

Charter Hall's partnership with CIM drives portfolio efficiency through digital transformation

Propelled by a vision to harness the power of a digitised Office portfolio, leading property group Charter Hall has been reaping the benefits of an operational model driven by data and technology since establishing a partnership with CIM.

Supporting Charter Hall's digital transformation journey, the PEAK Platform provides building analytics across 58 properties covering 1.45 million square metres', improving portfolio visibility, team collaboration, operational efficiency, tenant experience, and environmental performance.



Key Partnership Wins



58

office sites, covering
1.45 million sqm



58

NPS given by FM's at
Charter Hall sites



2,978

actions closed, at an
82% closure rate



13

data providers
consolidated into 1



244

stakeholders actively
using the platform



91%

indoor environment,
up from 84% in Apr '21²

About Charter Hall

Since bursting onto the Australian property scene in 1991, Charter Hall has grown to become one of Australia's most influential fully integrated property groups, with a diversified portfolio worth over \$61 billion³.

An industry leader in sustainability, the company proudly boasts Australia's largest footprint of Green Star rated assets and continues to make meaningful progress toward its Pathway to Net Zero by 2025 target. Particularly noteworthy is the extent to which the Office portfolio has recently excelled in this space, exceeding FY25 targets for NABERS Energy performance with a 5.1 Star weighted average. This has been accelerated by Charter Hall's concerted effort to embrace technology and digital transformation. CIM is proud to help facilitate such change, with its powerful building analytics software driving operational efficiency across the portfolio.

“Charter Hall is committed to harnessing innovation and technology to enhance the quality, performance and value of our properties. The consolidated deployment of building analytics software across our Office portfolio forms part of our commitment to ensuring we are at the forefront of digital innovation, supporting our broader integration of a smart building ecosystem.”

Lina Rico Gomez
ESG Manager – Office, Charter Hall

Charter Hall's forward-thinking leadership and technologically enabled direction strongly align with CIM's capability.

Partnering for success

CIM's partnership with Charter Hall dates back to 2017, when the PEAK Platform was first deployed at two Office assets located in Sydney's coveted corporate heartland, 167 Macquarie Street and 68 Pitt Street. Fast forward to November 2020 and CIM was awarded a multi-year contract covering a 58-site portfolio occupying 1.45 million square metres, managed across nine investment property funds. This followed an in-depth, nationwide tendering process covering a wide scope of initiatives.

Once engaged, the average onboarding time frame of just five weeks across the portfolio meant that data-led insights and improvement initiatives could be delivered without delay. Since seamlessly onboarding the platform, PEAK has become embedded as a critical cog in the wheel of Charter Hall's digital transformation. This has driven tangible value through improved portfolio visibility, team collaboration, operational efficiency, and environmental performance.

Portfolio Visibility

A common industry challenge is maintaining access to a uniform data set across expansive property portfolios. For Charter Hall, consolidating the data from 13 different providers into the one platform has simplified access for all stakeholders to a consistent set of portfolio-wide insights. This empowers the team with greater oversight across the entire portfolio, enabling data-driven decision-making that adds value nationally.

Across the portfolio, the PEAK Platform is continuously monitoring close to 243,000 streaming points from more than 28,000 pieces of equipment.

The equipment data is normalised, then brought to life through accessible reporting dashboards that provide actionable insights across all areas, including energy and gas consumption trends, thermal comfort, and equipment performance. The PEAK Platform's tracking and measurement capabilities provide insights aligned to Charter Hall's key performance metrics, at both the site and portfolio level. This facilitates enhanced visibility and transparency on identified issues to drive more informed decision-making for both management-level and on-site staff. It also supports Charter Hall's rigorous ESG reporting requirements for public-facing investor materials.

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“Distilling a large number of data sources into the one platform has broken down various data silos and minimised data loss. The resulting stream of consistent information allows us to monitor, trend and benchmark performance across our portfolio, with varying levels of granularity.”

Ben McCluskey,
Operations Manager – Office, Charter Hall

Team Collaboration

The PEAK Platform has also enabled a far more efficient supply chain, promoting a culture of seamless collaboration between Charter Hall, its network of contractors, and appointed facilities management firm CBRE. Transparent workflows and centralised communication have ensured issues are identified and rectified with greater levels of accountability, efficiency, and transparency.

244 stakeholders actively engage with the platform across the Charter Hall portfolio, having already collaborated to resolve nearly 3,000 actions at a closure rate of 82%. This is powered by the industry-leading PEAK Rules Engine, which has deployed more than 66,000 algorithm-based rules. Ross Carter, WA Technical Lead at CBRE provides insight into some tactical wins made possible by the PEAK Platform:

“We had success with resolving high overnight water consumption which had been investigated previously, but not resolved. The granularity of the data showed when the consumption was occurring and when it first started – providing a strong lead to investigate, resulting in the root cause being determined and rectified. Other wins have been tuning of central plant during times of low occupancy to reduce energy consumption without impacting tenant comfort.”

Ross Carter
WA Technical Lead, CBRE

Due to the PEAK Platform's frictionless installation process and intuitive user interface, the response to the technology at the asset level has been incredibly positive. Facilities Managers working across Charter Hall properties have given CIM a Net Promoter Score (NPS) of 58, placing CIM in the 'Excellent' category.

“The reminders in relation to outstanding actions are fantastic, especially in this very busy sector. One can easily forget to follow up on certain things but it's fantastic that CIM has such a great service and is extremely user friendly.

Dominic De Leon
Facilities Manager, CBRE

Further, site teams have benefitted from the cloud-based nature of the digital platform during periods of predominantly remote working. Facilities Managers have access to a wealth of data and insights whether they are working from site or elsewhere.

Operational Efficiency

The PEAK Platform has supported portfolio operations during periods of dramatically fluctuating occupancy following the unprecedented disruptions that characterised 2020 and 2021. As COVID-19 peaked, energy consumption dropped considerably in line with reduced occupancy. In the period since, as office occupancy has stabilised to more typical levels, the goal has been to maintain the reduced consumption through data-driven optimisation.

As office occupancy dipped at the height of the pandemic, the network of Facilities Managers across Charter Hall's assets leveraged the PEAK platform to implement energy response strategies: including optimised operating schedules, adjusted minimum CO2 setpoints, limiting of chiller capacity, increased fresh air ventilation, trimmed car park exhaust fan scheduling and active remote monitoring of critical equipment.

As occupancy has since returned to more standard levels, the platform has enabled Charter Hall to implement national 'return to operation' energy strategies. These have helped to limit energy drift, ensure successful restart of furloughed equipment and coordinate restoration of normal controls. As a result, energy consumption levels have largely remained at the reduced levels recorded during the period of lower occupancy.

A collection of factors including lower occupancy from COVID-19, cooler summer conditions and the roll out of CIM's leading property operations platform has driven a significant decline in electricity consumption. Since 2019, the portfolio has recorded a 19% drop⁴. In this way, a digitised Office portfolio has supported measurable improvements in Charter Hall's operational efficiency as occupancy levels have varied, per Figure 1.

Importantly, this has not compromised the tenant experience, with thermal comfort scores improving to 91% in June 2022, up from 84% in April 2021⁵. The platform's Indoor Environment module has supported this improvement, by constantly monitoring all zones and pinpointing deviations from optimal ranges, even during periods of varying occupancy.

Keeping consumption down as occupancy increases

Rolling annual base electricity consumption dropped significantly during the disruptions of 2020 and 2021; this reduced level has since been maintained due to the embedding of platform-led operational efficiencies

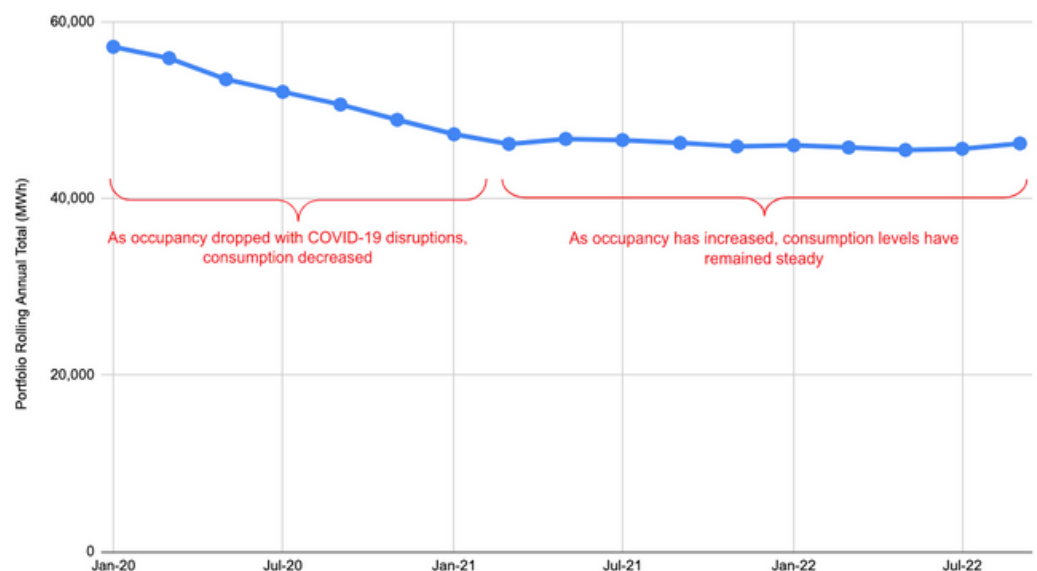


Figure 1: Rolling annual base electricity consumption across the Charter Hall office portfolio in MWh, January 2020 until September 2022

Environmental Impact

Efficiency wins driven by the PEAK Platform are actively reducing Charter Hall's environmental footprint and supporting the company's accelerated progress towards ambitious sustainability targets. As noted, the platform's data-driven insights and pinpointing of issues has complemented a number of external variables in driving down energy usage. Collectively, across the properties where the platform is operational, 17.4 million KWh of energy has been saved since 2019, or the equivalent of 12,000 metric tonnes of Carbon Dioxide (CO₂) avoided.

This is reflected in the upward trajectory of the portfolio's NABERS ratings. Nearly half of all properties have increased their official NABERS Energy ratings over the period since CIM was engaged, with an average portfolio improvement of 0.18 for Energy and 0.14 for Water. These improvements can largely be attributed to reduced occupancy levels due to COVID-19, but were supported by operational efficiencies delivered by the PEAK Platform. Data collected by the platform also facilitated 41 NABERS Indoor Environment ratings.



“The platform goes one step further than simply delivering data and analytics; it supplies the insights and central intelligence required to manage our portfolio sustainably and efficiently. This elevates the resilience and long-term viability of our assets, accelerating our approach to addressing climate change and unlocking environmental value.”

**Andrew Cole, Group Head ESG
Charter Hall**

By reducing operational inefficiencies and facilitating lower energy consumption, the platform also drives superior financial performance. This is a critical element given Charter Hall's focus on maintaining a portfolio of quality assets, economically and profitably.

Looking ahead

Moving forward, as a partner in Charter Hall's digital transformation, CIM is committed to evolving the partnership in line with Charter Hall's long-term strategic priorities. Ultimately, the ongoing success of our customers is the key barometer of our own success. We are thankful to all stakeholders for embracing the platform across Charter Hall's Office portfolio, and we look forward to collaborating for further shared success.

Endnotes

1. Area figures and fund ownership sourced from Charter Hall Property Portfolio, correct as at June 2022
2. This can be attributed to a number of factors, including lower occupancy. Source: PEAK Platform's Indoor Environment module, averaged across all Charter Hall sites. Thermal comfort = Daily sum of ideal zone temperature readings / Daily total zone temperature readings.
3. Area figures and fund ownership sourced from Charter Hall Property Portfolio, correct as at June 2022
4. Comparison between the 12-month period of 2019 as a pre-COVID baseline with the 12 months to September 2022. Note this is an indicative portfolio figure, as historical data is only available for 36 of the properties.
5. Source: PEAK Platform's Indoor Environment module, averaged across all Charter Hall sites. Thermal comfort = Daily sum of ideal zone temperature readings / Daily total zone temperature readings.