



TRANSFORMING AUSTRALIA'S BUILT ENVIRONMENT

LANDMARK AGREEMENT TO PUSH THE BOUNDARIES OF ENERGY EFFICIENCY IN COMMERCIAL PROPERTY

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The CEFC recognises the importance of setting targets to support Australia's transition to a clean energy economy, by accelerating the adoption of integrated energy efficiency and renewable energy technologies. We see this agreement as being of immense value to the property sector generally, through its potential for collaboration with the early stage development of technology solutions.

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**CEFC Investment Funds
Lead, Rory Lonergan**

The Clean Energy Finance Corporation and Investa Office Management have joined forces to push the boundaries of energy efficiency in commercial property, reinforced by Investa's market-leading commitment to Science Based Targets.

CEFC has committed \$110 million in equity as part of a \$600 million capital raising for the \$4.1 billion Investa Commercial Property Fund (ICPF).

The investment is the CEFC's largest new commercial property commitment to date and will support the development of a landmark energy efficient building at Sixty Martin Place in Sydney's CBD.

The investment establishes a landmark co-operation agreement that will promote the increased uptake of energy efficiency design principles and technologies in the built environment.

Investa is the first Australian property company to commit to a Science Based Target of net zero emissions by 2040, supported by a work plan of carbon reduction programs.

With the support of the CEFC, Investa will create an online resource which will be made available to the wider property community. The resource will outline Investa's approaches and the economics behind the development of energy efficiency in buildings. It will be available to the wider property community, supporting the CEFC's goal of encouraging Australia's commercial property sector to transition to higher levels of building sustainability.



Artist's impression of Sixty Martin Place

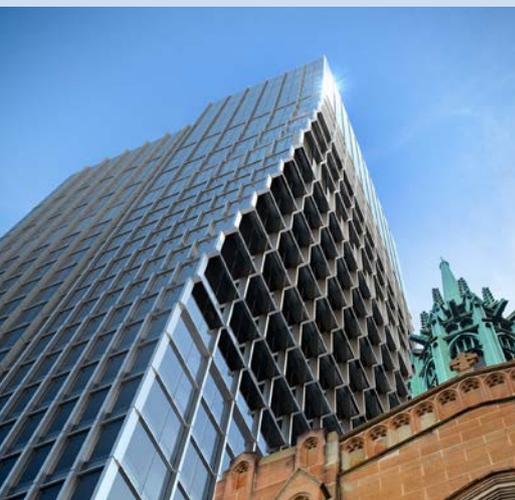
SIXTY MARTIN PLACE

Sixty Martin Place in Sydney is situated opposite the Reserve Bank of Australia and the NSW State Parliament. The \$900 million 33-storey building will have a net lettable area of about 40,000 square metres. The planned digital engineering and energy efficiencies will make Sixty Martin Place a landmark smart building in Australia.

Key energy efficiency measures:

- An integrated service platform across relevant building systems including metering, air conditioning, emergency lighting and lighting control
- Regenerative braking in lifts
- LED lighting
- Insulated glazing units and low-emissivity coating for glazing
- Up to 75kW of solar panels.

The building is being designed to achieve both a National Australian Built Environment Rating System (NABERS) rating of in excess of 5.5 stars, and a 6-Star Green Star rating. Lend Lease Building is the head contractor and completion is expected by 2020.



PROPERTY FUND
INVESTMENT
EXEMPLAR
BUILDING
AND
ONLINE RESOURCE
TO PROMOTE
**ENERGY
EFFICIENCY**

SETTING THE STANDARD IN ENERGY EFFICIENCY

CEFC and Investa’s industry first co-operation agreement facilitates the development of initiatives that encourage the increased uptake of energy efficiency design principles and technologies in the built environment. The agreement has several elements:

- **Science Based Targets (SBTs)** – Investa, which has committed to an SBT of net zero emissions by 2040, will work with the CEFC to focus on sharing information and learnings on setting and applying SBTs across the industry and amongst the broader portfolios of ICPF investors.
- **Optimising energy performance in office buildings industry-wide** – By sharing information and practices relating to Investa’s energy efficient building management practices and methods for reducing emissions.
- **Online data sharing platform** – Making Investa’s portfolio-wide energy consumption information available to companies developing clean energy technologies in the built environment and allowing ICPF buildings to be used as test sites for new technology.
- **Early stage collaboration on significant energy saving programs** – Including portfolio-wide demand management programs and energy storage solutions in selected buildings, and engagement with the early stage angel investor sector in clean energy technologies.
- **Foster partnerships with universities to support research and development** – Including technologies which enhance indoor environment quality and/or provide advancement in the energy efficiency sector.
- **Co-participation in research and networking opportunities** – Including major local and global summits involving ICPF investors and/or responsible investment and sustainability industry bodies.

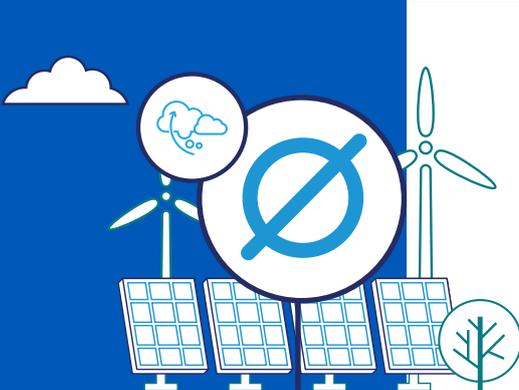


Sustainability is embedded in every part of Investa’s business and building management operations. We have a clear mandate to constantly innovate, leveraging research and data to inform and deliver market-leading management practices and results. The CEFC agreement provides Investa with an unprecedented opportunity to further advance our market leading position by once again being first mover, in the identification of emerging technology that can be incorporated into the way we and the industry as a whole manage office buildings.



Investa General Manager,
Corporate Sustainability,
Nina James

Emission reduction actions will focus on 3 key areas



Source a zero-carbon option for residual power requirements



Continuing to improve the operational performance of Investa’s buildings



Changing the building envelope to deliver further energy and emissions savings

Source: Investa



CLEAN ENERGY AND COMMERCIAL PROPERTY

The CEFC has identified commercial property as a key area where investment in clean energy can reduce energy consumption and drive down emissions.

Buildings use about 40 per cent of global energy and emit about one-third of greenhouse gas emissions, which highlights the importance of adopting higher industry-wide energy efficiency standards in the property sector.

Investing in building energy efficiency results in significant direct and indirect savings. Sustainable buildings result in healthier, more productive work environments.

Investing in constructing to the highest standard makes good longer-term economic sense, considering commercial buildings often have lifespans of 40 years or more.

The peak body for sustainability in the built environment, The Australian Sustainable Built Environment Council (ASBEC), reports that cost-effective energy efficiency and fuel switching in buildings can more than halve their projected 2050 carbon emissions.

BUILDINGS AND ENERGY

THE OPPORTUNITY

40%
of global energy use
=
33%
of global greenhouse gas emissions

\$20bn
in energy savings by
2030
plus
50%
reduction in emissions by
2050

Buildings are the largest energy consuming sector in the world

Achieved by using existing energy efficiency technologies

Source: International Energy Agency

Source: ASBEC, Climate Works

ASBEC has also reported that there is sufficient opportunity for the use of distributed solar PV in property to eliminate the remaining emissions, resulting in zero carbon buildings.

The CEFC's commitment to Investa deepens our support for a better built environment with finance for projects that demonstrate a transition towards market leading carbon-neutral buildings.

TECHNOLOGY SOLUTIONS FOR ZERO CARBON BUILDINGS

ENERGY EFFICIENCY

Improvements in the efficiency of appliances and equipment, and thermal efficiency in buildings.

FUEL SWITCHING

Switching appliances and equipment that use gas, wood or other fuels to electric alternatives.

ON-SITE ELECTRICITY

Use of on-site low carbon distributed energy, such as solar PV and battery storage.

OFF-SITE ELECTRICITY

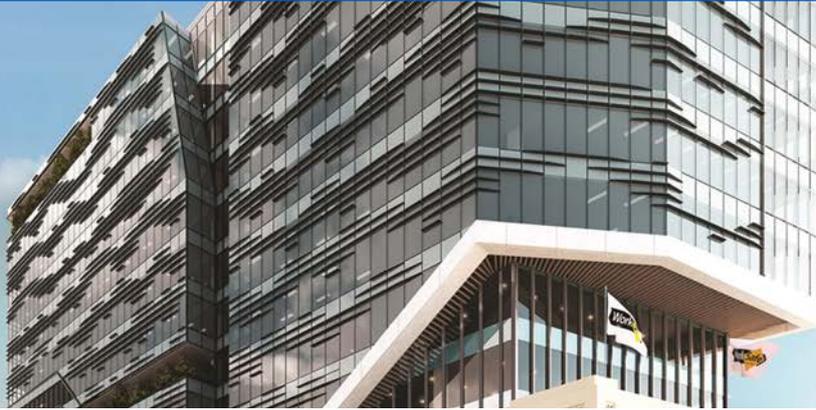
Purchase of off-site low carbon electricity, e.g. through power purchase agreements.

A ZERO EMISSIONS GRID

Decarbonisation of the electricity grid through replacement of fossil fuels with large-scale centralised renewable energy.

Source: Australian Sustainable Built Environment Council

CEFC FINANCE IN ACTION



QUINTESENTIAL EQUITY

A NEW GOLD
STANDARD
ENERGY
EFFICIENT
COMMERCIAL
PROPERTY

MALOP STREET GEELONG

The CEFC is lending unlisted property fund manager Quintessential Equity \$68 million to “stretch” the building design of a \$120 million 14-level commercial office tower in Geelong.

The 1 Malop Street development merges Geelong’s historic Dalgety & Co building into a landmark new property development. The project will create the first multi-storey commercial office building outside the Melbourne CBD to achieve a 5.5 star NABERS base building energy rating. The CEFC’s finance will ensure the building is designed and constructed to a higher environmental standard than otherwise planned.



COMMUNITY HOUSING

ENERGY
EFFICIENT
HOMES
FOR
LOW INCOME
AUSTRALIAN
FAMILIES

COMMUNITY HOUSING

The CEFC is lending up to \$60 million to one of Australia’s largest not-for-profit community housing providers, St George Community Housing (SGCH), to build more than 200 new energy efficient homes in Sydney’s south.

The new homes will be industry best practice of an average seven star rating under the Nationwide House Energy Rating Scheme (NatHERS). SGCH will also use the CEFC finance to deliver energy efficiency improvements to approximately 1,400 very low and low income households. The CEFC is aiming to finance the construction of as many as 1,000 new energy efficient community housing dwellings Australia-wide.



SCIENCE BASED TARGETS

Science Based Targets (SBTs) are a joint initiative of the CDP, The United Nations Global Compact, the World Resources Institute and the World Wildlife Fund. SBTs are aimed at encouraging companies to set targets consistent with the level of decarbonisation required by science to limit global warming to less than 2 degrees Celsius compared to pre-industrial temperatures.

Companies wishing to participate submit a commitment letter to the Science Based Targets approach, develop a target and announce that target. Science Based Targets set a minimum global property sector target of a 55 per cent reduction in carbon emission intensity on 2010 levels by 2050.

ABOUT THE ICPF

Investa Commercial Property Fund (ICPF) invests in prime Australian CBD office properties with a focus on sustainability. Investa Office Management Pty Ltd (IOMPL of 'Investa') is Investa's management platform, an end-to-end office real estate management platform that services Investa's managed funds and private mandates. The unlisted core prime wholesale office fund has investments in 15 properties with a total value of \$4.1 billion, most of which are in Sydney and Melbourne. ICPF is part of the Investa Property Group (IPG) which is one of Australia's leading commercial property owners from a sustainability perspective.

The fund is a global leader in responsible investment, achieving a 5 Star Green Star rating in the 2016 Global Real Estate Sustainability Benchmark, ranking second amongst Australian unlisted office funds and 19th globally. Investa as manager, ranked as Australia's second largest asset manager of core responsible investment in the 2016 Responsible Investment Benchmark Report and was also voted Property Funds Management Team of the Year in the Royal Institute of Chartered Surveyors (RICS) Oceania Awards.

ABOUT THE CEFC

The Clean Energy Finance Corporation invests, applying commercial rigour, to increase the flow of finance into the clean energy sector. Our mission is to accelerate Australia's transformation towards a more competitive economy in a carbon constrained world, by acting as a catalyst to increase investment in emissions reduction. We do this through an investment strategy focused on cleaner power solutions, including large and small-scale solar, wind and bioenergy; and a better built environment, with investments to drive more energy efficient property, vehicles, infrastructure and industry.

The CEFC also invests with co-financiers to develop new sources of capital for the clean energy sector, including climate bonds, equity funds, aggregation facilities and other financial solutions. The CEFC operates under the Clean Energy Finance Corporation Act 2012.

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INVESTMENT