

# NABERS

## briefing note

### What is NABERS?

National Australian Built Environment Rating System (NABERS) is Australia's mandatory model for measuring commercial energy efficiency and is now a world leading energy rating scheme that helps building owners, operators and managers better achieve their net-zero targets. Over the last 20 years, NABERS has achieved excellent results, including a 30% drop in energy use for buildings that have participated in the program for over 10 years. The NABERS rating requirements look at four categories when assessing a building: Energy, Water, Waste, and Indoor Environment Quality (IEQ). IEQ includes air quality, lighting, thermal comfort, and acoustic qualities. Increasing renewable energy usage or reducing greenhouse gas emissions.



## NABERS UK

NABERS UK is an adaption of NABERS and was launched by the Better Building Partnership (BBP) in November 2020.

There are currently only two ratings for the energy efficiency of office buildings offered by NABERS UK:

- **Energy** - measures the energy efficiency of an office building, rating its performance by comparing the actual energy consumption against benchmarks; and
- **Design for performance** - a process which may be utilized by developers or building owners to achieve a specific energy rating by the design, building and commissioning of a new development or major refurbishment.

NABERS UK energy ratings measure and verify the actual energy use of existing offices using a star rating system, from 1 star (the lowest) up to 6 stars (market leading). The rating allocated to a participant is calculated by benchmarking the assessor's findings and comparing results against those of other facilities in the same category.

The new Energy Efficiency for Offices Scheme offered by NABERS UK targets emission producing buildings and strives to drive financial growth in real estate. Often, the actual energy usage in buildings is much higher than the amount calculated in the design stage, meaning the full potential of buildings in combatting net zero challenges is rarely achieved. NABERS helps to solve these issues, assisting with closing the performance gap and providing a better alternative to EPCs as indicators of operation energy.

“They are always reactive, there when we required and, wherever possible, tried to move things forward as soon as possible.”

Chambers UK Guide

## How NABERS UK Energy for Offices works

The NABERS Energy for Offices scheme rates the performance of the 'core' of the building including lobby lighting, lifts, and central services such as heating and cooling systems. By delineating the energy consumption, annual reports can be provided to demonstrate metered data and increasing efficiency over time. Office buildings can be rated and compared based on landlord services, providing occupiers, investors and other stakeholders with a clear indicator of their energy efficiency.

BRE launched NABERS UK Version 2.0 on 19 April 2023. This extends the scheme to include Whole Building and Tenancy ratings. These ratings build on the 'core' or 'base' buildings rating meaning that both owners and occupiers can rate their spaces. The Tenancy rating enables energy used by the tenant to be rated, typically for lighting and power, plus special tenancy requirements or local air conditioning. The Whole Building rating provides an assessment of energy used by office tenancies and by Base Building Services to lettable and common spaces.



## What makes NABERS different?

The world continues to be increasingly environmentally conscious and as such the demand for sustainable buildings and practices has also significantly increased. NABERS ratings rely on real-world data rather than subjective assessment and, unlike traditional point-based systems, NABERS uses weighted figures and calculations to evaluate a building's efficiency compared to its peers in a quantitative and rigorous manner. This approach provides a solid basis for understanding a facility's relative efficiency within its category. As a result, buildings with NABERS ratings gain credibility in terms of their green credentials, offering assurance to occupants that they can contribute to sustainability targets.

NABERS offers a Commitment Agreement programme, where the organisation enters into contracts with developers and asset owners. Through this agreement, they commit to designing, constructing, and commissioning their premises to meet specific NABERS rating standards. By incorporating building modelling and independent design reviews, this process ensures that more facilities can meet and even exceed industry benchmarks. This creates a pipeline of eligible premises that will be assessed and rated upon completion and commencement of operations.

This initiative results in a robust supply of NABERS rated premises in key occupier markets worldwide. Asset owners gain permission to promote their target rating (once NABERS approves the facility's independent design review report).

## What is the difference between BREEAM and NABERS?

The main difference between the two building rating systems is the scope and focus. BREEAM covers a broad range of sustainability issues, including energy efficiency, water use, waste management, pollution, health and wellbeing, materials used and more. In contrast, NABERS UK is primarily focused on the actual operational energy efficiency of buildings.

BREEAM can be used at different stages of a building's lifecycle – with different versions of the scheme for new constructions (BREEAM New Construction), existing buildings (BREEAM In-Use) and fit-outs (BREEAM Refurbishment and Fit-Out). NABERS UK is used exclusively for existing office buildings.



Benefits	Disadvantages
<p>NABERS ratings serve as a reliable foundation for a comprehensive sustainability plan, facilitating industry-wide comparison of a building's energy and water efficiency, showing how commercial buildings differ from their counterparts.</p>	<p>NABERS UK currently only rates the energy performance of offices as there are not building databases for other building types. However, in Australia NABERS ratings are used to understand and track the performance of apartment buildings, data centres, shopping centres, public hospitals and hotels.</p>
<p>NABERS provides a trustworthy and cost-effective independent validation of sustainability data.</p>	<p>It is voluntary so not nearly as widely used as other rating systems such as Energy Performance Certificates (EPCs) which are compulsory on all buildings over 250msq. NABERS currently only operates in Australia, New Zealand and United Kingdom.</p>
<p>The NABERS star ratings are indispensable tools for yearly reporting and sustainability strategies. Consistent evaluations enable progress and reductions in energy consumption and emissions over time. Building owners are encouraged to maintain and improve their building's environmental performance to maintain their rating and improve their overall sustainability.</p> <p>More sophisticated and precise than other energy rating systems. The rating reflects current operational performance of an office and evaluates real building performance annually. Whereas research has shown very little correlation between a building's efficiency and its EPC and very little relationship between a BREEAM rating and actual energy performance. Therefore the NABERS scheme may provide a more adequate solution to meeting energy efficiency targets in the UK by bridging the performance gap between the design and in-use energy performance of offices.</p>	<p>To ensure the rating reflects the current operational performance of an office, ratings are only valid for 12 months from the date of issue. This could be seen as administratively onerous.</p>
<p>Building owners who prioritise environmental impact reduction, cost savings, and transparent communication gain an upper hand with potential buyers and tenants seeking facilities that both aid and supplement the reduction of carbon footprints. NABERS can demonstrate whether offices are on a net zero carbon trajectory which provides investors and tenants with greater transparency and confidence that sustainability targets and climate ambitions will be met. It enables occupiers seeking new premises to make informed lease decisions early on, knowing the level of sustainability they can expect from these facilities.</p> <p>Research suggests that buildings with good sustainability credentials command rental premiums of between 6-11%.</p>	





## The future

In September 2023 BRE and NABERS announced that BRE will no longer be the administrator for NABERS UK, in order for BRE to focus on its BREEAM scheme. They will work closely together over the coming months to ensure NABERS UK continues to operate during the transition to a new administrator. BRE and NABERS also intend to continue their collaborative relationship beyond the transition, sharing knowledge and recognising the links between NABERS ratings and the BREEAM credit system. There are a number of current developments seeking to

achieve high sustainability ratings including NABERS 5-star such as the 21 Bloomsbury Street scheme (Capital-38 and its development partner Morgan Capital) 99 Queen Victoria Street (Fidelity International has bought this from WeWork and is the first acquisition for its new real estate climate impact fund) and the new Station Plaza office development at White Rose Park, Leeds for which Munroe K aims to make the first BREEAM Outstanding and NABERS 5-star out of town development in Leeds. This suggests that NABERS is here to stay but there is currently no information on its new administrator and whether it may become compulsory in the future.



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