

Business Case for Environmental Upgrade Finance

How service providers can use Environmental Upgrade Finance to add value to clients and get projects across the line

WHAT IS ENVIRONMENTAL UPGRADE FINANCE?

Environmental Upgrade Finance is a new and growing form of finance provided by major financiers in Australia for commercial building upgrades that reduce operating costs and improve energy, waste or water efficiency or increase renewable energy.

WHAT ARE THE BENEFITS FOR SERVICE PROVIDERS?

Environmental Upgrade Finance can help service providers such as building managers, professional service providers and energy and sustainability services providers and consultants, including architects and engineers. The benefits include:

1. Enable more, bigger projects



For service providers that are trying to convince building owners to undertake building upgrade projects, Environmental Upgrade Finance can help them to get more projects over the line by providing suitable finance for projects that would otherwise not proceed.

By offering building owners the opportunity to upgrade their building with little or no negative cashflow impacts, it also makes it possible for building owners to consider larger projects, opening up new markets for service providers.

2. Add value to clients, and a point of differentiation from competitors



For service providers whose core business is not building upgrades themselves, understanding Environmental Upgrade Finance and being able to provide clients with advice and assistance on this can be a way for them to improve their value proposition for new clients and help retain existing clients.

WHERE CAN I FIND OUT MORE?

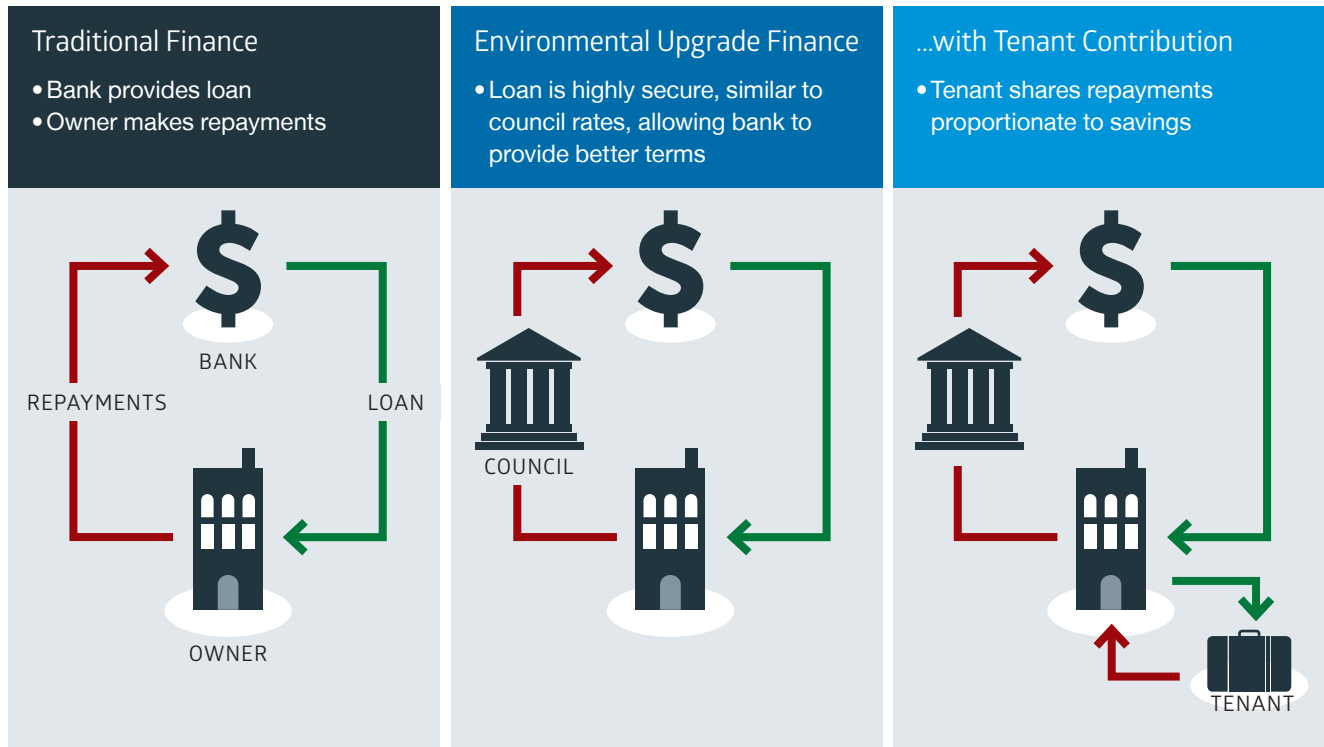
More information is provided at [BetterBuildingFinance.com.au](https://www.betterbuildingfinance.com.au), including:

- Case studies of buildings that have been upgraded using Environmental Upgrade Finance
- Example business cases for a range of other potential building upgrade projects
- A simple comparison calculator that helps you see how Environmental Upgrade Finance could work in your own building


HOW DOES IT WORK?

A number of financiers including NAB, ANZ and Bankmecu currently offer Environmental Upgrade Finance. This kind of finance is secured against the building, rather than the building owner, with

repayments collected for distribution to the lender by the local council. This structure makes Environmental Upgrade Finance lower risk for financiers, and allows them to offer more attractive finance terms.



Example Business Case > 460 Collins Street, Melbourne, Vic

	<p>THE CHALLENGE:</p> <ul style="list-style-type: none"> • Replace ageing equipment and attract additional tenants <p>THE OPPORTUNITY:</p> <ul style="list-style-type: none"> • Save over \$30,000 annually and avoid risk of equipment failure 	<p>ENVIRONMENTAL UPGRADE FINANCE:</p> <ul style="list-style-type: none"> • Would help the owner achieve a capital intensive, pro-active replacement of old equipment at zero upfront cost • If tenant contribution is sought, could allow tenant concerns about energy costs to be met without raising rents
---	---	---

*For more information including the full business case go to www.BetterBuildingFinance.com.au

BetterBuildingFinance.com.au



Australian Government
Department of Industry