



COMMERCIAL BUILDING DISCLOSURE PROGRAM - UPDATE NOVEMBER 2010

AMENDMENTS CONCERNING MIXED USE BUILDINGS AND REFURBISHMENTS

Commercial Building Disclosure (CBD) is a national program designed to improve the energy efficiency of Australia's large office buildings. Under the program, if you are selling, leasing or subleasing office space with a net lettable area of 2,000 square metres or more, you may be required to obtain and disclose an up-to-date energy efficiency rating.

There have been recent changes made to the *Building Energy Efficiency Disclosure (Disclosure Affected Buildings) Determination* concerning mixed use buildings and buildings which have undergone major refurbishments. These changes came into effect on 29 November 2010.

Mixed use buildings

Mixed use buildings combine office space with other functions such as warehouses, medical centres, hotels or retail outlets. These buildings often share energy metering and as a result, it can be difficult to provide an accurate energy rating for the separate spaces.

The Government has worked with industry stakeholders to address these complex issues and decided as an interim approach that buildings with less than **75 per cent** office space (of the net lettable area¹), **will not be required** to disclose a NABERS Energy rating. For example:

A 100,000m² building with office space of 90,000m² and retail space of 10,000 m² **would need** to disclose an energy efficiency rating.

A 100,000m² building with office space of 60,000m² and warehouse space of 40,000 m² **would not need** to disclose an energy efficiency rating.

This approach to mixed use buildings is an **interim measure** during the transition year of the program and will be subject to review by a panel of industry experts. This panel will report back to the Government before the end of July 2011 on their recommendations. Industry will be given clear advice and an appropriate timeframe to adapt to any changes, recognising the possible need for metering changes and collection of 12 months data for a NABERS Energy rating.

¹ For some buildings, such as mixed office/warehouses, gross lettable area may be the industry standard. Where this is the case, and net lettable area is not available for this calculation, gross lettable area may be used.



What action do I need to take?

If your building has less than 75 per cent office space, it is classed as an *exception* to the CBD program and you do not need to take any action.

To ascertain if your building is within the 75 per cent threshold, it must be determined in accordance with the *Method of Measurement for Lettable Area* published by the Property Council of Australia and available from their website at www.propertyoz.com.au.

Owners of buildings that are below the 75 per cent threshold, but wish to voluntarily comply with the legislation, may lodge their NABERS ratings on the Building Energy Efficiency Register at <http://www.cbd.gov.au/RatingRequestForm.aspx>.

Refurbishments

Buildings which have had major refurbishments that will have a substantial effect on the energy performance of the base building, **will not be required** to disclose a NABERS Energy rating for two years from when the certificate of occupancy is issued.

Major refurbishments are those that involve substantial changes being made to the fabric, plant or equipment in the building and require a certificate of occupancy issued under a law of a State or Territory, prior to the building being occupied or reoccupied.

What action do I need to take?

If your building has undergone a major refurbishment it is classed as an *exception* to the CBD program for two years after the issue of the certificate of occupancy and no action needs to be taken during this time. However, after two years of occupancy it is assumed that energy data can reasonably be assessed and from this point most building owners will need to comply with the legislation and disclose an energy efficiency rating.

More information

Further information on the CBD program, including the amended Determination, is available at www.cbd.gov.au.