

CBA supports Charter Hall with Australia's first Green Development Loan

When completed, the commercial office development in Victoria will house Australia Post headquarters.

Tuesday, 14 September 2021:

Commonwealth Bank recently served as sole financier and green coordinator on what is expected to be Australia's first-ever Climate Bond Initiative-certified Green Development Loan, supporting Charter Hall Group's 480 Swan Street development in Richmond, Victoria.

The project's strong environmental credentials helped Charter Hall achieve Climate Bond Initiative (CBI) certification for its five-year, \$202 million construction facility with CBA. This is the first green construction facility in Australia and marks a new milestone in the development of the domestic green loan market.

The planned commercial office development, specifically designed to serve as Australia Post's new headquarters in Melbourne, is being constructed under a carbon-neutral framework and is targeting a 6-star Green Star rating and a 5-star NABERS Energy rating. The building will include 32,000 square meters of office space over 12 levels, as well as 1,000 square meters of retail space at ground level.

"Charter Hall's green construction facility breaks new ground in Australia's green loan market, an achievement that reflects the high sustainability standards at the core of their design and development process," said Michael Thorpe, Managing Director, Real Estate and Future Cities at Commonwealth Bank.

'Green loan' labels typically apply to buildings or projects that meet certain sustainable operations management criteria, such as renewable energy use, energy efficiency, clean transportation, pollution control, and climate change adaptation. Charter Hall achieved CBI certification for 480 Swan Street based on the strong environmental credentials of the development's plans and design specifications as well as Charter Hall's commitment to meet rigorous and ongoing reporting, assurance and verification commitments.

"We are pleased to have secured this green loan for 480 Swan Street, which is the first loan under Charter Hall's new Green Financing Framework. We are committed to embedding ESG into every aspect of our business, and this facility with CBA is a great example of that plan in action," said Phil Schretzmeyer, Charter Hall Head of Treasury & Group Planning.



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Media Release

Charles Davis, Managing Director, Sustainable Finance and ESG at Commonwealth Bank, said Charter Hall's landmark transaction opens the door for other developers to follow in their footsteps.

"This new application of the green loan overlay will incentivise more Australian property developers to commit to building new commercial building stock to high environmental standards," said Mr Davis.

The global buildings and building construction sectors account for more than a third of global energy consumption and offer one of the largest opportunities for low-cost carbon abatement, according to the International Energy Agency.



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