

A DEPTH STUDY ON ENVIRONMENTAL SUSTAINABILITY THROUGH GREEN BUSINESS PRACTICES ON REAL ESTATE SECTOR IN INDIA

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Abstract

Environmental issues have attained importance in business as well as in public life around the world. Ranging from commercialised businesses, government and other regulatory bodies to citizens all over the world have shown concerns about this challenge of global warming. This has led companies revise on their business activities as well as concept of green business has grown over a period of time. Green business, also alternatively known as environmental business along with sustainable business, that prefer to an organization's efforts at designing, promoting, pricing and distributing products that will not harm the environment. The real estate industry in India is the second largest fast growing industry after agriculture with the continuing and future projects and advancement of malls, high-rise residential buildings, family resorts, and commercialised businesses. This is creating investment and employment opportunities across various related sectors and there are several areas of concern with its rapid growth. A lot of organizations within the industry are supporting green building by publishing educational materials, establishing guidelines and resources, creating training programs and hosting green building conferences/seminars, creating a new level of awareness. The aim of this paper is to highlight the aspects of environmental sustainability through green business practices on real estate sector.

Key words: Green business, real estate industry, environmental sustainability, green building, etc.

1. Introduction

The real estate sector worldwide should adopt more ecological forms, especially given the detrimental effect that some of their practices tend to have on the land, nature and health of people. At each step of economic development, countries must make decisions between conflicting objectives. In an effort to improve the lives of its citizens, nations are determined by the goals of economic growth and cheap energy for all. Alternative as well as reasonable sources of energy are significant to make domestic companies aggressive and contribute greatly to financial development, job creation and improvement. This frequently causes of damage and environmental degradation. Ensuring energy access to the public and improving the competitiveness of small businesses may require providing energy at lower costs through energy allocations. This encourages excessive use of energy, waste and inefficiency, and also fuels environmental pollution. Subsequently, it leads to an inevitable effect on the earth causing health problems, an increase in the number of deaths and disabilities among a maximum number of individuals constantly. While developing countries have assets and progress to combat the effect of pollution on land, sustainability is even less expected. In circumstances like this, pensive real estate agents possibly become the most important factor. Today,

as never before, we are becoming aware of the estimation of the space in which we live and the need to keep it. This can be communicated through different angles: environmental, monetary, social and cultural. The objective of this paper was to ensure that the leadership and basic activities of real estate companies emphasize environmentally sustainable.

2. Review of literature

In the words of Halford, implementing sustainable technologies requires huge amount of initial investment which in turn leads to higher pricing from buyers. However, there will be cost reduction gradually due to the use of effective as well as efficient green technologies during construction stage of real estate. Hence, the costlier option is actually more cost effective in long run provided that consumers are ready to pay premium. Builders and consumers generally perceive green homes as affordable to live.

Eichholtz, et al. stated that buildings have a profound impact on the environment and thus even small changes in their sustainability can create major reductions in the current ecological footprint of the whole society.

Belz and Peattie stated that green marketing and environmental marketing in the late 1980's focused on green consumers who would be willing to pay premium prices for more environmentally friendly products. Many consumers choose products that do not damage the environment over less environmentally friendly products, even if they cost more. With green marketing, advertisers focus on environmental benefits to sell products such as biodegradable diapers, energy-efficient light bulbs, and environmentally safe detergents.

According to Axelrod, companies have channelled substantial amount of know-how and resources into achieving environmentally friendly improvements in their performance, and engaging in sustainable development in their business practices, only a few have truly exploited the full value of leveraging their performance in communication and marketing initiatives and thus, improving their image and operations.

3. Objectives of the study

1. To study the unique aspects of green business practices on real estate sector in India.
2. To study the business case for sustainability in commercialized real estate.
3. To study how to choose smarter technology for environment friendly.
4. To study ongoing challenges and barriers for green buildings.
5. To suggest some practical solutions for coping these challenges successfully.

4. Methodology

In order to fulfil such objectives, secondary data were used. The purpose of the study restricted to understand the green business practices on real estate sector in India. The secondary data were collected through books, periodicals, journal published material, internet and various online site.

5. Need of real estate standards

- Incorporate adherence to the best management standards of the class in all parts of their real estate projects, with the obligation at the level of the board of directors to observe and disclose their compatibility execution.
- Ensure that your options match the improvements in ecological management capacity at the neighbourhood and urban levels.
- Commit to a continuous change in the ecological execution of the development and the progress exercises, terrestrial activities and strategies of administration of benefits.
- Track the ecological execution of their land resources and activities on a non-stop premise, to survey their biological impression, and their exposure to risk from natural shocks, natural control along with the monetary effects of environmental revolution.
- Identify the answers to improve their performance of natural compatibility, incorporating, in particular, their sense of duty with respect to the emissions of substances harmful to ozone and expanding their use of renewable resources.

6. Green building

Green building practices can improve the ecology of the environment in many ways. They can reduce energy consumption by 20-30 per cent and the use of water by 30-50 per cent, and significantly reduce the generation of waste through extensive recycling. In addition to the obvious protection of the eco system and biodiversity, the use of green building practices leads to: better air quality, improved natural light, which leads to lower electricity consumption, superior health and general well-being, and improvement of productivity. In different countries, there are several programs and agencies that define, categorize and certify green buildings, such as LEED (USA), BREEAM (United Kingdom), DGNB (Germany) and CASBEF (Japan). In India, IGBC and GRIHA are at the forefront of the promotion of green building programs and certifications. The certifications are made in various parameters such as water conservation and efficiency, energy efficiency, the types of materials and resources of construction, quality of the interior environment, health and

comfort, innovation and development, and management of facilities and sites. Although in an incipient stage, India has become one of the leading countries in terms of green building projects. India ranks second after the U.S. in terms of number of green technology projects and construction area. Growing at an exponential rate, the Indian green buildings' market is normally to double and may reach close to 10 billion sq. ft. by 2022.

7. Current challenges and barriers for green buildings

While the use of green building practices is increasing in India, there are also some challenges and barriers. In recent years, the slowdown in the real estate sector in India has led to a huge accumulation of unsold inventories. In addition, the impact of recent reforms amid moderate demand has further damped market sentiment, and most developers are struggling to unload remaining inventory. The current market conditions have made developers sceptical about the use of any types of technology that increases the cost of construction. Apart from this short-term market situation, some of the other challenges for the implementation of green building practices in India are:

Lack of awareness A large part of Indian users are still unaware of the concepts of ecological construction and its lasting benefits. Most users perceive that green building practices are expensive and not financially feasible.

Inadequate government rules, regulations and policies: There are not enough stringent and mandatory laws to enforce large-scale implementation of green building standards.

Lack of qualified resource experts: Most industry stakeholders, such as policymakers, architects, engineers, contractors and workers, do not possess the skills and knowledge necessary for construction of ecological buildings.

Incentives and inefficient subsidies: There are very few incentive plans and those that exist vary according to the states or even the cities, according to the governing bodies. However, these incentives have not been significant enough to encourage developers and homebuyers.

Higher cost of equipment and products: Equipment and products used in the construction of green buildings cost more than conventional ones, so small contractors and developers cannot afford them.

Approvals and authorizations: Developers already face a tedious process of approvals, and there is a fear that a further addition of compliance related to green-buildings may cause additional delays.

8. Smarter technology for environment friendly

Low energy consumption devices and lighting reduce emissions much more, as does the expansion of solar oriented photovoltaic advances. The construction of countertops and coatings, companies should aim to:

- Reduce the negative environmental impacts of design and development, and improve local regions.
- Minimize the energy and water consumption of the properties they develop.
- Improve the sustainable use of resources in more than one way.
- Decrease in the intensity of hazardous materials in the property and commercialised spaces.
- Instead, recycled materials are used and a greater recycling capacity is adopted.
- Extension of the durability and functionality of the properties.

It is important to understand that the global financial powers will face the natural effect of the division of the land considerably more in the near future. According to most projections, around the year 2030, the population of world will exceed 8 billion, and more than 60 per cent will live in urban areas. This will cause a great development in the areas of construction as well as real estate, and sustainability should be an integral consideration in this development.

9. Main key factors driving green building practices

Although the initial costs of an green building can be higher than for conventional buildings, the long-term benefits, such as low operating costs, the potential fitness, health benefits of the occupants and the protection of the environment, make such green buildings are very viable options. Some of the key factors that are likely to drive the demand for green buildings are: Improve affordability, environmental benefits, increase awareness, resources, government support, subsidies and compulsions. The green buildings aim to build a sustainable environment through the competent use of energy and the conservation of natural resources. The efficiency of an eco friendly building can be maximized through the use of advanced or innovative building materials and state-of-the-art technology.

10. Conclusion

The relentless ruin of the environment, together with the rapid diminution of resources, the raise in pollution and climate change, has significantly damaged human being life. The deterioration of fitness or health conditions and habitability coefficients are alarming for current and forthcoming generations. This circumstance requires greater attention along with greater participation of countries all over the world to take measures to curb environmental degradation. The construction sector, which is one of the largest consumers of resources and emits a large amount of pollutants and wastes, can play a vital role in building a sustainable environment by raising the use of green technologies. In India, the growth of green buildings can be accelerated by standardizing standards, better incentive schemes, one-stop permits, a strong financial support system and, most importantly, increasing awareness amongst all stakeholders. A greater responsiveness or awareness of green buildings and their long-term benefits can create a much greater market potential, and when all is said and done, green buildings are the foundation of any substantial sustainable life mantra.

11. Reference

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