

# HOW CAN YOU SAFELY SECURE FUNDS TO CONVERT AN OLD, UNDESIRABLE OFFICE LOCATION INTO A NEWLY REFURBISHED BUILDING – ONE THAT WILL ATTRACT A STRONG, LONG-TERM TENANT?

## Problem

401 Collins St is an iconic art-deco building in the heart of Melbourne's banking district. Built more than 80 years ago in 1936, it has aged significantly and lacks modern features. That was, until Impact Investment Group acquired the property in 2014 with the intention of transforming 401 Collins St into a prime blue-chip address.

## Solution

Restoration began in 2017. Finance was sourced from several lenders and comprehensive environmental works were undertaken including chiller replacement, pipework insulation, an outside air system upgrade, a toilet exhaust system upgrade, a BMS upgrade, and electrical sub metering.

## Process

The funds for these environmental works were sourced via an EUA (Environmental Upgrade Agreement) with City of Melbourne and Sustainable Australia Fund. The funds for other renovations were sourced via a traditional bank loan.

This combination of two lenders provided diversity to Impact's capital stack at an affordable rate. Roni Karika, Senior Asset Manager, says, "EUAs provide a low-cost capital option."

EUAs reduce bank loan and equity requirements, minimise long-term financial risk, and increase short-term cashflow.

## Outcome

Since completing the renovations, Impact has successfully tenanted the building to co- working franchise WeWork on a 15-year contract. In addition, power bills for the property have reduced. Electricity has dropped by 32%, and gas has dropped by 16%.



# ENVIRONMENTAL UPGRADE FINANCE FOR COMMERCIAL BUILDINGS

As a property and business owner, you have the opportunity to gain from exciting changes occurring in energy, waste and water technologies. Environmental Upgrade Finance (EUF) can help you access capital, freeing up cash flow and helping you complete projects that give your business long term security and cost savings.

Sustainable Australia Fund are Australia's leading provider of EUF.

**Easy to apply. Easy to service.**

**No upfront costs for your project – Simply repay via a quarterly charge on your property rates notice.**

EUF allows you to access capital that was previously unavailable to landlords and business owners.

Benefits include:

- Extended finance loan terms to increase cash flow
- No additional security requirements (personal, business guarantees, mortgages or registered charges)
- Reduced business risks with low, fixed rate interest periods and predictable quarterly repayments
- No hidden costs - 100% finance for hard and soft costs
- No costly and complicated refinances

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## What is Environmental Upgrade Finance?

EUF is a loan made out to a building owner and repaid via quarterly council rates.

## Who is Sustainable Australia Fund?

Sustainable Australia Fund was established in 2002 to finance building repositions, solar, waste, water solutions as well as more innovative solutions such as waste to energy.

## Why choose SAF over other lenders?

Since our inception, we've worked with local and state governments to develop Environmental Upgrade Finance and help businesses unlock savings and sustainability. Unlike financiers that do not uniquely specialise in EUF, clients can trust our expertise and experience.

## INTERESTED IN LEARNING MORE? CONTACT US TODAY.

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