

Commercial Building Disclosure



Topics

- What is the Commercial Building Disclosure (CBD) Program
- Is your Building Disclosure Affected?
- Obtaining a Building Energy Efficiency Certificate (BEEC)
- Exceptions and Exemptions
- Monitoring and Compliance

What is the Commercial Building Disclosure (CBD) Program?



What is the Commercial Building Disclosure (CBD) Program?

- The CBD Program was introduced by the Australian Government in 2010 and is delivered by the Department of the Environment and Energy. The program was established under the Building Energy Efficiency Disclosure (BEED) Act 2010.
- The Program requires energy efficiency information to be disclosed in most cases when commercial office space of 2000 square metres or more is offered for sale, lease or sublease.
- **The disclosure threshold will be reduced to 1000 square metres of office space from 1 July 2017.**

What is required?

- If your building is disclosure affected, under the BEED Act it is a legal requirement that you obtain from the Australian Government a Building Energy Efficiency Certificate (BEEC) before you offer your office space for sale, lease or sublease.
- BEECs are valid for up to 12 months and include:
 - The building's National Australian Built Environment Rating System (NABERS) Energy for offices star rating, issued by NSW Office of Environment and Heritage; and
 - A Tenancy Lighting Assessment of the relevant area of the building.
- The NABERS Energy star rating must be provided on **all** forms of advertising.

What is required...continued

- You will need to appoint a CBD Accredited Assessor to apply for a Building Energy Efficiency Certificate (BEEC) on your behalf.
- There are more than 200 Accredited Assessors nationwide.
- The list of Accredited Assessors can be found online at – www.cbd.gov.au



Is your building disclosure affected?



Is your Building Disclosure Affected?

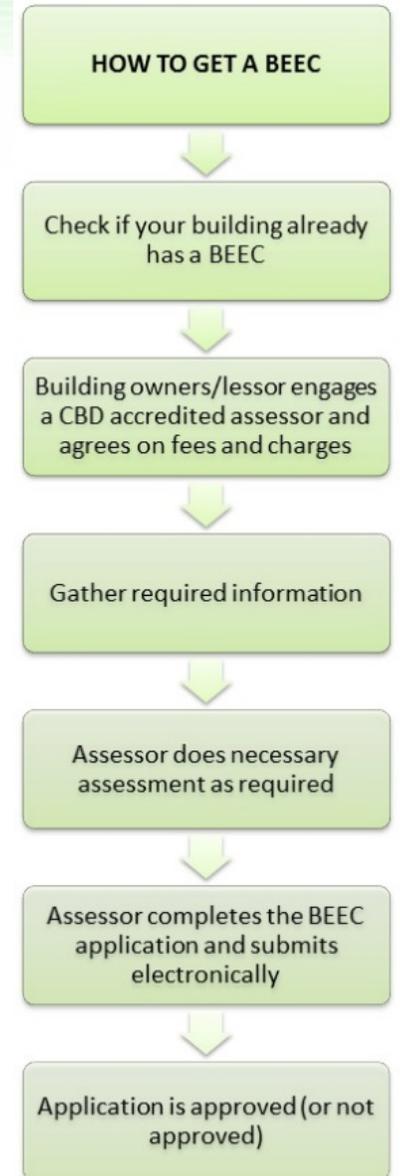
- You are likely to be affected by the CBD Program if you are:
 - A building owner who is selling or leasing office space with a net lettable area of 2000 square metres or more (**reduced to 1000 square metres from 1 July 2017**).
 - A tenant who is subleasing part of your tenancy with a net lettable area of 2000 square metres or more (**reduced to 1000 square metres from 1 July 2017**).
 - A real estate agent who is advertising office space with a net lettable area of 2000 square metres or more (**reduced to 1000 square metres from 1 July 2017**).
- Some buildings are subject to an Exception – more detail later

Obtaining a Building Energy Efficiency Certificate (BEEC)



How to obtain a Building Energy Efficiency Certificate (BEEC)

- Plan ahead – allow time to obtain a BEEC before leases expire or sales processes are initiated.
- Check if your building already has a BEEC or exemption by going to the Building Energy Efficiency Register online: <http://cbd.gov.au/register/find-a-rated-building>.
- Engage a CBD Accredited Assessor and agree on fees and charges.
- Gather required information (utility bills, NLA surveys), organise records and provide to assessor. The assessor will guide you through this process.
- Arrange access for assessor to complete the assessments required.
- Only a CBD Accredited Assessor can apply for a BEEC on behalf of building owners and lessors.
- Only once the BEEC is granted, may the building owner/lessor commence advertising.
- Provide the BEEC to prospective purchasers or lessors and include the actual NABERS rating on all advertisements.



Sample BEEC



BUILDING ENERGY EFFICIENCY CERTIFICATE

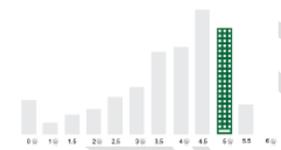
BUILDING DETAILS

Building name	Sample Plaza	Certificate no.	B9999-2016/1
Owner's name	TRUSTEE FOR EXAMPLE PROPERTY TRUST	Current from	15 Jul 2016
Building address	123 Sample Street, City, STATE, 9000	Current to	15 Jul 2017
Net Lettable Area of the building	33,800.0 m ²	CBD assessor name	CBD Assessor
		CBD assessor no.	CBDA9999

PART 1 - NABERS ENERGY RATING



This building has achieved
5.0 STAR NABERS ENERGY RATING
(excluding GreenPower)



HOW DOES YOUR BUILDING COMPARE?
The highlighted building on the adjacent graph compares the NABERS Star rating of your building to other buildings that were issued a BEEC nationally in 2015.

PART 2 – TENANCY LIGHTING ENERGY EFFICIENCY ASSESSMENT

An assessment of the buildings lighting energy efficiency is contained in part 2 of this certificate.

ENERGY EFFICIENCY GUIDANCE

Guidance on how building energy efficiency might be improved for building owners and tenants may be found at www.cbd.gov.au/get-and-use-a-rating/what-is-a-beec

Issued under the Building Energy Efficiency Disclosure Act 2010 to disseminate information and encourage energy efficiency in large commercial office buildings in Australia.



PART 1 – NABERS* ENERGY RATING

BUILDING DETAILS

Building address	123 Sample Street, CITY, STA 9000	NABERS rating no.	N99999
		Certified date	15 Jul 2016
		Current to	15 Jul 2017

NABERS ENERGY RATING



This building has achieved
5.0 STAR NABERS ENERGY RATING**
(excluding GreenPower)

Rating scope	Base Building
Rated area	30,735.2 m ²
Rated hours	52.9

BUILDING CONSUMPTION & EMISSION DETAILS

Annual emissions	2,005,964 kg CO ₂ -e per year
Annual emissions intensity	65.3 kg CO ₂ -e/m ² per year
Annual consumption	12,908,784 MJ per year

NABERS ASSESSOR DETAILS

Assessor name	Joe Citizen
Assessor number	CBDA9999

ABOUT NABERS ENERGY RATINGS

0.....	Very poor
1.....	Poor
2.....	Below average
2.5 to 3....	Average
4.....	Good
5.....	Excellent
6.....	Market leading

* National Australian Built Environment Rating System is a joint initiative of the Australian, State and Territory governments.
** This rating must be used in all advertising.



PART 2 – TENANCY LIGHTING

ENERGY EFFICIENCY ASSESSMENT

ASSESSMENT SUMMARY

Building address	123 Sample Street, City, STATE, 9000
Assessment scope	All Office Space
Assessed NLA	32,541.7 m ²

Assessor name	Assessor no.	Assessment no.	Version no.	Space ID	Certified date	Current to
CBD Assessor	CBDA9999	LA9999	V 2	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38	15 Jul 2016	15 Jul 2017

Space ID	Functional space name	NLA (m ²)	NLPD (W/m ²)	NLPD Performance comparison	Lighting System Existing/Proposed	Control Capacity	Performance comment
1	Level 3 - Whole Floor	1,394.0	15.4	Poor	Existing	Poor	
2	Level 4 - Whole Floor	1,385.0	18.5	Very Poor	Existing	Poor	
3	Part Level 7 - Suite 701	351.1	18.5	Very Poor	Existing	Poor	
4	Part Level 7 - Suite 702A	50.6	18.5	Very Poor	Existing	Moderate	
5	Part Level 7 - Suite 702B	134.1	18.5	Very Poor	Existing	Moderate	
6	Part Level 7 - Suite 703	271.0	18.5	Very Poor	Existing	Poor	
7	Part Level 7 - Suite 704	293.9	18.5	Very Poor	Existing	Poor	
8	Level 8 - Whole Floor	1,236.1	8.6	Good	Existing	Good	
9	Level 9 - Whole Floor	1,236.2	8.6	Good	Existing	Good	
10	Part Level 10 - Suite 1001	226.2	8.6	Good	Existing	Good	
11	Part Level 10 - Suite 1002	791.9	8.6	Good	Existing	Good	
12	Part Level 10 - Suite 1003	128.2	8.6	Good	Existing	Good	
13	Level 11 - Whole Floor	1,245.6	8.6	Good	Existing	Good	
17	Level 16 - Whole Floor	1,096.3	8.6	Good	Existing	Good	
18	Level 17 - Whole Floor	1,236.0	8.6	Good	Existing	Good	
19	Level 18 - Whole Floor	1,236.9	8.6	Good	Existing	Good	
20	Part Level 19 - Suite 1901 & 1903	827.9	15.4	Poor	Existing	Poor	
21	Part Level 19 - Suite 1902	675.1	15.4	Poor	Existing	Poor	
22	Part Level 20 - Suite 2001	470.5	10.7	Median	Existing	Good	
23	Part Level 20 - Suite 2002	675.1	8.6	Good	Existing	Good	
24	Level 21 - Whole Floor	1,233.5	12.4	Median	Existing	Good	
25	Level 22 - Whole Floor	1,197.7	10.7	Median	Existing	Good	
26	Level 23 - Whole Floor	1,236.1	10.7	Median	Existing	Good	
27	Level 24 - Whole Floor	1,228.8	10.7	Median	Existing	Good	
28	Level 25 - Whole Floor	1,297.4	10.7	Median	Existing	Good	
32	Level 29 - Whole Floor	1,298.3	10.7	Median	Existing	Good	
33	Part Level 30 - Suite 3001	648.8	19.4	Very Poor	Existing	Poor	

Disclaimer: The Australian/New Zealand Standards 1550 series makes recommendations for the lighting of interiors and workplaces. This assessment makes no judgment about the performance of the installed lighting system against the recommendations of those standards. Prospective tenants or owners should check that the lighting system is fit for their requirements.

Definitions and other information on how to interpret the lighting assessments are at Attachment A.

Only once the Building Energy Efficiency Certificate (BEEC) has been granted can the building owner/lessor start offering the office space and commence advertising.

Exceptions and Exemptions



Exceptions from mandatory disclosure by building type

- Exceptions from mandatory disclosure apply to -
 - Strata-titled buildings.
 - Mixed use buildings where total office space comprises less than 75 per cent of the building by net lettable area (or gross lettable area if net lettable area is unavailable).
 - New buildings where a certificate of occupancy (or equivalent) has either not yet been issued or was issued less than two years earlier.
 - Buildings which have completed a major refurbishment for which a certificate of occupancy (or equivalent) was issued less than two years earlier. Note: for a major refurbishment where no certificate of occupancy was issued, you need to apply for an exemption.

Exceptions from mandatory disclosure by transaction type

- In addition, the following transactions do not create a disclosure obligation, even if the space is disclosure affected:
 - The sale of a building through the sale of shares or units or the sale of a partial interest in a building
 - Leases and subleases of 12 months or less (including any option to extend). For example, a six month lease with an option to extend for another six months would not trigger a disclosure requirement. However, a six month lease with an option to extend for 12 months would trigger a disclosure requirement.
- For further information, download the guidance note from cbd.gov.au on the treatment of certain property transactions.

You **DO NOT** need to formally apply for an exception if you meet the building or transaction exception requirements.

However, you may later be required to substantiate your exception from mandatory disclosure as part of the Government's compliance activities.

Exemptions

- You may apply for an exemption from mandatory disclosure obligations -
 - If your building or an area of your building is used for police or security operations
 - In cases where a NABERS energy rating cannot be assigned because of the current characteristics of the building or an area of the building. This has to be substantiated by the NABERS National Administrator.
- Exemption applications are considered on a case-by-case basis.
- Contact the CBD Team to discuss your scenario at info@cbd.gov.au

How to obtain an exemption

- Complete the CBD exemption application form
 - This can be done by a building owner, lessee or lessor however most exemption applications require a CBD Accredited Assessor supporting statement. This supporting statement details why an energy efficiency rating of a building or area of a building cannot be undertaken for the purposes of the BEED Act.
- Engage and arrange access for an Assessor to complete the assessment required for their supporting statement
- Pay the application fee (this fee is payable whether the exemption is granted or not)
- If application is approved the building owner/lessor can start advertising

Monitoring and Compliance



Compliance and Penalties

- If your commercial office building is disclosure affected, you cannot advertise it for sale, lease or sublease without a Building Energy Efficiency Certificate (BEEC) or an exemption.
- Compliance with the program is monitored by the Australian Government Department of the Environment and Energy.
- Penalties under the BEED Act for breaches are per day of non-compliance
 - Civil penalties of up to \$180,000 for the first day and \$18,000 for each subsequent day may be imposed by a Court for each breach of a disclosure obligation.
 - Alternately, the Department can issue an infringement notice of up to \$18,000 for the first day and \$1,800 for each subsequent day of non-compliance.
 - Two breaches in one year will lead to a listing on the Energy Efficiency Non-Disclosure Register.
 - Penalties can apply to owners and their agents.

Your roles

Building Owners/Tenants

- Determine whether you have a disclosure obligation and if so, obtain a current Building Energy Efficiency Certificate (BEEC) and include the NABERS Energy for Offices star rating in all advertisements, or obtain an exemption.
 - Plan ahead and allow time (up to 2 months) to obtain a BEEC before leases expire or sales processes are initiated
 - Organise records
 - Engage a CBD Accredited Assessor
 - Provide information to your Assessor
 - Arrange access for your Assessor

Please Note: *Assessors and the CBD Team cannot provide legal advice. This should be sought from professional independent legal sources*



Your roles... *continued*

Assessors

- Obtain Building Energy Efficiency Certificates (BEECs), or an exemption, for building owners/tenants
 - Ensure your client is well informed and equipped to provide required information and access in a timely manner
 - Conduct NABERS Energy for Offices rating
 - Conduct Tenancy Lighting Assessment
 - Conduct assessments for exemption applications and apply online where required

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Your roles... *continued*

Real Estate Agents

- Check that a Building Energy Efficiency Certificate (BEEC) or an exemption has been registered on cbd.gov.au prior to advertising office space.
- Ensure that the current NABERS Energy rating is expressed in all advertisements in the correct manner by:
 - Using a whole number or one half of a whole number, from 0 to 6, worked out for the building under the NABERS Energy rating rules
 - Adding the words ‘-star NABERS Energy rating’ after the number, eg:
 - 4.5-star NABERS Energy rating
 - 3-star NABERS Energy rating
 - 0-star NABERS Energy rating

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Additional Resources

- Additional information on the CBD Program is available on the CBD website www.cbd.gov.au where:
 - The Building Energy Efficiency Register displays all current Building Energy Efficiency Certificates (BEECs)
 - You can find a CBD Accredited Assessor
 - There is a FAQ page providing answers to specific questions
 - There is information on how to improve your NABERS rating
- For further information please contact the CBD Team
 - Ph: 1800 020 131 Email: info@cbd.gov.au