

## The Social Impact of Green Buildings

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**Abstract :** Policy instruments have been developed worldwide to reduce the energy demand of buildings. Two types of such instruments have been green building rating systems and energy efficiency standards for buildings -such as Green Star (Australia), LEED (United States, Leadership in Energy and Environmental Design), Energy Star (United States), and BREEAM (United Kingdom, Building Research Establishment Environmental Assessment Method). The popularity of the idea of sustainable development has allowed the actors to consider the potential value generated by the environmental performance of buildings, labeled "green value" in the literature. Sustainable performances of buildings are expected to improve their attractiveness, increasing their value. A growing number of empirical studies demonstrate that green buildings yield rental/sale premia, as well as higher occupancy rates and thus higher asset values. The results suggest that green buildings are not affordable to all and that their construction tends to have a gentrifying effect. An increasing number of countries are institutionalizing green strategies for affordable housing. In that sense, making green buildings affordable to all will depend on government policies. That research aims to investigate whether green building fosters inequality in Israel, under the banner of sustainability. The method is comparison (of the market value). This method involves comparing the green buildings sale prices with non-certified buildings of the same type that have undergone recent transactions. The "market value" is deduced from those sources by analogy. The results show that, in Israel, green building projects are usually addressed to the middle to upper classes. The green apartment's sale premium is about 19% (comparing to non-certified dwelling). There is a link between energy and/or environmental performance and the financial value of the dwellings. Moreover, price differential is much higher than the value of energy savings. This perpetuates socio-spatial and socio-economic inequality as well as ecological vulnerability for the poor and other socially marginal groups. Moreover, there are no green affordable housings and the authorities do not subsidy green building or retrofitting.

**Keywords :** green building, gentrification, social housing, green value, green building certification

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