

PRO-INVEST GROUP SUSTAINABILITY CASE STUDY

March 2019

Holiday Inn Express Melbourne Southbank



LOCATION

35-41 & 43-47 City Road, Southbank (Melbourne), Victoria, Australia

SUMMARY

Designed to achieve a 5-Star Energy Rating under the National Australian Built Environment Rating System (NABERS) scheme, Holiday Inn Express Melbourne Southbank is located within the Southbank precinct, directly south of Melbourne’s CBD. Once complete, the 345-room hotel will include meeting and conference rooms, gym facilities and a food and beverage offering.

ACHIEVEMENTS

Holiday Inn Express Melbourne Southbank is being developed by Pro-invest Group, one of the largest hotel investment platforms in Australasia. Pro-invest Group strives to achieve excellence in sustainable design, with their typical base hotel design for the Holiday Inn Express capable of achieving a 4.5-Star NABERS in design rating.

Pro-invest Group, together with the guidance of Clean Energy Finance Corporation (CEFC) - a specialist clean energy financier, investing with commercial rigour to increase the flow of finance into renewable energy, energy efficiency and low emissions technologies - will incorporate a range of initiatives into the Melbourne Southbank hotel, boosting the initial targeted 4.5-Star NABERS Energy rating to 5-Stars.

Subsequently, the design changes are expected to translate into a c. 25% drop in the hotel’s energy use, delivering substantial energy savings, providing ongoing benefits for the hotel, its carbon-conscious guests and the environment. The baseline used to calculate the decline in Holiday Inn Express Melbourne Southbank is the energy consumption for the portfolio’s first asset, Holiday Inn Express Sydney Macquarie Park which has achieved a 4.5-Star NABERS Energy rating for two years running.

The involvement of CEFC marks the institution’s first investment in the hotel sector. With CEFC investing at an early stage in the Melbourne Southbank project, the design is positively influenced to assist in delivering a range of cost-effective energy performance improvements to achieve a 5-Star NABERS rating.

Ultimately, the investment will provide developers and operators with practical insights into how they can lift their energy performance and achieve long-term cost benefits by investing in proven clean energy technologies.

TIMEFRAME

Holiday Inn Express Melbourne Southbank is set for completion in Q4 2019.

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SPECIFICATION

Property type	Select service hotel + office + retail
GFA	17,902m ²
Floors	22 floors
Hotel rooms	345
Carpark bays	103
Acquisition date	Q4 2016
Hotel opening (expected)	Q4 2019
Current project status	Under development

KEY FEATURES

The below are key initiatives being implemented to uplift Melbourne Southbank’s NABERS Energy rating by 0.5 Stars to 5-Stars:

- Installation of high performance IGU and Glazing which is an upgrade of building glazing properties above industry standard to reduce the total solar heat gain of the building. By doing so, the energy required to condition guestrooms and public areas will be noticeably reduced, resulting in the reduction of energy consumption of the four-pipe

chilled water system which is the highest energy demanding system in the hotel.

- Inclusion of Photovoltaic System for the roof top which involves roof mounted photovoltaic cells generating clean and renewable energy consumed by hotel’s daily energy demand and reducing the overall fossil fuel-based energy consumption.
- Guestroom Energy Management System to turn the power off for lights and air-conditioning when rooms are unoccupied, while also integrating dimming controls to manage light output from LED lighting.
- Hotel lifts will be improved through installation of regenerative lift drives rather than standard lift motors, enabling the lift to recycle energy during operation.

FINANCING

CEFC is providing a A\$39 million construction and term debt facility along with another Australian Bank. CEFC’s financing has been provided on terms that partially offset the additional capital expenditure related to assisting the uplift of Holiday Inn Express Melbourne Southbank’s NABERS rating from 4.5-Stars to 5-Stars.

MAIN STAKEHOLDERS

Pro-invest Group will oversee the Southbank asset throughout its entire lifecycle, including development and operations phases. Through Pro-invest Group’s unique structure, the Group can ensure full control over the entire value chain, allowing for effective sustainability management, risk mitigation and return optimisation.

Pro-invest Group has contracted a multi-disciplinary Environmentally Sustainable Design consulting agency, to perform the NABERS design assessments and to produce a sustainable design roadmap for contractors to adhere to, so as to uplift the project’s NABERS rating once operational by 0.5 Stars to 5-Stars.

Further, CEFC will work in collaboration with Pro-invest Group to promote the insights and energy efficiency learnings gained to the hospitality market to contribute to the knowledge base of sustainable design in the hotel sector.

INFORMATION

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