

# HOW CAN A LANDLORD AND TENANT ADD SOLAR TO A PREMISES IN A WAY THAT BOTH CAN BENEFIT?

## Problem

Ritchie's Mildura is a local IGA supermarket located in the rural city of Mildura, Victoria. The business leases their premises, from an unrelated party. With an interest in reducing its power bills, Ritchie's was keen to install a solar system. But would the cost be worth it? If permanently fixed to the roof, the solar system would provide no long-term benefit if Ritchie's moved locations.

## Solution

If prospective works to a building provide an environmental benefit, capital can be accessed via an EUA (environmental upgrade agreement). In this case, an EUA would give Ritchie's the finance for a bespoke solar system that would cut power bills – without any upfront, out-of-pocket expense.

## Process

Securing an EUA was simple. SAF (Sustainable Australia Fund) completed all the paperwork and financed the landlord the capital it required. SAF also locked in a long-

term fixed rate, giving Ritchie's the ability to calculate its energy consumption in relation to cost, minimising risk. The EUA also enabled the landlord to own the system and improve the building and recoup the expense from the tenant via the EUA.

## Outcome

Building upgrades via an EUA provide win-win benefits for both tenant and landlord. The asset improves in value, while a business saves on energy costs without encumbering its balance sheet.

"Power has gone up almost 15 per cent for us," Ritchie's Mildura store acquisitions and project manager Paul Papson says. "An EUA is great because it helps with the higher price of power."





# ENVIRONMENTAL UPGRADE FINANCE FOR LANDLORDS

As a landlord, you have the power to improve your building while helping your tenants save on operational costs. All you need to do is take out a new form of finance called an EUA (Environmental Upgrade Agreement) – your tenant shares the repayments of your upgrades while simultaneously increasing the leasing potential of your property.

Sustainable Australia Fund (SAF) can help you access an EUA. All you need to do is apply.

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

**No upfront costs – simply make repayments through council rates.**

EUAs allow repayments to be redirected and repaid through your council rates. As a landlord, you can negotiate the terms of these repayments with your tenant, so that both parties benefit fairly.

Benefits include:

- Owning new, more efficient assets and an improved building
- Reduced business risks with low, fixed rate interest periods and predictable quarterly repayments
- The opportunity to share repayments with tenants
- Secure long-term tenancies
- No additional security requirements (personal, business guarantees, mortgages or registered charges)
- No hidden costs
- No costly and complicated refinances
- A simple application and credit process
- The ability to novate the EUA, giving you the flexibility to enter alternative strategies for your property
- A range of other features unique to EUA Finance

## What is EUF (Environmental Upgrade Finance)?

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

## Who is Sustainable Australia Fund?

Sustainable Australia Fund is Australia's leading provider of Environmental Upgrade Finance. Originally established by the City of Melbourne in 2002, in 2019 the Fund was significantly recapitalised and scaled, through a partnership with Bank Australia, to drive environmental upgrades across Australia.

## Why choose SAF over other lenders?

Since our inception, we've worked with local and state governments to develop Environmental Upgrade Finance. Currently we have 150 projects approved to take advantage of this new funding mechanism. Unlike financiers that do not uniquely specialise in EUFs, clients can trust our expertise and experience.



**INTERESTED IN LEARNING MORE?  
CONTACT SAF TODAY.**

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