

Cbus Property's all-electric future



Adelaide's first all-electric office building at 83 Pirie Street saves tenant customers around \$100,000 year in energy costs, helps owner Cbus Property achieve its net zero carbon commitment and shows Australia's property developers how electric dreams can become reality. And because it's all-electric, 83 Pirie Street's NABERS rating will rise over time.

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“It is all systems go for us. Our commitment to electrification includes all of our developments and investments.”

— Adrian Pozzo, Chief Executive Officer, Cbus Property

83 Pirie Street is an appealing building from the street. The eye-catching sawtooth façade, with bronze mesh and pressed brickwork, is a welcome addition to the Adelaide streetscape. The interior is just as attractive, with light-filled floors, state-of-the-art end-of-trip facilities, industry-leading wellness facilities and a rooftop terrace with views that stretch to the Adelaide Hills.

But there is something about 83 Pirie Street that is not visible to the naked eye – and that is Cbus Property's behind-the-scenes but bold commitment to deliver an all-electric building.

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The electric vehicle charging stations and the all-electric barbecues are clues, but to those who work or visit the building, 83 Pirie Street is just a great place to work.

For the building's owner and developer, Cbus Property, 83 Pirie Street is a symbol of its commitment to "future-ready" buildings – and that means net zero carbon, 100% renewable electricity and a minimum of 5.5 star NABERS Energy.

Electrification: A 'lightbulb' moment

When Cbus Property purchased the site in 2018, electrification was still just a distant dream but very much a future aspiration. But the developer holds its assets for the long-term – and that means always looking to the horizon.

"Property is one of the longest-term commitments that any investor can make," says Adrian Pozzo, Cbus Property's Chief Executive Officer, and Chair of the Green Building Council of Australia (GBCA).

"When we commit to a new development, we make a commitment to creating long-term value for both our members and the community. We are always asking: 'How can we be at the forefront – whether that may be climate change or technology or wellness – to future-proof our buildings and ensure long-term value?'"

Adrian says electrification was a "lightbulb moment" for his team to deliver a building that was net zero carbon-ready and challenged Australia's property industry to go further, faster.

Mitigating risks, maximising performance

How do you sell an invisible concept, like electrification, to tenants?

The first step was to sign a NABERS Commitment Agreement, which Cbus Property did in March 2021. A target rating of 5.5 stars was set.

"A NABERS Commitment Agreement is a minimum for us. We sign them because they help us sell our concept to prospective tenants," Adrian says.

Conversations with tenants often start with the simple question: "What's the target NABERS rating?". And this question can only be answered with a NABERS Commitment Agreement.

This formal process ensures all parties – developer, builder, and tenants – are on the same page. With NABERS embedded into contracts and leases, everyone has a clear target. In the absence of that target, a shortcut here, a slip-up there, and all of a sudden, the project does not meet its original objective.

FAST FACTS

Carbon-neutral-ready

Designed to achieve a swag of sustainability 'firsts', 83 Pirie Street is Cbus Property's first all-electric carbon-neutral-ready building; it's the first all-electric A Grade commercial office in Adelaide, and the first commercial and retail mixed-use building in South Australia not to use natural gas.

5.5 star NABERS Energy target

Cbus Property signed a NABERS Commitment Agreement in March 2021 with a 5.5 star NABERS Energy target. 83 Pirie Street reached practical completion in August 2022 and Cbus Property is collecting data ahead of the building's first NABERS rating.

100% renewable energy

A 100-kilowatt onsite solar system, combined with a renewable energy power purchase agreement, ensures the all-electric base-building is 100% powered by renewables.

A NABERS Commitment Agreement also eliminates the possibility that "value management" will erode – or even eliminate – the sustainability features, Adrian notes. "We commit to a minimum target and then think about how to exceed that target to best enhance our building."

When Cbus Property signs a NABERS Commitment Agreement, the team engages independent experts to run scenario modelling and sensitivity testing. This process uncovers obstacles in the way of the NABERS target rating and opportunities to improve the rating before the project moves into construction.

What is a NABERS Commitment Agreement?

A Commitment Agreement is a contract signed by a developer or owner that outlines an intention to design, construct, and commission a building to achieve a specific NABERS Energy rating.

Research from the GBCA has found that the best way to hit targeted Green Star and NABERS ratings is to sign a NABERS Commitment Agreement – with 91% of projects with NABERS Commitment Agreements meeting or exceeding their target right away, and more than 98% meeting or exceeding it at peak performance.

Once a building is operational, every building owner has 24 months to collect data to demonstrate energy performance. Cbus Property's team calls this the "NABERS clock" – and once it starts ticking the pressure is on. But the NABERS Commitment Agreement process, having provided extra checks and balances during design and construction, helps to de-risk this process, Cbus Property says.

Electric dreams become reality

Many project teams are now promising all-electric developments, but when construction on 83 Pirie Street started back in 2020, electrification was little more than industry chatter. But as Adrian says, electrification aligned with Cbus Property's net zero strategy.

83 Pirie Street's design was already super energy efficient. Cbus Property worked with its builder, Multiplex, to tweak the building's design to realise its electric dreams. There were some cost implications; but as Adrian says: "The bold call was the right one".

Since then, the GBCA has launched its practical guide to electrification, and a growing number of developers and asset owners have stepped up. State governments are making explicit policy commitments to install zero carbon energy in buildings. The Clean Energy Finance Corporation, as just one financier, is directing funds to capture the "material opportunity to create and preserve value by decarbonising existing buildings through electrification".

A cost-effective commitment

How much does the NABERS Commitment Agreement process cost?

A back-of-the-envelope costing from 83 Pirie Street is instructive: around \$15,000 for the independent design review and less than \$20,000 for additional modelling on this large project.

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How does the electrification agenda influence NABERS ratings?

South Australia's electricity mix is already 70% renewable, and this is forecast to rise to 85% by 2026. This renewable energy gave 83 Pirie Street an initial NABERS boost, and simulation modelling suggests a 5.7 star NABERS Energy rating.

As NABERS adjusts its ratings to reward electrification, 83 Pirie Street's performance will improve, inching closer and closer to a 6 star NABERS Energy rating.

Importantly, the electrification of 83 Pirie Street, based on current energy prices, will save around \$100,000 a year – a saving that gets passed on to tenants.

Cbus Property's sustainability team is now focused on electrifying the existing portfolio. With 83 Pirie Street now operational, the team has a "live pilot" and performance data to inform its retrofit program as Cbus Property moves away from gas as quickly as it can.

Leadership leaves a legacy

83 Pirie Street continues to attract plenty of industry attention, and Cbus Property's team is happy to share its knowledge. Weekly requests for site tours and case studies are positive signs of a market on the move.

"Our industry leaves a huge imprint on the population, our climate, our communities, and our country – and we must do it correctly. For us, it's a simple equation," Adrian concludes.

How NABERS is accelerating electrification

As Australia's grid decarbonises, all-electric buildings will generate fewer emissions each year. NABERS adjusted its star ratings to recognise this in 2021 and further adjustments are scheduled for 2025 and 2030. This means the star ratings of all-electric buildings will continue to increase, while those that use on-site fossil fuels, like gas, will decrease. (Use the [NABERS prediction tools](#) to see how your building rating may change over time.)

In June 2023, NABERS also launched the [Renewable Energy Indicator](#). This shows the percentage of clean renewable energy that a building consumes and discloses the amount of fossil fuels used on every NABERS Energy certificate.

Find out more about [NABERS Commitment Agreements](#)

nabers.gov.au