

RJH

Energy Advisory & Management

Case Study

Energy focus saves money, grows revenue and adds capital value.



Energy Advisory & Management Robert Jones Holdings

Tenants win, building owners win, and investors win too when the management, purchasing and supply of energy to a property is handled by the experts, says one of New Zealand's pre-eminent privately owned property companies, Robt. Jones Holdings Limited.

With a property portfolio that exceeds \$1,5 billion of commercial and industrial property in Auckland and Wellington, Robt. Jones Holdings understands the importance of managing every detail when it comes to maintaining excellent lessee relationships.

Robt. Jones Holdings NZ General Manager, Greg Loveridge, says the company retained Simply Group more than six years ago to advise and manage the energy needs and infrastructure of their portfolio – a big ask when you consider that the company owns more than 25 buildings.

"Energy is a very complex area, particularly when you start to get into the regulations and infrastructure requirements. You can try to understand it, or you can outsource to somebody who does.

"Simply Group partners with us to ensure that not only are the complexities of energy supply are taken care of, but that at the same time we provide a value-added service to our tenants, an additional revenue stream for the business and enhanced capital value across all our properties."

Simply Group is responsible for assisting Robt. Jones with expert advice and energy management in three key areas:

- **1.** Set-up and operate embedded networks through the Simply Group Tenco business in buildings where such networks are viable;
- 2. Advise and manage the energy requirements around purchase of new buildings and divestments where embedded networks are involved;
- **3.** Consult on the right energy solution, including scrutinising network charges and reducing the cost of energy into common areas.

"When it comes to anything energy related we will defer to Simply Group's advice because we trust them," says Greg. "They can tell us which buildings are viable for an embedded network, as well as taking care of the set-up and operation.

"When we sell a building with an embedded network, Simply Group, through their Tenco business helps make the transition easy for the buyer."

Greg says that in addition Robt. Jones Holdings will work with Simply Group to identify energy savings around wholesale energy. Where they see that energy costs may be higher, they are pro-active with advice on our hedge or tariff options.

Some examples of buildings where Simply Group's Tenco has set-up embedded networks for Robt. Jones Holdings include 55 and 41 Shortland Street and the Finance Centre in Takapuna.

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When Robt. Jones Holdings sold Telco House and purchased the SAP Tower on Queen Street; Simply Group was there to help with all the 'energy requirements and details of the transactions'.

After Robt. Jones Holdings purchased the Southern Cross Building – where Simply Group is a tenant itself – Simply Group put in an embedded network and handled the installation of compliant metering throughout the building.

The Forsyth Barr and AIG Buildings are examples of where Simply Group has helped the property owner to reduce energy costs. Overall, Simply Group has helped Robt. Jones Holdings achieve a 15 to 20 percent reduction in energy costs for buildings where it has been involved.

"Good advice from Simply Group on decisions about whether to fix or float on wholesale energy purchasing has saved hundreds of thousands of dollars for our tenants. Some of those savings, mostly achieved through decisions to float, means we've been able to redirect money towards repairs and maintenance on buildings.

"There's no secret. They're easy to deal with. When you own a lot of buildings, it's difficult to deal with the power companies because you're talking to lots of different people in different parts of the chain — 0800 numbers are frustrating.

"With Simply Group we have one contact. The experience is seamless, transparent and pleasant," Greg said.

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