

Valuation of Green Commercial Office Building: A Preliminary Study of Malaysian Valuers' Insight

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Abstract : Malaysia's green building development is gaining momentum and green buildings have become a key focus area especially within the commercial sector with the encouragement of government legislation and policy. Due to the emerging awareness among the market players' views of the benefits associated with the ownership of green buildings in Malaysia, there is a need for valuers to incorporate consideration of sustainability into their assessments of property market value to ensure the green buildings continue to increase in the market. This paper analyses the valuers' current perception on the valuation practices with regard to the green issues in Malaysia. The study was based on a survey of registered real estate valuers and the experts whose work related to valuation in the Klang Valley area to rate their view regarding the perception on valuation of green building. The findings present evidence that even though Malaysian valuers have limited knowledge of green buildings, they recognize the importance of incorporating the green features in the valuation process. The inclusion of incorporating the green features in valuations in practice was hindered by the inadequacy of sufficient transactional data in the market. Furthermore, valuers experienced difficulty in identifying what are the various input parameters of green building and how to adjust it in order to reflect the benefit of sustainability features correctly in the valuation process. This paper focuses on the present challenges confronted by Malaysian valuers with regards to incorporating the green features in their valuation.

Keywords : green commercial office building, Malaysia, valuers' perception, valuation, commercial sector

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