

Energy Partners Australia Update - Australian Commercial Property Energy Ratings Loom



AUSTRALIAN commercial building landlords are preparing themselves for November 1 and the start of the new disclosure requirements for up-to-date energy efficiency information on commercial buildings.

Back in July we reported on these pages that the Building Energy Efficiency Disclosure Bill was due to be passed by the Australian Parliament. The Bill requires the disclosure of energy efficiency ratings along with advisory reports at the time of sale or lease for any commercial office space of 2000 square metres or more.

This week the Sydney Morning Herald reported on the ensuing change, they spoke to Jonathan Kriska, a property analyst, who told the paper that the Australian federal government intended to expand the scheme's coverage to include other building types, including industrial and retail properties.

Kriska also stated that the immediate effect of the scheme was unlikely to alter valuations for owners, but in the medium term he expected managers of the real estate investment trusts, which for example own about 80 per cent of Sydney's commercial buildings, would seek to improve their property portfolio through energy efficiency by trading assets as well as upgrading existing properties.

The paper in commenting on Sydney's commercial property stated that much of the city's central business district buildings are older and will require extensive upgrades to become energy efficient.

One major commercial property company, Commonwealth Property Office Fund, has said it would spend \$330 million upgrading just one substantial site in Sydney, with other landlords set to follow.

"An estimated 23 per cent of all carbon emissions come from buildings and their occupants, with almost 10 per cent of national emissions from commercial office buildings," Kriska told the Herald.

"While the measurement of building energy efficiency is clearly in its infancy, we expect this to be a major topic for the REIT (Real Estate Income Trusts) sector in coming years.

"Government tenants now require a minimum four-star National Australian Built Environment Rating System [NABERS] rating and five- star NABERS ratings are becoming more common for new leases for major corporates.

"In time we expect at least a four-star rating will become the minimum requirement for leading tenants." Kriska concluded.

Energy Partners has the technology from to help commercial landlords to upgrade their existing buildings to become energy efficient. The same technology can also be installed in new developments.

Plus installing an Eniscope system, Energy Partners Australia will provide the building owners and managers real-time energy data along with historical energy readings that are clear and understandable.