

INVESCO SUSTAINABILITY CASE STUDY 321 Exhibition Street, Melbourne, Australia

July 2018



TYPE AND SCALE

Property Type: Office/Retail (Grade A)
Land Area: 2,914 sqm
GFA: 30,200 sqm
Floors: 20 Floors
Parking: 23 car parks provided in basement level

SUMMARY

In 2014, Invesco Real Estate acquired 321 Exhibition Street, a 30,200 square meter office building in Melbourne, Australia.

The property is a 20-level office/retail building constructed in 1990. It was fully refurbished and upgraded with modern specifications in 2011. A total of AUD 35 million and AUD 60 million capex was spent by the previous landlord and tenant respectively.

Upon acquisition, improvement works have been carried out to upgrade the building's National Australian Built Environment Rating System (NABERS) Energy rating from 5.5 to 6 Stars, where 6 stars represents market leading performance.

The time period to achieve this current rating took about 9 to 12 months and costs around AUD100,000. The project was led by Invesco Real Estate and CBRE and Ausviro (NABERS consultant) and AG Coombs (Mechanical Contractor).

ACHIEVEMENT

The asset's NABERS Energy Rating improved from 5.5 stars (during acquisition in 2014) to 6 stars by end of December 2016 and has maintained the rating since then. It is the first retrofitted office building in Melbourne and the state of Victoria, Australia to receive a 6 Star NABERS Energy rating.

The difference between 5 and 6 stars is a mammoth 50% reduction in energy. Further benefits of a high NABERS rating includes:

- It is recognised across the property industry as a symbol of sustainability leadership and good management.
- It allows businesses to demonstrate their commitment to protect and conserve the environment & delivers financial benefits, such as reduced electricity costs.

SAVINGS

Energy saving:

- Grid electricity: 96% reduction*
- Natural gas input to tri-generation system: 21% reduction*
- Base building proportioned gas: 9.52% reduction^

Cost saved:

- Total savings in grid energy and gas input amounted to about AUD 64,000

* By comparing the period between "May 14 to Apr 15" & "May 17 to Apr 18"

^ By comparing the period between "May 15 to Apr 16" & "May 17 to Apr 18"

CONTEXT AND DRIVERS

Invesco Real Estate takes a comprehensive approach, fully integrating sustainability into the investment cycle from acquisition through divestment. This is achieved through the development of our Energy and Sustainability Guidelines & Requirements which incorporate into our standard procedures the assessment of potential financial and strategic implications of climate change.

Our processes evaluate existing and planned policies and market trends at the local, regional and national level including emissions, energy, water, location, building codes and green building labelling systems.

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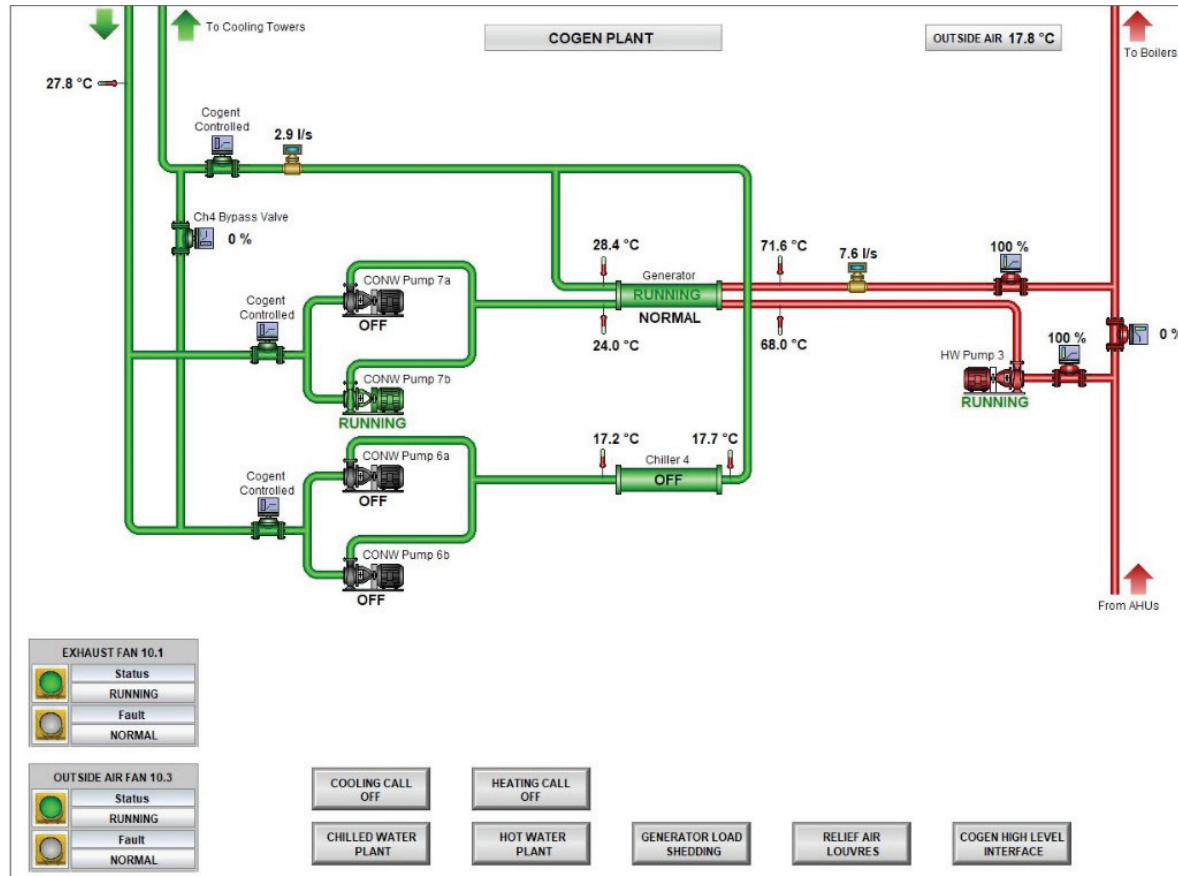
IMPLEMENTATION

We summarise a short list of items that was done to improve the NABERS Energy rating:

- Installation of low energy LED lighting in common areas including basement car park, entrance foyer

and stairwells. Motion sensitive lighting has also been fitted where possible to minimise electricity use.

- Intelligent Building Management Control System (BMCS) efficiency works completed used to monitor and control building performance.
- Monthly monitoring being carried out to ensure operational performance is maintained.



LOOKING AHEAD

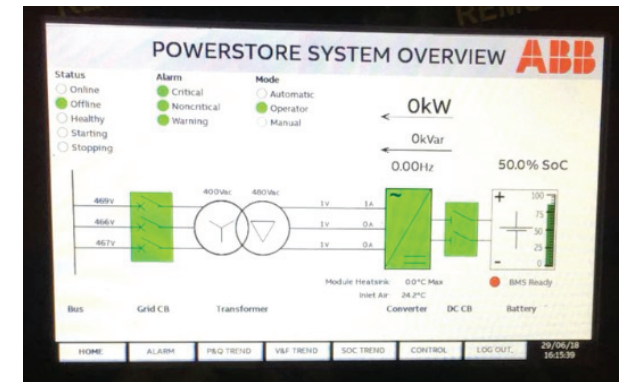
New Tesla Battery Set Installation

As part of an upgrade to the onsite Cogent tri-generation system, an AUD 500,000 Tesla Battery pack[#] has been installed in the plant room. This battery set was designed to charge via the tri-generation plant during day time and store enough energy to power the site overnight.

ABB designed a containment unit with accompanying cooling plant to operate with compliance to accepted guidelines and standards for installation within the current site environment. The commissioning of its operation was concluded by 30th June 2018.

Upon installation, it is envisaged that the NABERS rating should rise to 6.3 Stars, as it virtually eliminates the site from the intake of grid power.

[#] Battery output: 265 kVA & capacity: 368 kWh



INFORMATION

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