



# ENVIRONNEWS

**Knight Frank**

Edition 6 2011

ANNOUNCEMENT

## CARBON TAX

The KF View

**The Federal Government has launched “Securing a clean energy future: the Australian Government’s climate change plan.” The core of the plan is the introduction of a price on carbon pollution whereby the top 500 polluters will pay \$23.00 per tonne of CO2 emitted. The revenue generated will be partly used as compensation to households and select businesses/ exposed industries. From July 2015, an Emissions Trading Scheme (ETS) will replace the tax.**

### What effect will it have on the property industry?

Whilst the tax will not have a direct impact on the industry, we expect to see the following:

- Increased operational costs for lighting, heating, ventilation and cooling will mean that buildings, more than ever, will need to put actions into place to become energy efficient. Buildings with a lower NABERS rating in particular will feel the pinch of increased energy costs. Outgoings for tenants will increase as a result. Owner’s will need to be aware of cases where fixed costs are in place as this could affect whether the price of carbon can be passed on.
- Demand for more energy efficient buildings will rise, leading to increased rental demands. There is already local data to suggest that buildings with a good environmental rating such as Green Star and NABERS deliver greater returns than those without ratings or with poor ratings. This trend is expected to hasten once a carbon price is in place. CAPEX plans may therefore, need to be brought forward in order to optimise building performance and achieve a higher NABERS rating.
- Construction costs are expected to increase due to the rising costs of emissions intensive building materials (concrete, aluminium, glass, steel etc). Due to the impact of these higher construction costs, economic rents will likely have to rise further to make new development feasible. The flipside is that there will be an increase in building upgrades and retrofits, which can often be more sustainable than building from scratch.

For more information, please visit [www.gbca.org.au](http://www.gbca.org.au) or [www.propertyoz.com.au](http://www.propertyoz.com.au)



### More tips from True Green @ work

**The power of shutdown!** The idea that leaving a machine on is more efficient than turning it off has become something of an urban and deeply uneconomic myth. Left on all day, everyday, as happens in some offices, a computer will over a year use nearly 1000 kilowatts of electricity, resulting in more than a tonne of carbon emissions and an electricity bill of \$125 per computer! By switching off your PC and monitor before you go home, you will cut its electricity usage to less than 250 kilowatts – you do the math.

**Why don’t you switch off and save today!**

UPDATE

## NABERS



The NABERS rating scale has now been extended to 6 stars, to recognise market leading performance. A 6 star rating now reflects “market leading performance.” The existing 0 to 5 rating levels will not change.

All buildings currently rated at 5 stars that are performing at a 5.5 or 6 star level will be issued new certificates reflecting their new rating. This will affect 80 existing ratings. Other current ratings will not change, and the meaning of those ratings will also remain the same. All future ratings will have the potential to achieve 6 stars.

For more information: [www.nabers.com.au](http://www.nabers.com.au)

THIS MONTH'S FEATURE

# CARBON & ECOLOGICAL FOOTPRINTS

**We often hear reference to our Environmental Footprint, but what does it mean? And what's the difference between Carbon and Ecological Footprints?**



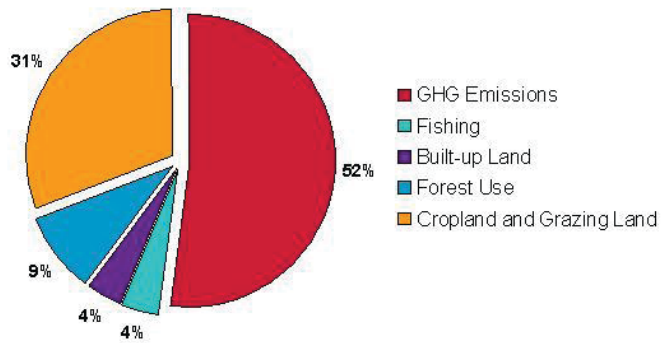
The term **carbon footprint** is used to refer to the amount of carbon dioxide (CO<sub>2</sub>) and other greenhouse gases that a person, organisation, city, or country generates over a certain time period. It is usually measured in tonnes and reported on an annual basis. Increased levels of these kinds of emissions are problematic because they contribute to global warming.

An **ecological footprint** measures the amount of natural resources we have, how much we use, and who uses it. In general, the Ecological Footprint measures resource consumption of human activities across the whole lifecycle of a product or service and converts this to the amount of land needed to supply the resources consumed and assimilate the waste generated. Australia has one of the world's largest ecological footprints per capita, requiring 6.6 global hectares per person. Over 50% of Australia's footprint is due to greenhouse gas emissions, with the average household emitting around 14 tonnes of greenhouse gases each year.

Carbon measurement is therefore a big part of an Ecological footprint, but there is a lot more to an ecological footprint and the two are not interchangeable.

The Ecological Footprint does not account for hazardous impacts of products such as the impact of dioxins released in the atmosphere, nor does it measure water usage against water availability. The Footprint does, however, measure the land required to eliminate Carbon dioxide emissions and the impact of the energy required to provide the water we consume.

## Composition of Australia's Ecological Footprint



Source: <http://www.wwf.org.au/footprint/>

## Have you calculated your footprint?

It's much easier than you may think. There are numerous calculators available online where you can input your personal or company data and come up with an estimate of your environmental impact. Please visit [www.wwf.org.au/footprint](http://www.wwf.org.au/footprint) to determine your ecological footprint or [www.carbonneutral.com.au](http://www.carbonneutral.com.au) to access a carbon calculator.

UPDATE

## CBD PROGRAM ARE YOU PREPARED?

November 2011 is fast approaching! From this date in order to comply with the legislation, all spaces above 2000 square metres to be sold, leased or subleased must have a Building Energy Efficiency Certificate or BEEC. In the initial 12 month transition period of the CBD program, only a NABERS rating was required.

### A BEEC consists of three components:

- 1 NABERS Energy rating
- 2 An assessment of tenancy lighting in the area of the building that is being sold or leased and
- 3 General energy efficiency guidance

Only CBD Accredited Assessors can undertake a BEEC Assessment.

Should you require further information or advice, please email: [sustainability@au.knightfrank.com](mailto:sustainability@au.knightfrank.com)

Should you wish to talk to Knight Frank about any of the above services, please contact one of our offices below:

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