



Environmental Upgrade Agreements.

Baw Baw Shire Council is offering Environmental Upgrade Agreements to businesses that own or lease commercial buildings within the Shire.

What are Environmental Upgrade Agreements?

Environmental Upgrade Agreements (EUA) are a growing form of fixed interest finance for businesses to fund commercial building upgrades. EUA finance is available over a longer term (10 years or more) than typical business finance (2-5 years), and this can lead to a cost-positive outcome for both building owners and tenants.

In September 2016, the Victorian Government passed legislation empowering all local governments in Victoria to offer EUAs to businesses.

The upgrades reduce operating costs, improve energy, waste or water efficiency or increase the renewable energy generated onsite.

How do they work?

EUA finance is secured against the property rather than the property owner, with repayments collected by Council for distribution to the finance provider. This structure makes EUAs a lower risk for finance providers and allows them to offer more attractive finance terms.

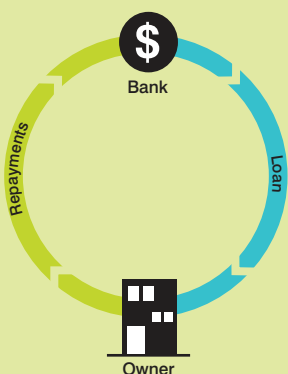
What can I upgrade?

EUAs can fund any improvements to a building that improves energy, water or waste efficiency or increase renewable energy:

- Solar panels
- LED lighting or motion sensors
- Weather proofing/draught sealing
- Improvements to heaters, coolers and ventilation
- Refrigerator/chiller upgrades
- Waste management

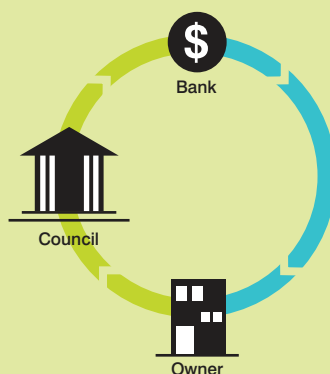
Traditional finance

- Bank provides loan
- Owner makes repayments



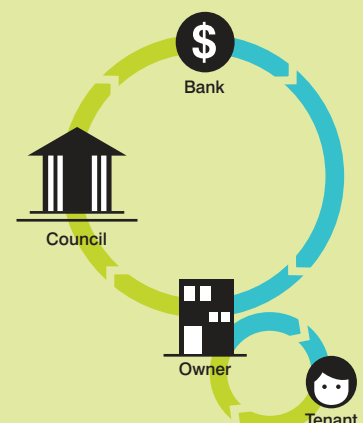
EUA finance

- Council collects repayments
- Bank provides better terms



With tenant contribution

- Tenant shares repayments proportionate to savings



What are the benefits?

Environmental upgrades to a commercial property can improve energy, water and waste efficiency. This can result in reducing bills, improving building value, and reducing greenhouse gas emissions.

Benefits for property owners:

- Improved assets with lower operating costs.
- Longer term fixed interest loans that deliver immediate cash flow benefits.
- Zero upfront capital, no added security requirements.

Benefits for tenants:

- Lower operating costs .
- Improved amenity with more energy efficient workplaces.
- Ability to influence landlords to implement upgrades without increasing rent.
- Implement upgrades during the course of a long tenancy – no need to wait for a new lease.

Benefits for industry:

- Opportunities for contractors, suppliers and installers.
- EUAs help service providers offer building owners a new finance solution for their building projects.
- New market opportunities may arise due to building owners ability to upgrade with little or no negative cash flow impacts.

How to get involved

Contact Better Building Finance

P (03) 9658 8740
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Complete a building upgrade assessment at www.betterbuildingfinance.com.au

