

# Construction costs and initial yield effects of MINERGIE certification and sustainable construction measures in new multi-family houses in Switzerland.

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## Abstract

In this study, the influence of MINERGIE certifications, sustainable building measures that lead to certification, and further amenities and quality measures not compulsory for certification on the construction costs and net initial (asking) rents of building projects in Switzerland are investigated. The hedonic regression results show construction cost premiums of 1.6–5.1 % for MINERGIE-certified apartments. These cost premiums yield higher net initial rents of approximately 2.6–6.6\* % (\*not significant). In contrast, most specific sustainable building measures, such as district heating, heat pumps, or solar energy, show significant cost premiums, without higher net initial rents in the market. Whereas MINERGIE certification can translate construction costs to higher net initial rents, single sustainable construction measures do not. Such an adverse cost-benefit ratio could impede specific green investments in the short term, whereas a favorable ratio of the MINERGIE standard could promote the spread of green buildings.

*Keywords:* Green Buildings, MINERGIE, Hedonic Regression, Green Rent and Cost Premiums

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