

Analyzing Investors and Building Users Perception of Green Real Estate Development Projects: The Case of Bahrain

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Abstract : Responding to some governmentally enforced building sustainability criteria is today becoming an unavoidable challenge to the real estate development industry and is no longer an extra that allows developers to gain competitive advantages. Previous studies suggested that using green technologies, if done under the right circumstances, could lead to positive incentives, tax breaks, higher rents, cost savings and higher property values in the long run. This is all in addition to the marketing benefits of the green label. There are, however, still countries, mostly in the developing world, that lack the implementation of such sustainability guidelines and assessment tools. This research aspires to investigate the market's readiness to implement such criteria, its perception of sustainable architecture and building users motivation to use and/or invest in sustainable buildings. The study showed via a survey administered to 385 inhabitants and investors in commercial real estate in Bahrain that the respondents have a limited understanding of the benefits of green buildings and are unlikely to want to occupy or invest in a green building under the current social, economic and industrial conditions. Reliability of green technology, effectiveness, price and the questionable long-term financial benefits were among the major concerns. The study suggests that the promotion of sustainable architecture should respond to the current market concerns in a more direct way to trigger an interest in investors and users of commercial real estate project. This stimulated attention should consequently encourage developers to consider incorporating sustainability measures, apply for green building assessment programs and invest in green technologies, all of which need higher capitals that are nonetheless financially justifiable on the long run.

Keywords : investment, real estate, sustainability, clients perception, Bahrain

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