

# VALUE PROPOSITION OF LOW CARBON SUSTAINABLE DEVELOPMENT

## Objective

This study aims to identify the property developer's value proposition incorporating barriers and risk, and articulate ways to prioritise low carbon investment through strategic capital investment decision making.

**Value proposition is the perception of value and the basis for competitive advantage.**

The perception of value in low carbon sustainable development in the building sector **varies considerably** as evidenced by a significant lack of investment and adoption of low carbon measures.

(IEA World Energy Outlook 2012, p.291)

## Strategic Investment

The lack of investment in profitable low carbon measures draws attention to the inadequacy of traditional capital investment decision making models in a low carbon context.

Barriers to low carbon investment need to be addressed in order to shift investment priorities.



## Research Question

**What is the value proposition of low carbon sustainable development?**

*This question is considered from an industry perspective, in particular the building sector and property development.*



*The inter-relationship of **value, costs and risk** are the three dimensions of **value proposition, competitive advantage and strategy.***



## Methodology

A 3-round Delphi survey will be used to establish consensus in each group of key stakeholders, which includes developers, consultants, contractors, and householders, regarding the value of low carbon action and overcoming barriers to adoption.

A case study of the Bowden precinct will follow consisting of:

1. A quantitative analysis of the value of a developer's end product: a typical residential apartment

A multiple benefits approach will be used to quantify the value of an apartment in a low carbon sustainable development compared to the value of a similar apartment in a development not specifically designed to be low carbon.

2. Semi-structured interviews with developers to discuss the Delphi survey results and strategic low carbon investment.

## Anticipated Outcome

The results will:

- demonstrate profitability and value in low carbon sustainable development, and
- promote greater impetus for low carbon investment

## Further information

[www.lowcarbonlivingcrc.com.au](http://www.lowcarbonlivingcrc.com.au)

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**Project timeline:** 3 years commencing November 2015