

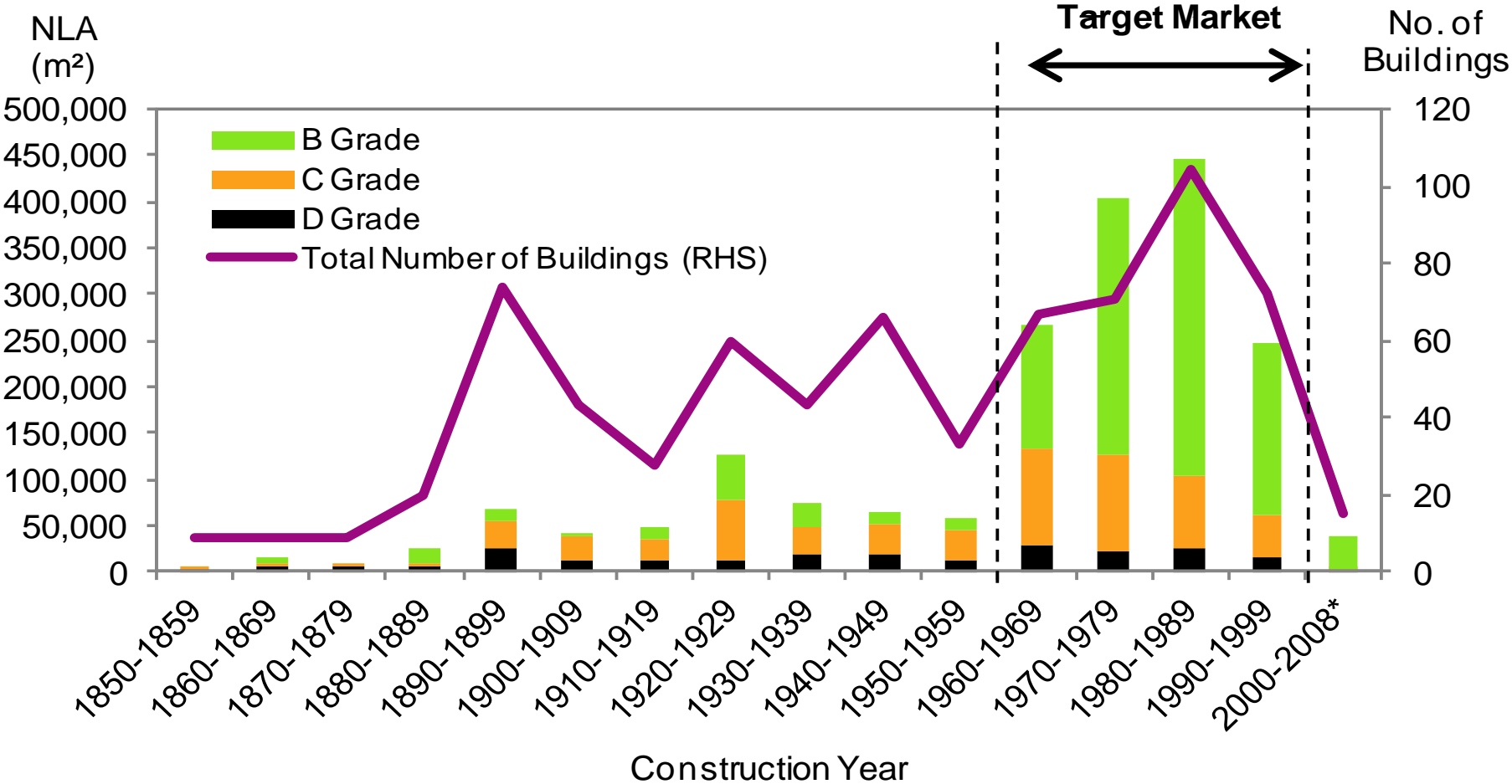
Energy Efficient Office Buildings

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Why the mid-tier?



Why are we here?





Preliminary Results

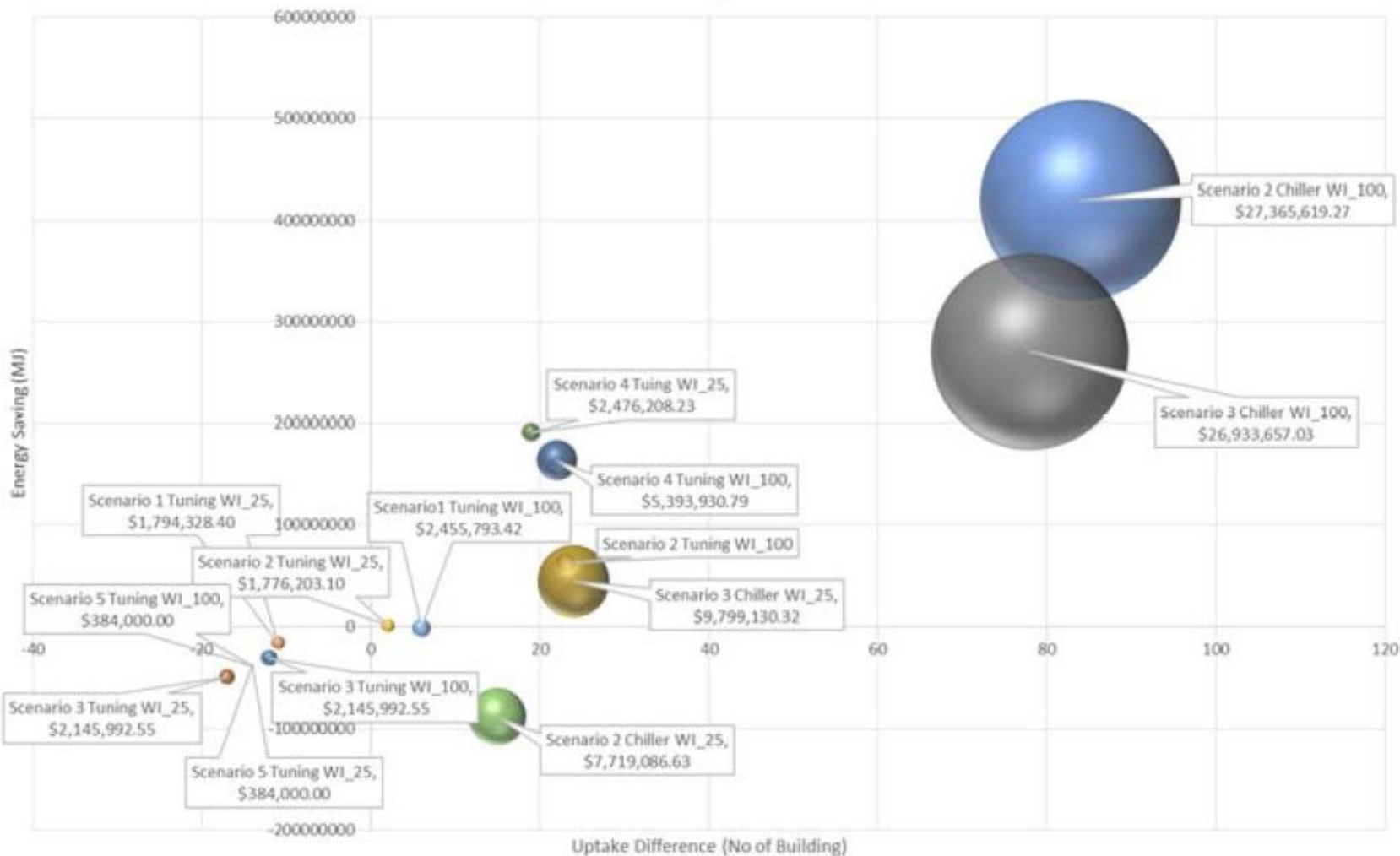
	Total Projected
kWh saving pa	7,594,180
MJ saving pa	6,328,051
GJ saving pa	36,232
eCO ₂ saved tonnes pa	10,672
\$ cost to implement	\$9,909,765
ROI	9.32%
p.a. \$ Saving if implemented	\$923,941
Total Payback (years)	10.73
\$ Cost per tonne CO ₂ e	\$6.28



The Difficulties

Owner 1		Owner 2	
Description/Action	Motivation	Action	Motivation
Consortium of south east Asian businessmen....	Gained wealth through business connections and sees actual assets as mutually interchangeable, divesting or swapping them regularly.	A retired surgeon...	Feels he has earned his wealth the hard way.
Operating through a trust managed by a private trustee...	Values financial returns and tax advantages over any specific asset.	Who manages the building through his SMSF...	Values independence of thought and action.
Who appoints a real estate agent and facilities management firm to manage the building.	Want to be arms-length from their assets for a variety of reasons.	Directly employing local tradies to carry out works where equipment fails	Trusts his own judgement above others. Relies on his 'gut' to decide who to employ.
Is leveraged to the value of 60% of the asset.	Values incremental returns on investment and net lettable area as they increase the leverage capacity of the asset.	Owens the building outright.	Is interested primarily in maintaining full occupancy to maximise returns.
Owens the building for tax, capital gains and as a hedge against domestic issues.	May leave parts of the building untenanted as leasing is too time consuming and costly.	Owens the building for cash-flow.	Will only act if tenants leave as all action which disrupts tenants disrupts cash flow.

Scenario Comparisons



What can be done?

- Opportunities analysis works if followed up
- End-to-end service offering is vital
- Tenant engagement
- Asset management plans
- Encourage networking among stakeholders
- NFP's highly engaged
- Quantify and validate the benefits



What is the scale of the opportunity?



- There are around 3000 mid-tier buildings in Victoria
- If we aim to reduce energy consumption by 30%
- Over 15 years
- Requires approx. \$1.32 billion in investment
- Will deliver 400,000 tonnes CO2 abatement and
- Create approx. 3250 jobs