

# Greening the office

Replacing the ubiquitous plastic fern with a real live plant can bring major health benefits for office users, according to Dr Ashley Craig

**B**ad air was once believed to be the cause of disease. The Miasma theory, as it was called, firmly placed the cause of sickness on the quality of the air. It was gradually replaced with the Germ theory in explaining the cause of the disease. However, 'bad air' is now known to be a health problem.

In the November issue of *Property Australia* Dr Mark Donohoe wrote on the quality of air inside buildings. His conclusion was quite startling. He suggested that in cities, people face greater health risks from indoor air than from the polluted air outside where cars and industry pour poisons into the environment. His point is sound. After all, the air inside a building can only be as good as the air outside unless purifying filters are used.

The trouble with inside air is that extra chemicals and substances known to be dangerous to humans are created by indoor environments. A cocktail of pollutants contaminate inside air such as chemicals (formaldehyde, styrene resins, etc), micro-organisms, heat and humidity. These of course add to pollutants from outside the buildings, increasing levels of pollution. The 'bad air' is more than likely going to be detrimental to health. This problem has been labelled the Sick Building Syndrome.

Health is a complex state of affairs. It is a result of many factors that combine in some way to either improve or incapacitate a person. Risk factors known to increase disease (which could be said to be absence of health) are generally,

lifestyle-based. For instance, factors such as physical status, diet, exercise, weight, quality of support from relationships, family history of diseases, stress levels, age and occupational work hazards all combine to determine our quality of health. Lifestyle or societal diseases such as coronary heart disease, cancer, asthma, and stroke now kill the majority of Australians. These diseases do not have a viral or bacterial cause, and are related to the type of lifestyle we lead.

An example of health complications imposed by our lifestyle are the recent large increases in work absenteeism resulting from stress related problems in countries like the USA and Australia. Bad air no doubt contributes to stress related problems. Problems believed to be directly related to the Sick Building Syndrome are hay fever, asthma, lethargy, headache, stuffy noses, dry throat. If indoor air is posing a lifestyle health risk, the question is, what strategies can be initiated that could alleviate indoor health risks?

There are possible solutions. Various health interventions could be initiated that raise immunity against disease. We have shown that structured relaxation programs can reduce systolic blood pressure by up to 6 mmHg and lower cholesterol by at least five per cent. Reductions in blood pressure and cholesterol of this magnitude can significantly reduce risks of coronary disease. Strategies like massage can improve our immune defenses, preventing disease and maintaining health. However,

our research has also shown that benefits may well disappear if these strategies are not regularly practised. Social support is another beneficial approach, and has been shown to reduce stress and prevent disease, as is appropriate exercise, eating and recreation.

However, continuing these activities is often difficult, and they do not necessarily address the quality of the indoor air health risks. What are needed are simple and inexpensive strategies that can have physical and psychological benefits.

Sometimes the simplest of solutions might stare us in the face and still we may not recognise it. This is the case for indoor plants. Plants could well provide a solution to the problem of 'bad air'. Once plants were important in the workplace, but were mainly used to increase the attractiveness of the office or building. Many businesses have decided against live plants in the indoor environment and replaced them with plastic imitations (a horrible thought). The benefits of having plastic plants that need no care is greatly outweighed by the high probability that live plants will improve health in the workplace.

How do plants improve health? There are three possible ways. First, research being done by Professor Margaret Burchett and Mr Ron Wood, scientists at the University of Technology Sydney, have shown that many plants have the potential to remove pollutants from the air and exude these substances from their roots. They can destroy micro-organisms such as bacteria and fungi, and

cent in the first seven months of 1996 following a 14 per cent rise in 1995. The sales rate is expected to slow due to limited new stock coming onto the market.

However, when comparing the North Shore strata market to that of the Sydney CBD, the report says that the North Shore market is less volatile.

As well as demand, increased flexibility in strata title regulations will set the stage for further strata title developments in NSW. The new rules, which will come into force with the new NSW Strata Titles Act in early 1997, are aimed at encouraging developers to tailor strata by-laws to fit individual circumstances such as mixed use schemes which include residential and commercial space.

"Model by-laws will ensure that there is a selection available, and we will not continue to have the absurd situation where an office block strata scheme operates under by-laws designed for home units," says Fay Lo Po, NSW Minister for Fair Trading.

Colliers Jardine research shows strata title offices are generally viable for a small business of 10 employees or less, with renting usually a better proposition for businesses operating with a staff numbers greater than 10. "For larger businesses, the comparative costs of leasing space compared with ownership winds up as marginal," Victor Lor says.

Lor says the outlook in Sydney for well located and quality strata office accommodation is potentially strong with research showing purpose-developed office strata units bringing more on a per sq m basis than larger holdings. Lor cited as an example, suites of between 15 and 100 sq m in the prestigious Trust Building at the corner of King and Castlereagh Streets in Sydney, which are fetching prices upwards of \$5000 a sq m.

In the light of this, strata office developments continue to be comparatively easy to sell for profits, Lor says. Research has found negative gearing, depreciation and various investment allowances represent incentives for small investors to buy property. Costs such as body corporate fees were found to be almost identical to outgoings payable on a lease, not including the strata management fee.

In Melbourne, according to Richard Ellis, strata office development in 1996 was soft with sales in the 12 months to June 30 1996 reaching a modest 20 units,

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compared with 50 in the previous corresponding period.

"Investors are cautious of the capital growth rates of strata offices as rentals remain subdued for the short to medium term," says Anthony Chiminello, Richard Ellis Commercial director. "Prices have softened over the past two to three years, with average prices for the 12 months to June last ranging between \$900 and \$1000 a sq m."

Richard Ellis reported that purpose built strata office buildings reached their peak in the late 1980s in Melbourne as sale prices ranged from \$2500 a sq m to more than \$3500 a sq m.

Chiminello attributed the comparatively quiet strata market in Melbourne to excess supply of secondary office space. "This has reduced rental levels and increased incentives to a point where owner occupiers are currently finding it more attractive to lease rather than to buy," he says.

Richard Ellis research found prices in Melbourne slowed following the economic downturn to between \$1000 and \$1500 a sq m for new quality strata offices in refurbished buildings, and are now as low as \$600 to \$800 a sq m. Lower interest rates, however, had served as a catalyst for small owner occupiers to investigate the price of acquiring office space.

"Offices purely designed and constructed as strata offices will be the properties

which will be the most successful strata because of efficiencies of service and the fact they were purpose built" Chiminello says. "But even with incentives, it continues to appear financially more attractive for someone to rent rather than buy. Traditionally, people have bought CBD strata offices to hedge against increasing rents and costs."

As in Sydney, on-site car parking, quality and efficiency of finishes and central location continue as the essential elements of a successful strata development or refurbishment.

Stanton Hillier Parker's research manager Lois Towart says office tenants remain unwilling to revert to outdated quality levels of historic buildings, adding to the demand for continued strata refurbishment of existing buildings. "The climate of continuing overhangs of office space in the major capitals is forcing owners of secondary quality buildings to find ways to retain and attract tenants and the most favourable way to do this is to refurbish the building (as a strata project) to improve the quality of the space on offer," Towart says.

And it is the B and C grade strata office conversion which makes up 75 per cent of the Sydney CBD strata market, according to Richard Ellis research. Lack of parking, as in many city buildings, however, will continue to prove a major drawback for the investor.

Towart sounds a cautionary note for investors in a strata building which requires fire upgrade work. "Such costs may impose additional strain on a strata investment," she says. "Investors in strata title projects may have to do a fire protection refurbishment which can cost up to \$2 million and it is quite likely the investor will not recuperate such an outlay in the selling price."

Towart perceives the refurbishment of older office buildings into residential and commercial strata titled development, as in the Newcastle upon Tyne example, as applicable in Australian cities. Such a development would be suitable in either a city fringe or near city area and would be attractive for local authorities attempting to attract a greater variety of compatible land uses, she says.

But, along with owning their own home, for most Australians, owning their office continues to be an ultimate goal for many small business operators. ■