certification for new buildings as well as retrofits and carries out all activities related to the issuance of GRIHA certification.

The GRIHA rating aligns itself with the national regulatory framework and policies, such as, National Building Code (NBC), Energy Conservation Building Code (ECBC), Ministry of Environment, Forests and Climate Change (MoEFCC) clearance, Central Pollution Control Board (CPCB) guidelines etc.

Media contact:

TERI - Pallavi Singh: +91 9873191597 pallavi.singh@teri.res.in

Avian Media – Avika Sood: +91 9818829707 avika@avian-media.com

Sharat Shyam: +91 9953860601 sharat@avian-media.com