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The Effect of Perceived Functional, Social, and Economic Value on Green Building Leasing Intention with Green Trust as a Mediating Variable Among Companies in South Jakarta

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Abstract: The development of green buildings has become increasingly relevant along with growing corporate attention to sustainability and Environmental, Social, and Governance (ESG). However, increasing green building supply does not automatically result in higher corporate intention to lease green buildings. This study examines the effects of Functional Value, Social Value, and Economic Value on Green Trust and Green Building Leasing Intention, as well as the mediating role of Green Trust. The study employed a quantitative explanatory approach using a survey of 150 respondents representing tenant companies or individuals involved in office leasing decisions in South Jakarta. Data were collected using a five-point Likert-scale questionnaire and analyzed using Structural Equation Modeling-Partial Least Squares (SEM-PLS) with SmartPLS. The results show that Functional Value, Social Value, and Economic Value have positive and significant effects on Green Trust and Green Building Leasing Intention. Green Trust also has a positive and significant effect on Green Building Leasing Intention. The specific indirect effects of Functional Value, Social Value, and Economic Value through Green Trust are significant. Based on the VAF criterion used in the thesis, Green Trust provides partial mediation for Functional Value, while the VAF values for Social Value and Economic Value are below 20%. Functional Value has the strongest direct effect in the model. The findings indicate that corporate leasing decisions regarding green buildings are shaped by functional, social, and economic value perceptions as well as trust in the credibility of green building benefits.

Keyword: Green Building, Functional Value, Social Value, Economic Value, Green Trust.

INTRODUCTION

The development of the sustainable development paradigm has encouraged changes in orientation across various economic sectors, including the property and building sector. Development is no longer solely oriented toward economic benefits but also considers resource-use efficiency, environmental impacts, and long-term sustainability. One implementation of these principles in the property sector is the green building concept. Green buildings are

directed toward improving energy and resource efficiency while creating healthier and more comfortable environments for their occupants.

The development of green buildings has become increasingly relevant alongside growing business attention to Environmental, Social, and Governance (ESG). In commercial property, sustainability considerations are not only relevant to developers but are also associated with corporate preferences as users or tenants of office space. The thesis identifies tenant ESG considerations as relevant to preferences for sustainable buildings and willingness to pay for green building characteristics. Green building certification can also increase the preference and willingness to rent among potential tenants.

Nevertheless, the increasing availability of green buildings does not necessarily guarantee increased demand or corporate intention to lease. In the office property market, the success of a building is not determined only by the ability of developers to provide buildings that meet sustainability standards, but also by their ability to provide value perceived as relevant by companies as users. Therefore, understanding how companies evaluate the benefits of green buildings before forming leasing intention is important.

In Indonesia, green building development has shown a positive trend in line with increasing awareness of sustainable development and ESG. Jakarta has become an important area for green building development. Business districts such as SCBD, Kuningan, TB Simatupang, and Pondok Indah include office buildings implementing green building principles. However, the Jakarta office market continues to face relatively high vacancy rates, indicating that increasing office supply has not been fully accompanied by increasing demand from tenant companies. This condition suggests a gap between the increasing supply of green buildings and companies' intention to lease them.

In the B2B context, office leasing is a strategic organizational decision involving various considerations. Organizational buying behavior emphasizes that organizational purchasing decisions are more complex than individual consumer decisions because they may involve multiple individuals, organizational functions, formal procedures, and economic and strategic considerations. Companies evaluate costs, quality, benefits, risks, and alignment with organizational objectives before making decisions. Therefore, the decision to lease a green building can be viewed as an organizational buying decision.

Perceived value is important in explaining how companies evaluate green buildings. The thesis uses perceived value to explain the benefits perceived by companies in relation to green buildings and distinguishes three dimensions: Functional Value, Social Value, and Economic Value. Functional Value represents practical and operational benefits, Social Value represents image, reputation, environmental commitment, and stakeholder-related benefits, while Economic Value represents efficiency, savings, cost-benefit considerations, and long-term economic benefits.

Green Trust is positioned as a mediating variable because companies need confidence in the credibility of environmental claims, benefits, and sustainability characteristics of green buildings. Green Trust can be understood as a company's belief that the environmental attributes, benefits, certification, and sustainability claims associated with a building are credible. The thesis explains that perceived benefits may first form a positive evaluation, which can then develop into trust and subsequently strengthen leasing intention.

The research gap identified in the thesis concerns the limited integration of Functional Value, Social Value, Economic Value, Green Trust, and Green Building Leasing Intention in the context of companies as tenants in a B2B green building market in Indonesia. Previous research discussed in the thesis has largely focused on green consumption, green products, green housing, green tourism, or individual consumer behavior. Research concerning organizational behavior or companies as tenants in the green building context remains relatively limited.

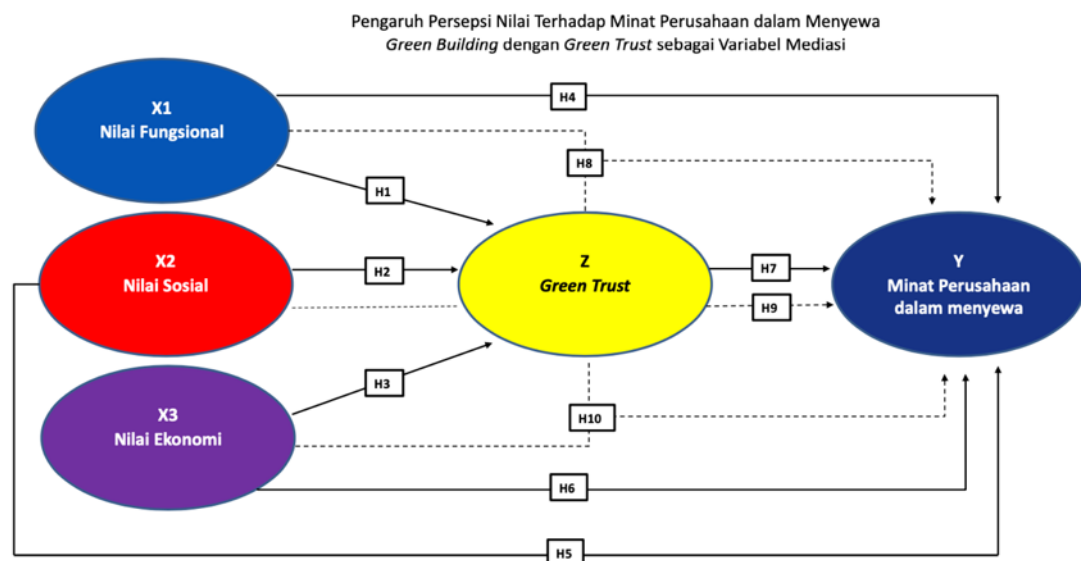
Accordingly, this study examines the effects of Functional Value, Social Value, and Economic Value on Green Trust and Green Building Leasing Intention, the effect of Green Trust on Green Building Leasing Intention, and the mediating role of Green Trust. The study focuses on companies or organizational representatives involved in office leasing decisions in South Jakarta.

Literature Review And Hypothesis Development

The theoretical foundation of this study is based primarily on Organizational Buying Behavior Theory. Webster and Wind (1972) explain organizational buying as a decision-making process involving organizational and environmental dimensions. Sheth's organizational buying perspective further emphasizes the roles of individuals involved in organizational decisions, product or service characteristics, and organizational and environmental factors. This perspective is relevant because leasing office space is an organizational decision involving operational needs, economic considerations, multiple decision makers, and long-term consequences.

The Theory of Planned Behavior (TPB) is used as a supporting theory to explain intention. Ajzen (1991) explains that intention is an important predictor of behavior and is influenced by attitude, subjective norms, and perceived behavioral control. In this study, TPB supports the conceptual position of Green Building Leasing Intention as a behavioral intention, while the complete research model is explained through organizational buying behavior, perceived value, and Green Trust.

The thesis also draws on perceived value theory. Zeithaml (1988) conceptualizes perceived value as an evaluation of what is received relative to what is given, while the multidimensional perspective of value recognizes that value can consist of different dimensions. In this study, Functional Value, Social Value, and Economic Value are used to represent the company's evaluation of green building benefits. Chen and Chang (2012), as discussed in the thesis, provide a relevant conceptual basis showing the relationship between green perceived value, green trust, and green purchase intention.



Source: Developed by the Author

Figure 1. Research Framework

Based on these research objectives, the following hypotheses are proposed: H1: Functional Value has a positive effect on Green Trust. H2: Social Value has a positive effect on Green Trust. H3: Economic Value has a positive effect on Green Trust. H4: Functional Value

has a positive effect on Green Building Leasing Intention. H5: Social Value has a positive effect on Green Building Leasing Intention. H6: Economic Value has a positive effect on Green Building Leasing Intention. H7: Green Trust has a positive effect on Green Building Leasing Intention.

H8: Green Trust mediates the effect of Functional Value on Green Building Leasing Intention. H9: Green Trust mediates the effect of Social Value on Green Building Leasing Intention.

H10: Green Trust mediates the effect of Economic Value on Green Building Leasing Intention.

METHOD

This study employed a quantitative explanatory research approach to test the causal relationships formulated in the research model. The study used a cross-sectional design because data were collected during one period. The research object was green building in the commercial property sector, particularly office buildings used or leased by companies in South Jakarta.

The population consisted of companies that were tenants or office-space lessees in green building office buildings in South Jakarta. The accessible population was 240 tenant companies. Respondents were individuals involved in office leasing decision-making, including operations managers, general affairs personnel, facility management, procurement personnel, or other parties with relevant authority. The sample was determined using the Slovin formula with a 5% error tolerance, resulting in 150 respondents. Purposive sampling was used because respondents were required to meet specific criteria relevant to the research objectives.

The respondent criteria were individuals representing tenant companies in green buildings in South Jakarta who were involved in leasing decisions and had knowledge or experience related to office buildings and the green building concept. Primary data were collected through questionnaires distributed directly and online using Google Forms. The questionnaire used a five-point Likert scale ranging from 1 = strongly disagree to 5 = strongly agree.

Functional Value was measured through operational benefits, comfort, environmental quality, productivity, and operational support. Social Value was measured through corporate image, reputation, environmental concern, ESG, and stakeholder trust. Economic Value was measured through cost efficiency, energy savings, cost-benefit alignment, long-term benefits, and value for money. Green Trust was measured through trust, credibility, commitment, integrity, and reliability. Green Building Leasing Intention was measured through primary consideration, preference, future intention, recommendation, and willingness to choose.

Data were analyzed using Structural Equation Modeling-Partial Least Squares (SEM-PLS) with SmartPLS. The measurement model was evaluated using outer loading, Average Variance Extracted (AVE), the Fornell-Larcker criterion, cross loadings, HTMT, and construct reliability. The structural model was evaluated using R-square, effect size (f-square), Q-square, and Standardized Root Mean Square Residual (SRMR). Direct effects were tested using bootstrapping with 5,000 subsamples. Mediation was evaluated using specific indirect effects and Variance Accounted For (VAF).

RESULTS AND DISCUSSION

Measurement Model Evaluation

The measurement model shows that all indicators meet the convergent validity requirement. All outer loading values are at least 0.70. The AVE values range from 0.623 to 0.694, indicating that all constructs explain more than 50% of the variance of their indicators. The composite reliability values range from 0.892 to 0.919, indicating good internal consistency.

Table 1. Summary of Measurement Model Results

Construct	Loading Range	AVE	Composite Reliability	Decision
Functional Value (X1)	0.779–0.881	0.694	0.919	Valid & Reliable
Social Value (X2)	0.767–0.820	0.643	0.900	Valid & Reliable
Economic Value (X3)	0.708–0.836	0.623	0.892	Valid & Reliable
Green Trust (Z)	0.802–0.836	0.672	0.911	Valid & Reliable
Lease Intention (Y)	0.791–0.854	0.691	0.918	Valid & Reliable

Source: Research Results

Discriminant validity is supported by the Fornell-Larcker criterion, cross loadings, and HTMT. The diagonal values in the Fornell-Larcker matrix are higher than the correlations between constructs. The HTMT values range from 0.487 to 0.756, which are below the 0.90 threshold. Therefore, the constructs demonstrate adequate discriminant validity.

Table 2. Fornell-Larcker Criterion

Construct	GT	LI	EV	FV	SV
Green Trust (Z)	0.820				
Leasing Intention (Y)	0.672	0.831			
Economic Value (X3)	0.492	0.596	0.790		
Functional Value (X1)	0.618	0.629	0.435	0.833	
Social Value (X2)	0.524	0.604	0.428	0.428	0.802

Source: Research Results

Structural Model Evaluation

Table 3. Structural Model Evaluation

Indicator	Value	Interpretation
R ² Green Trust	0.491	Moderate
Adjusted R ² Green Trust	0.480	Moderate
R ² Green Building Leasing Intention	0.637	Moderate
Adjusted R ² Green Building Leasing Intention	0.627	Moderate
Q ² predict Green Trust	0.460	Predictive relevance
Q ² predict Leasing Intention	0.579	Predictive relevance
SRMR Saturated Model	0.063	Good fit
SRMR Estimated Model	0.063	Good fit

Source: Research Results

The R² value for Green Trust is 0.491, indicating that Functional Value, Social Value, and Economic Value explain 49.1% of the variance in Green Trust. The R² value for Green Building Leasing Intention is 0.637, indicating that Functional Value, Social Value, Economic Value, and Green Trust explain 63.7% of its variance. The Q²predict values are positive for both endogenous constructs, namely 0.460 for Green Trust and 0.579 for Green Building Leasing Intention, indicating predictive relevance. The SRMR value is 0.063 for both the saturated and estimated models and is below 0.08, indicating good model fit.

Table 4. Effect Size (f²)

Relationship	f ²	Category
Green Trust → Leasing Intention	0.098	Small
Economic Value → Green Trust	0.058	Small
Economic Value → Leasing Intention	0.119	Small
Functional Value → Green Trust	0.257	Medium
Functional Value → Leasing Intention	0.099	Small
Social Value → Green Trust	0.094	Small

Relationship	f ²	Category
Social Value → Leasing Intention	0.122	Small

Source: Research Results

Direct Effect Hypothesis Testing

Table 5. Direct Effect Hypothesis Testing

Hypothesis	Relationship	β	t-statistic	p-value	Decision
H1	Functional Value → Green Trust	0.421	6.315	0.000	Accepted
H2	Social Value → Green Trust	0.254	3.438	0.001	Accepted
H3	Economic Value → Green Trust	0.200	2.524	0.012	Accepted
H4	Functional Value → Leasing Intention	0.359	5.611	0.000	Accepted
H5	Social Value → Leasing Intention	0.323	4.602	0.000	Accepted
H6	Economic Value → Leasing Intention	0.302	4.665	0.000	Accepted
H7	Green Trust → Leasing Intention	0.265	4.064	0.000	Accepted

Source: Research Results

All direct hypotheses are supported because the t-statistics are greater than 1.96 and the p-values are below 0.05. The discussion of each relationship is presented below.

Functional Value and Green Trust

Functional Value has a positive and significant effect on Green Trust ($\beta = 0.421$; $t = 6.315$; $p = 0.000$). Therefore, H1 is accepted. The result indicates that the higher the functional value perceived by companies from green buildings, the higher their trust in green buildings. Functional benefits such as energy efficiency, indoor environmental quality, workplace comfort, and the ability of the building to support company operations strengthen confidence in the benefits and performance of green buildings. Functional Value has the largest coefficient among the three value dimensions affecting Green Trust.

Social Value and Green Trust

Social Value has a positive and significant effect on Green Trust ($\beta = 0.254$; $t = 3.438$; $p = 0.001$). Therefore, H2 is accepted. The result indicates that higher social value perceived by companies is associated with higher Green Trust. Social value can be related to corporate image, reputation, environmental commitment, and support for ESG implementation. The perception that using green buildings provides benefits to corporate image and social responsibility strengthens trust in green buildings.

Economic Value and Green Trust

Economic Value has a positive and significant effect on Green Trust ($\beta = 0.200$; $t = 2.524$; $p = 0.012$). Therefore, H3 is accepted. The result indicates that higher perceived economic benefits are associated with higher trust in green buildings. Economic benefits such as operational cost efficiency, energy savings, and long-term financial benefits can strengthen companies' belief that green buildings are capable of providing sustainable benefits.

Functional Value and Green Building Leasing Intention

Functional Value has a positive and significant effect on Green Building Leasing Intention ($\beta = 0.359$; $t = 5.611$; $p = 0.000$). Therefore, H4 is accepted. The result indicates that higher perceived functional benefits increase companies' intention to lease green buildings. Functional Value has the largest direct coefficient among the variables affecting leasing intention, indicating that practical and operational benefits are a fundamental consideration when companies evaluate green buildings.

Social Value and Green Building Leasing Intention

Social Value has a positive and significant effect on Green Building Leasing Intention ($\beta = 0.323$; $t = 4.602$; $p = 0.000$). Therefore, H5 is accepted. The result indicates that social value associated with green buildings, including corporate image, reputation, environmental concern, and ESG commitment, contributes to companies' intention to lease. Green building can therefore provide symbolic and reputational value in addition to operational benefits.

Economic Value and Green Building Leasing Intention

Economic Value has a positive and significant effect on Green Building Leasing Intention ($\beta = 0.302$; $t = 4.665$; $p = 0.000$). Therefore, H6 is accepted. The result indicates that companies consider economic benefits such as energy efficiency, operating-cost savings, and potential long-term financial benefits when determining their intention to lease green buildings. Sustainability is therefore considered not only as an environmental commitment but also as part of economic decision-making.

Green Trust and Green Building Leasing Intention

Green Trust has a positive and significant effect on Green Building Leasing Intention ($\beta = 0.265$; $t = 4.064$; $p = 0.000$). Therefore, H7 is accepted. The result indicates that higher confidence in the credibility, performance, and environmental commitment of green buildings increases companies' leasing intention. Trust in the ability of green buildings to fulfill sustainability principles and provide credible environmental benefits can reduce uncertainty and increase companies' tendency to consider green buildings for business operations.

Mediating Role of Green Trust

Table 6. Mediation Effect Testing

Hypothesis	Indirect Relationship	β	t-statistic	p-value	Decision
H8	Functional Value $\rightarrow$ Green Trust $\rightarrow$ Leasing Intention	0.112	3.388	0.001	Accepted
H9	Social Value $\rightarrow$ Green Trust $\rightarrow$ Leasing Intention	0.067	2.443	0.015	Accepted
H10	Economic Value $\rightarrow$ Green Trust $\rightarrow$ Leasing Intention	0.053	2.228	0.026	Accepted

Source: Research Results

The specific indirect effects for H8, H9, and H10 are statistically significant because each t-statistic exceeds 1.96 and each p-value is below 0.05. H8 shows an indirect effect of 0.112, H9 shows 0.067, and H10 shows 0.053. Therefore, all three indirect effects are significant.

Based on the VAF criterion reported in the thesis, the relationship between Functional Value and Green Building Leasing Intention through Green Trust has a VAF of 23.78%. This falls within the 20%–80% range and indicates partial mediation. The finding means that the effect of Functional Value on leasing intention occurs both directly and partly through Green Trust.

The VAF for Social Value through Green Trust is 17.18%, while the VAF for Economic Value through Green Trust is 14.93%. Both values are below 20%. Thus, although the specific indirect effects are statistically significant, the proportion of the total effect transmitted through Green Trust is relatively small and does not meet the partial-mediation threshold under the VAF criterion used in the thesis. This distinction should be maintained when interpreting the mediation results.

Overall, the findings support the thesis conclusion that perceived value dimensions play important roles in corporate leasing decisions. Companies evaluate functional, social, and

economic benefits, while Green Trust provides an additional mechanism through which these evaluations can contribute to leasing intention. Functional Value is the most dominant direct factor in the model.

Managerial Implications

The findings suggest that developers and building managers should communicate green building benefits in a comprehensive manner. Functional benefits should receive particular attention because Functional Value has the strongest direct effect on both Green Trust and Green Building Leasing Intention. Information about energy efficiency, comfort, environmental quality, and operational support should therefore be communicated clearly and credibly.

Companies should also consider social and economic value when evaluating green buildings. Green building can support corporate image, reputation, environmental commitment, and ESG positioning, while operational efficiency and long-term economic benefits can support the business case for leasing. At the same time, transparency and credibility of environmental information are important for strengthening Green Trust.

For companies and organizations, the thesis recommends considering Functional Value, Social Value, and Economic Value comprehensively when selecting green buildings. Companies should pay attention to the credibility and transparency of information concerning building environmental performance. Green building selection should not be viewed only as an operational decision but also as part of sustainability strategy, corporate image, cost efficiency, workplace comfort, and long-term organizational commitment.

CONCLUSION

This study concludes that Functional Value, Social Value, and Economic Value play important roles in shaping companies' intention to lease green buildings. All three dimensions have positive and significant effects on Green Trust and Green Building Leasing Intention. Green Trust also has a positive and significant effect on Green Building Leasing Intention.

Functional Value is the most dominant direct factor in the model. The finding indicates that practical benefits such as building quality, comfort, operational efficiency, and use-related benefits are important considerations for companies in evaluating green buildings. Social Value also contributes through corporate image, reputation, environmental commitment, and ESG-related considerations. Economic Value contributes through perceived resource efficiency, operational cost control, and the balance between costs and economic benefits.

Green Trust has a positive and significant effect on Green Building Leasing Intention and provides statistically significant indirect effects in the relationships between the three perceived-value dimensions and leasing intention. Based on the VAF criterion used in the thesis, Green Trust provides partial mediation in the relationship between Functional Value and Green Building Leasing Intention, with a VAF of 23.78%. Meanwhile, the VAF values for Social Value and Economic Value are 17.18% and 14.93%, respectively, which are below 20%. Thus, although the indirect effects are statistically significant, the proportional mediation differs across the three relationships.

Overall, the findings reinforce the understanding that corporate decisions to consider green buildings as leasing alternatives are multidimensional. Companies consider not only functional and economic benefits but also social value and confidence in the environmental credibility of green buildings. The results also indicate that Green Trust is an important evaluative mechanism connecting perceived value with corporate leasing intention, particularly in the context of companies as tenants.

Future research may expand the geographical scope beyond South Jakarta and involve a broader range of respondents and organizational decision makers. Future studies may also consider additional variables that may influence green building leasing decisions and employ

longitudinal or comparative approaches to provide a broader understanding of corporate green building leasing behavior.

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