

SPECIAL FEATURE

GuocoLand imbues sustainability into 'twin growth engines'

BY THE EDGE SINGAPORE

Sustainability is not just the work of a single person – like a chief sustainability officer – or a dedicated department. Instead, it should be everyone's responsibility, according to Singapore-listed real estate group GuocoLand.

By ensuring that sustainability permeates every stage of property development and property investment – known as the group's "twin growth engines" – GuocoLand is charting its sustainability road map.

This is crucial for a group of its size; GuocoLand's market capitalisation stands in excess of \$1.75 billion.

Sustainability considerations are also critical for firms in the real estate industry as a means to offset embodied carbon, and improve energy and water efficiency.

GuocoLand uses sustainable materials and encourages contractors of its developments to adopt environmentally-friendly construction processes, such as adopting pre-cast design to replace cast-in-situ construction.

GuocoLand's buildings – whether residential or commercial – are designed to reduce overall energy and water needs by optimising building orientation, using climate-appropriate building materials or including design elements that encourage conservation.

These considerations have been baked into GuocoLand's iconic integrated developments like Guoco Tower and the new Guoco Midtown.

Some green features at GuocoLand's developments include high-efficiency heating, ventilation and air-conditioning (HVAC) systems with smart controls; rainwater harvesting systems for landscape irrigation; and high-performance mechanical, electrical and plumbing systems, among others.

GuocoLand's sustainability endeavour stretches across the whole value chain – from project design and development to commercial leasing to facilities management – and includes the obtaining of green financing.

Green finance framework

GuocoLand established its green finance framework in 2023, announcing in the same breath that it had secured a \$974 million green club facility from DBS Bank, United Overseas Bank (UOB), Oversea-Chinese Banking Corporation (OCBC) and Sumitomo Mitsui Banking Corporation (SMBC) for the refinancing of the commercial component of Guoco Tower, Singapore's tallest building sitting right on top of the busy Tanjong Pagar MRT Station.

At nearly a billion dollars, the green facility announced last June was the largest of its kind in GuocoLand's history – and remains its largest to date. That said, GuocoLand had already secured green financing before the framework's launch – namely, a \$700 million facility for the development of Lentor Modern, and a \$730 million facility for the development of Midtown Modern, inclusive of their commercial components.

Hot on the heels of the framework's launch, GuocoLand announced in July 2023 that it had secured another \$498.6 million green club facility, this time from DBS and OCBC, which went towards financing the development of Lentor Mansion, the group's latest high-end residential development. GuocoLand has secured a total of more than \$2.9 billion of green financing thus far.

GuocoLand and its partner Hong Leong Holdings were awarded the 99-year leasehold Lentor Gardens site in April 2023. Lentor Mansion, which will sit atop the 21,867 sq m site, sold 75% of its 533 units over its launch weekend in March. Lentor Mansion comprises three 16-storey towers and three eight-storey blocks, with two- to five-bedroom units. The two-bedroom units garnered the most positive response, with all 214 units sold over the launch weekend.

Now more than 80% sold, Lentor Mansion is the most successful launch of 2024 so far. GuocoLand's third development in the Lentor Hills estate after Lentor Modern and Lentor Hills Residences is expected to be completed by 2027.

GuocoLand's first Super Low Energy development

GuocoLand's commitment to green buildings is evident in the certifications awarded to its properties. Guoco Tower, for one, is certified Green Mark Platinum by the Building and Construction Authority (BCA). The same certification was awarded to Guoco Midtown and its residential component,



Guoco Midtown is certified Green Mark Platinum by the Building and Construction Authority (BCA). The development will achieve more than 55% in energy savings, in addition to meeting high standards for indoor air quality, greenery, water efficiency and waste management. Its residential component, the 219-unit luxury condominium Midtown Bay, is also certified Green Mark Platinum

the 219-unit luxury condominium Midtown Bay, which received the Temporary Occupation Permit in May.

Buildings awarded the prestigious Green Mark Platinum label are said to be "addressing climate change with best-in-class holistic environmental performance", according to BCA. This means Guoco Tower and Guoco Midtown have achieved more than 55% in energy savings, in addition to meeting high standards for indoor air quality, greenery, water efficiency and waste management, among others.

Lentor Mansion is certified Green Mark Platinum (Super Low Energy), or SLE, by BCA. The development will feature solar photovoltaic panels across all of its six residential towers and blocks, in addition to energy-saving appliances, water-efficient fittings and motion sensors for lighting in common areas. Lentor Mansion has also been exemplary in its performance in several other sustainability sections, gaining the "Whole Life Carbon" and "Maintainability" badges from BCA.

Lentor Mansion is the group's first SLE residential project, says Jane Ong, contracts and procurement director at GuocoLand. "We installed extensive solar panels on all the rooftop spaces available to harvest green energy, and we are able to use it to offset 60% of the energy consumption required for the common areas of the development. This far exceeds the 30% replacement requirements for the certification, but we wanted to do more as there are benefits like helping to further reduce greenhouse gas emissions and electricity costs."

GuocoLand's residential director Dora Chng says the developer chose to reduce the use of glass in the facade to reduce heat gain within the units. The towers are also "largely north-south-facing to reduce exposure to west sun warming", she adds.

Other considerations include installing fans to ensure natural ventilation, and providing "high-efficiency air-conditioning", says Chng. "Lentor Mansion also borrows greenery from the nearby Hillock Park, so it expands the landscape and greenery use."

In April, GuocoLand won the Upper Thomson Road (Parcel B) site in a residential Government Land Sales exercise, together with its joint venture partner Hong Leong Holdings. The site features a conservation element and will require GuocoLand to incorporate a biodiversity-sensitive develop-

ment approach and urban design strategies to protect the ecological and heritage context of the area. This new development will be launched in 2025.

Meanwhile, GuocoLand's support for clean transportation includes cycling paths, end-of-trip facilities and electric vehicle (EV) charging infrastructure. Guoco Tower's carpark, for example, has 26 EV charging stations, including eight for residents of Wallich Residence. In contrast, Guoco Midtown will have 10 new EV charging stations installed, with additional provisions "should there be a need for more", says Ong. "Provisions have also been made to install EV charging stations at all our residential developments under construction."

Upcoming climate reporting

In line with mandatory sustainability reporting rules by the Singapore Exchange (SGX), GuocoLand and its peers in the materials and buildings industry will have to issue climate-related disclosures from FY2025.

GuocoLand is currently reporting based on the Global Reporting Initiative's (GRI) standards, and the group is adopting sustainability reporting based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). As an early adopter, GuocoLand recognises that this is an ongoing process which will undergo future refinement.

In March, Singapore Exchange Regulation (SGX RegCo) consulted the market on ways to incorporate the International Sustainability Standards Board's (ISSB) standards into its sustainability rules.

GuocoLand and other listed companies will transition to using the ISSB IFRS S1 and IFRS S2 standards when preparing climate-related disclosures, starting FY2025. GuocoLand has already begun its research to be ready for these changes.

"Managing our business and assets in a sustainable manner and helping our stakeholders such as our office tenants meet their own sustainability needs is one of our key business objectives," says Ong. "Designing and developing a new building is a relatively long process and therefore there is a need for us to always stay ahead of the curve and be ready for new requirements and standards by the authorities and the market." ■