

## **Building Energy Efficiency Disclosure Obligations - planning to let office space of 2000m2 or more?**

If you are a building owner or tenant intending to lease office space of 2,000 m2 or more you need to be aware of new building energy disclosure requirements under the Building Energy Efficiency Disclosure Act 2010 ("Act").

As a building owner you must:

1. obtain and register a Building Energy Efficiency Certificate (BEEC) in accordance with sections 11 or 12 of the Act when selling or leasing a disclosure affected office building or area of a building;
2. include the BEEC energy efficiency star rating in any advertisement for the lease or sublease of the building or area in accordance with section 15 of the Act; and
3. provide information about, and access to, a disclosure affected office if requested by a CBD Accredited Assessor in accordance with section 18 of the Act.

As a tenant you must:

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1. obtain and register a BEEC when subletting a disclosure affected office in accordance with sections 11 and 12 of the Act;
2. include the BEEC energy efficiency star rating for the building in any advertisement for the sublease of the building or area in accordance with section 15 of the Act; and
3. provide information about, and access to, a disclosure affected office if requested by a CBD Accredited Assessor in accordance with section 18 of the Act.

Currently a transitional period applies however from 1 November 2011 a full BEEC will need to be disclosed.

BEEC's are valid for 12 months, must be publicly accessible on the online Building Energy Efficiency Register and include:

For a lease:

1. a NABERS base building rating;

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2. an assessment of tenancy lighting for the whole building; and
3. base building and tenancy energy efficiency guidance.

For a sublease:

1. an assessment of tenancy lighting for the whole building; and
2. tenancy energy efficiency guidance.

The NABERS energy star rating must also be included in any advertisement for the sale, lease or sublease of the office space.

Anticipated exempt buildings:

1. new office buildings less than 12 months old;
2. buildings where it is not feasible to prepare a valid BEEC say for example where there is inadequate metering;

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3. short, temporary or emergency leases having a term of less than 12 months (Note: disclosure requirement applies where leases extended beyond the 12 months);

4. special classes of buildings such as places of worship, temporary buildings and buildings to be demolished.

Building owners will need to request exemption prior to when the disclosure obligation would arise.

## Penalties

Penalties for failing to comply with the Act are very significant. For example, civil penalties of up to \$110,000 for the first day and \$11,000 for each subsequent day may be imposed by a Court for each breach of a disclosure obligation.