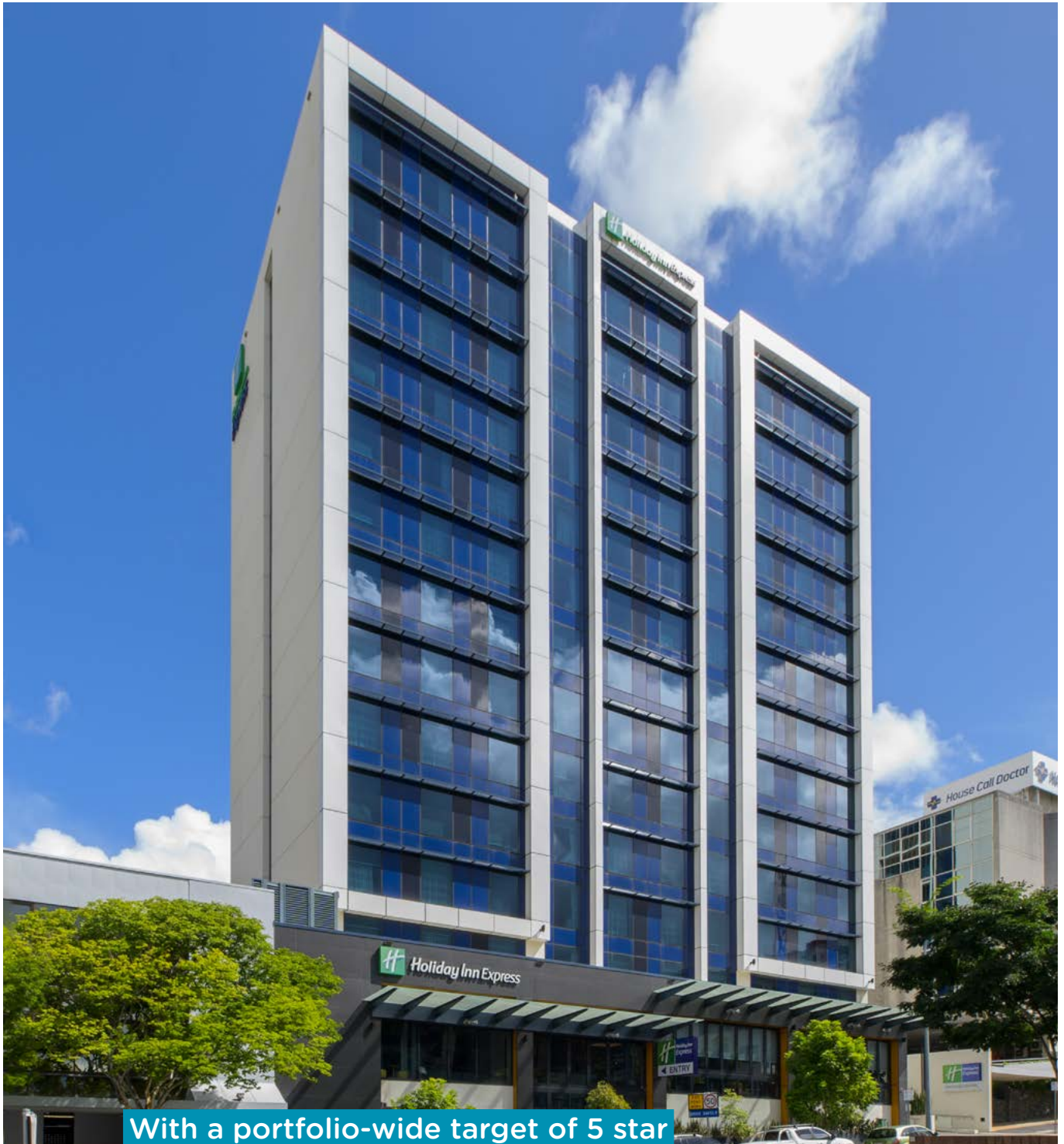


CASE STUDY

# Pro-invest Group – NABERS for hotels



With a portfolio-wide target of 5 star NABERS Energy and Water ratings, Pro-invest Group shows how sustainable hotels can deliver a host of rewards: lower costs, greater access to finance, higher guest satisfaction and future-proofed assets among them.



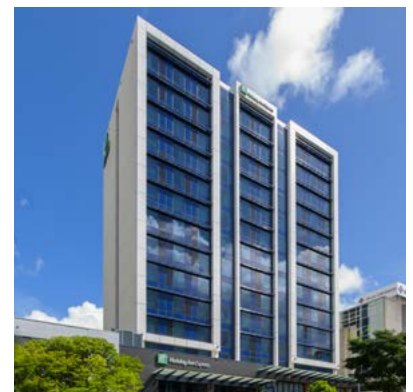
# Pro-invest Group – NABERS for hotels

Australian-based real estate fund and asset manager Pro-invest Group has made sustainability central to its strategy – and is using NABERS to verify that an efficient promise translates into real-world performance.

Hotels have around-the-clock energy demands for air-conditioning, lighting and hot water services that can make them high energy, high emissions operations.

“But Pro-invest has been focused on sustainability and ESG – environment, social and governance – since our inception. It’s part of our ethos, and why we launched our brand: One Earth, Countless Experiences,” says Pro-invest Group’s General Counsel Anthony Ursino.

“Every company can roll out an ESG policy. But how do you substantiate your claims? NABERS allows us to do that.”



**“NABERS third-party verification is well-respected in the office sector and that makes it a transferrable benchmark to apply to the hotel sector. As companies prioritise ESG criteria when making decisions about corporate travel, they are seeking out the trusted NABERS verification they already know.”**

– Anthony Ursino, General Counsel and Chief Compliance Officer for Asia Pacific, Pro-invest Group

## Investors on the hunt for green hotels

When Pro-invest launched its first A\$300 million Australia Hospitality Opportunity Fund I in 2016, it was one of the first of its type to integrate energy efficiency into its investment criteria.

The debut Fund I rolled out a portfolio of eight [Holiday Inn Express hotels](#) in Australia and New Zealand in partnership with [IHG Hotels & Resorts \(IHG\)](#). The energy and water efficiency of each hotel was verified with NABERS.

Among the properties is the 345-room Holiday Inn Express Southbank Melbourne. The [Clean Energy Finance Corporation](#) provided \$39 million of finance to the \$125 million project alongside CBA. A NABERS 5 star Energy target was a condition of funding.

Pro-invest spent an additional \$860,000 on energy efficiency features – such as high-performance glazing, high efficiency air-cooled chillers and condensing boilers, rooftop solar and regenerative lift drives – to ensure the asset achieved its NABERS target. The 64% reduction in emissions intensity saves around 530 tonnes of carbon emissions each year.

“We achieved our 5 star NABERS Energy target, becoming one of just 25 hotels in Australia to do so. This encouraged us to push the limits and NABERS targets became embedded in our future fund mandates.” Anthony explains.

Pro-invest’s Holiday Inn Express assets are an impressive sustainability showcase. The Newcastle hotel was the first in Australia to receive Climate Active certification; Macquarie Park attracted Aereal Bank’s first green loan; and Adelaide’s asset boasts high NABERS Energy and Water ratings.

**“NABERS is a really good benchmark of a building’s performance, which is why many banks now ask for NABERS ratings to secure loans.”**

– Anthony Ursino, General Counsel and Chief Compliance Officer for Asia Pacific, Pro-invest Group

## FAST FACTS

### 31 hotels

With AU\$3 billion of assets under management, including 31 hotels in Australia and New Zealand, Pro-invest requires NABERS Energy ratings for all its hotels.

### ↑ Targets

Pro-invest's ESG policy for its Australian fund hotels targets a 4.5 star NABERS Energy baseline and stretch targets of 5 stars and above.

### 5 star Energy

Pro-invest achieved an average of 5 star NABERS Energy and Water ratings across its rated hotels in 2022.

### 2030 net zero

The firm has set a 2030 net zero carbon emissions target for its APAC hotels and has launched an ESG brand, [One Earth, Countless Experiences](#).

## Sustainability 'shopping lists'

In 2019, Pro-invest launched its Australian Hospitality Opportunity Fund II, targeting 5 Star NABERS Energy ratings across up to 15 new hotels that it will develop, operate and manage. Fund II's AU\$300 million commitment includes \$50 million from the CEFC.

Capital raising for Pro-invest's third fund, the Pro-invest Asia-Pacific Hospitality Opportunity Fund III, is currently underway, focused on repositioning assets in Australasia and broader Asia Pacific.

"One of our biggest challenges is to improve NABERS ratings on these repositioned assets."

How does Pro-invest approach the task? "We undertake an ESG due diligence process. As part of this process, our Environmentally Sustainable Design consultants provide a 'shopping list' of initiatives with costs and NABERS impacts. Then we select the best initiatives to achieve our target 5 star NABERS ratings."

### Finance, future-proofing and base business

Pro-invest is determined to engage the full spectrum of its investor community in the sustainability conversation and three clear benefits capture the attention of all investors: finance, future proofing, and what Anthony calls "base business".

The green finance market is growing at an exponential rate. Just one indicator is data from the [Climate Bonds Initiative](#), which has recorded US\$3.9 trillion in green, social sustainability and sustainability-linked debt since 2007.

As the banks look to distinguish green from greenwash, they need transparent and trustworthy verification, Anthony says.

The second big benefit is futureproofing and the third is securing 'base business'. "In hotel world, base business is corporate travel. Having ESG credentials – verified by NABERS – helps us to secure our base."

The signposts are certainly pointing corporates towards sustainable travel. A [2022 Booking.com survey](#) of more than 30,000 travellers from 32 countries found 71% are keen to travel more sustainably – a 10% increase in just one year.

"The difficulty in benchmarking hotels is that each is unique. But NABERS is an easy-to-use system that makes comparisons simple – and that's why it's done so well in the office sector. Bringing that NABERS benchmark to our hotels gives our corporate customers the verification they need."

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**"It may have seemed a little bit risky when we first started rating our hotels, because we were going down a path that no one else was walking. But our investors backed us as market makers – and our strategy, verified by NABERS, is paying off."**

— Anthony Ursino, General Counsel and Chief Compliance Officer for Asia Pacific, Pro-invest Group

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Find out more about [NABERS for hotels](#)

[nabers.gov.au](http://nabers.gov.au)

