

CEFC FINANCES CLEAN ENERGY MAKEOVER FOR HISTORIC GEELONG LANDMARK

CEFC investment drives commercial property sector towards carbon neutral buildings

The new Geelong headquarters of WorkSafe Victoria is set to showcase the attractions of its low emissions, employee-friendly office spaces. This is a step towards carbon neutral buildings for Australian cities.

The CEFC is lending unlisted property fund manager Quintessential Equity \$68 million to 'stretch' the building design of the \$120 million 14-level commercial office tower. It will be built to a 5.5 star standard under the National Australian Built Environment Rating System (NABERS) base building energy rating.

The 1 Malop Street development will merge the historic Dalgety & Co building into a landmark property. It will become Victoria's only current multi-storey commercial office building outside of the Melbourne CBD to achieve 5.5 stars.

"This project is a great demonstration of how clean energy solutions can work to give an historic landmark a new lease on life as a highly energy efficient building."

Paul McCartney

CEFC Chief Origination and Transactions Officer



The project demonstrates how the CEFC's involvement is accelerating the transition towards market leading 'greener buildings'. The buildings are more energy efficient, and have lower emissions intensity, supporting the liveability and viability of Australian cities.

The CEFC's finance has been used to ensure the building is designed and constructed to a higher environmental standard than otherwise planned.

1 MALOP STREET - WORKSAFE VICTORIA

The Quintessential Equity development is the CEFC's largest commercial office investment.

Located at one of Geelong's most iconic sites, the 1 Malop Street project is designed by architects, peckvohartel. The 14-storey state-of-the art office complex consists of approximately 15,500 square metres of PCA A-Grade office accommodation, including a basement, secure on-site parking, a ground-floor café, on-site concierge, rooftop exercise and BBQ areas, and club style end-of-trip facilities with 100+ bike racks.

Factors that will lift Malop Street's base building NABERS energy performance rating to 5.5 stars are:

- Replacing 600 kW air-cooled chiller with 900kW water cooled chiller and 1500kW cooling towers
- Enlarging pipework sizing and upgrading all pumps to reduce energy usage
- Adding a proprietary central plant controller to optimise performance of chillers, pumps and cooling towers
- Replacing 2 x 381kW standard water heaters with 2 x 432kW high efficiency water heaters
- Replacing 3,500sqm of base building lighting with very low energy light fittings
- Significantly increase in photovoltaic coverage to the roof and including higher efficiency systems

"Our 1 Malop Street development will set a new gold standard for near city office accommodation, providing a high quality, bespoke workspace designed specifically around the ethos of Live, Work, Play. It will be a legacy project which will form the centrepiece of the next phase of growth and development in Geelong"

Guy French-Wright
Quintessential Equity Head of Development

HARNESSING STAR POWER

NABERS uses a 6 star scale to rate the environmental performance of buildings where 1 star is poor, 5 is excellent and 6 is market leading.

A 5.5 star rated office in Melbourne using only electricity and operating 50 hours a week has emissions of equal to or less than 50kg of CO₂ per square metre.

A 5.5 star building represents a 25 per cent reduction from the greenhouse gas emissions of a 5 star building. Achieving emissions reduction becomes incrementally challenging as buildings approach carbon neutrality.

Buildings taking steps towards that goal are incorporating passive design, onsite renewable energy generation, energy efficient equipment and lighting and optimised heating and cooling systems.

The CEFC's investment in 1 Malop Street to 'stretch' its design to a 5.5 NABERS stars will contribute to the development of building industry skills and capacity to support increased construction to higher NABERS' standards for other properties.

GREENING GREATER GEELONG

The City of Greater Geelong and the Victorian Government are working to reinvigorate the Malop Street precinct to deliver a "green spine" that connects the train station to the city's main retail and business precinct.

1 Malop Street will complement the area's rejuvenation plans while meeting the growing demand for office space in a major regional city that is reinventing itself, having been hit by manufacturing closures in recent years.

It will demonstrate how state-of-the-art building design can work with revitalisation projects to bring new life into cities, to provide environments that encourage employment and productivity.

The development is set to create approximately 180 construction jobs at its peak construction period and support about 1,000 full-time jobs once the building is complete.

The relocation of WorkSafe Victoria involves basing around 680 roles at the new headquarters with a small number of highly specialised roles remaining in Melbourne and throughout the regions.

WorkSafe's relocation brings key public service employment to the region and strengthens the growing insurance and personal injury sector in Geelong. It follows the relocation of the Victorian Transport Accident Commission to the region in 2009.

"We are excited our new home will become a case study for those striving to develop and provide 21st century commercial office buildings specifically tailored to modern workforces and working practices"

Claire Amies

WorkSafe Victoria CE

CARBON NEUTRAL PROPERTY CAN BE A REALITY

The CEFC's financial commitment to 1 Malop Street is part of a broader strategy to accelerate the widespread adoption of higher industry wide energy efficiency standards in the property sector, supported by tailored CEFC financing solutions.

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

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.

Buildings use about 40 per cent of global energy and emit about one-third of greenhouse gas emissions. Investing in building energy efficiency results in significant direct and indirect savings while building sustainably results in healthier, more productive work environments.

Leading researcher ClimateWorks estimates the energy efficiency of buildings can be dramatically improved through innovative design, which can in particular reduce the need for heating and cooling energy consumption.

For building owners and lessors the benefits of more energy efficient buildings may include lower operating costs, increased ability to secure long-term tenants, reduced risk of obsolescence, ability to command higher lease rates, and improved marketability. Tenants also benefit from reduced operating costs, more comfortable working environments and improved productivity.

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

CEFC PROPERTY FINANCE OUTCOMES

Development of new high performing commercial office space

Rejuvenation of poorly performing commercial office space

Upgrades of older office stock in metropolitan areas outside central business districts, to support decentralisation and urban regeneration programs

Improvements to existing buildings, including lighting, heating ventilation and air conditioning, building management systems, onsite generators and rooftop solar

Upgrades to community facilities, building retrofits, on-site generation at leisure facilities, solar installation, energy-from-waste technology installations.

WANT TO KNOW MORE?

To enquire about CEFC finance for commercial properties

Email: property@cleanenergyfinancecorp.com.au

Phone: 1300 00 2332

Submit a proposal through our website at: www.cleanenergyfinancecorp.com.au/submit-proposal

ABOUT QUINTESSENTIAL EQUITY

Quintessential Equity Pty Ltd is an unlisted property fund manager providing syndicated investment opportunities across Australia. Established in July 2010 and specialising in the Commercial and Industrial sectors, Quintessential Equity develop and manage property assets on behalf of a diverse portfolio of investors. The property fund management group offers a level of industry expertise and advice that is second to none, bringing years of engineering and development experience to the table.

With a core focus on commercial office and industrial properties in strategic locations, the organisation assesses and alleviates the potential risks and secures long-term cash flow plus positive capital growth for portfolio properties.

Quintessential Equity's business is built on hard work, integrity, agility and long term relationships. These values are the bedrock upon which the business has been established and is fundamental to everything it does on behalf of their employees, investors, and tenants.

ABOUT THE CEFC

The Clean Energy Finance Corporation invests commercially to increase the flow of funds into renewable energy, energy efficiency and low emissions technologies. The CEFC has supported projects across the Australian economy, benefitting a diverse range of businesses, large and small.

The CEFC's 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. The CEFC does this through direct investments which attract private sector finance, as well as through its strategic co-financing partners. The CEFC was created by the Australian Government and operates under the Clean Energy Finance Corporation Act 2012.

More information is available on the CEFC website: www.cleanenergyfinancecorp.com.au