

Proposals for Sustainable Finance Guide v3

Proposed changes or
additions from initial
feedback received



NZGBC sustainable finance guide review



Periodic review of guidance

- Sustainable buildings and financing rapidly evolves
- Stakeholders asked for a review
- New tools and changing practices
- New advisory group to help steer direction of guide



Timeframes

- **7th October webinar:** Introduce proposed additions to guide; open month-long consultation – survey to be emailed
- **9th November:** Feedback survey closes
- **Mid-November:** NZGBC Sustainable Finance Guide Advisory Group meets to analyse feedback and finalise draft guide
- **End of November:** NZGBC Sustainable Finance Guide v3.0 published with guidance coming into effect 3 months from publish date

What is in scope with the proposals?

We are providing additional ways for buildings to target sustainable finance and reducing barriers to entry.

These are set out below in the following slides which will form a paper to the property, investment, and finance sector stakeholders to give initial feedback.

It is helpful for us to know if you think it is a good idea or a bad idea. It is also helpful if you can provide possible solutions to any problems you foresee.

NZGBC reserves the right to make changes based on the feedback and technical/market analysis.

What is NOT in scope in the proposals?

NZGBC does not propose changing the substantive guide including the time periods for upping the threshold for each rating tool. This is to provide some stability to the market. We also have had some good feedback that having a roadmap of what to expect in the future with more stringent requirements was useful.

The review process is not intended to relook at thresholds unless specific feedback is received – to date, none has been received.

Rating tools outside of NZGBC's range of tools has always been excluded from our guidance.

General updates to the guide

The NZGBC Sustainable Finance Guide is simply guidance based on NZGBC's work with the sector and rating tools.

With different approaches being used for sustainable finance in the market and the NZ Taxonomy for under development and consultation, the below clarifies the purpose of NZGBC's guidance.

Changing the name of the document to how it is commonly referred to in the market: "NZGBC Sustainable Finance Guide".

From: "This guidance aims to assist lenders and borrowers with defining what a green building is for the purpose of sustainable finance"

To: "This guidance aims to show how NZGBC rating tools assist with clarifying what a sustainable building is in New Zealand, for the purpose of sustainable finance"

From: "We consider that there is value in providing a common standard to grow the sustainable finance market"

To: "We consider that there is value in providing information about NZGBC rating tools as a standard which supports sustainable finance"

General updates to the guide

In response to feedback NZGBC has received over the past year, some other minor updates are proposed.

Version of NABERSNZ for Offices

With the new rule sets for all the NABERSNZ tools now available, the NABERSNZ Energy and Water for Offices rules have changed from v1.2 to v2. Changes are minor and are documented in Appendix D of the latest rules.

In the guide, we will specify v2 alongside v1.2 in case there are still some buildings using v1.2 that may be involved in sustainable finance transactions.

Purpose Built Student Accommodation (PBSA), dormitories

A request has come through to explicitly include PBSA and dormitories in the guide under Green Star. Green Star can be used for student accommodation, with several examples certified under the scheme. Apartment buildings would still use Homestar.

Proposed note: “Purpose Built Student Accommodation (PBSA) and dormitories with common facilities/areas are eligible under the Green Star criteria.”

**Give us your
views on this**

General updates

Questions:

1. Do you agree with the clarifications proposed about the purpose of the guide?
2. Do you agree with the proposed minor updates to NABERSNZ version?
3. Do you agree with the explicit addition of purpose built student accommodation and dormitories into the guide?

Proposal 1: New NABERSNZ tools

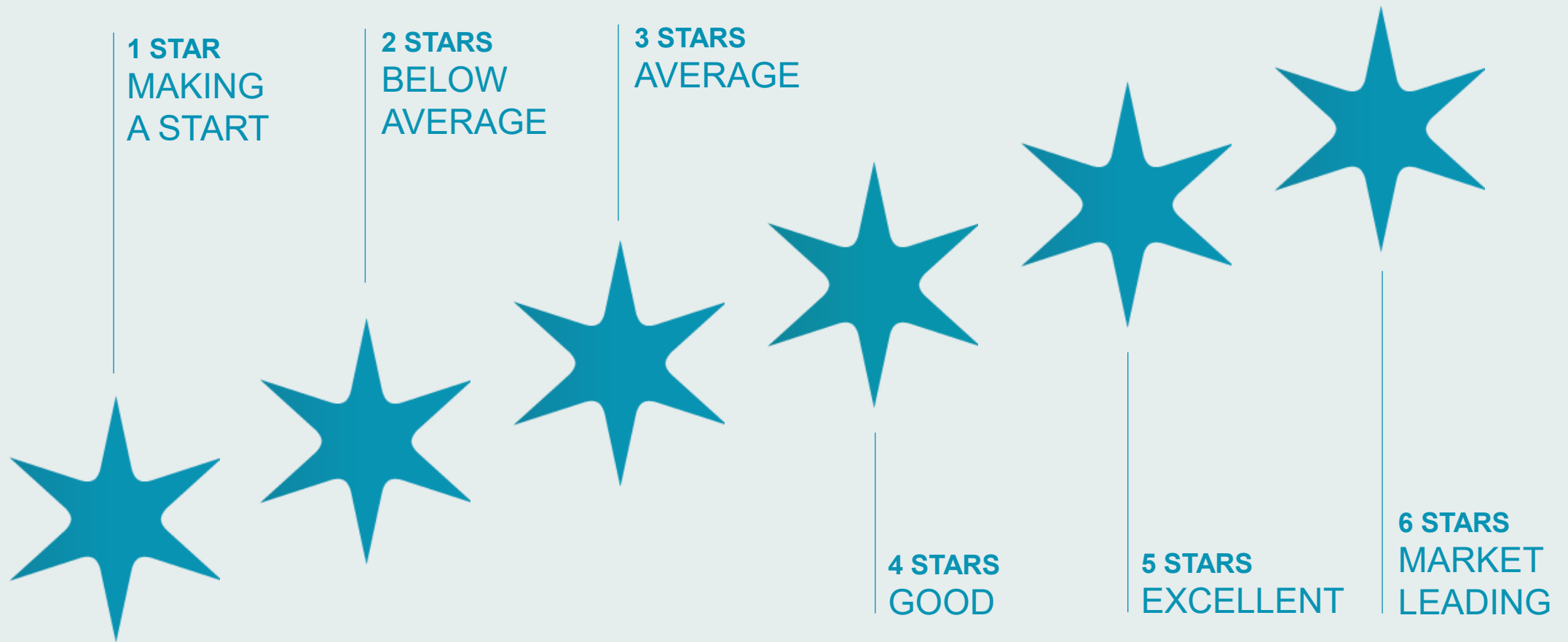
NABERSNZ now includes energy rating tools for shopping centres, retail stores, and warehouses and cold stores.

The tools launched in Aotearoa New Zealand on the 30th September 2026.

They were adapted from established Australian NABERS tools and benchmarks, under the premise that NZ buildings and operations are relatively similar to Australian counterparts. The benchmarks were refined to suit NZ's emissions factors for different fuels and climate zone.

A testing and pilot phase was conducted prior to launch with New Zealand buildings and industry participants. Local data and feedback were used to make the tools fit for purpose for the New Zealand market.

Previous to this point, there has been no NABERSNZ rating approach for these asset classes so NZGBC expects there to be an adjustment phase just like the office tool when it first started.



NABERS STAR RATING GUIDE

★ ★ ★ ★ ★ ★	MAKING A START
★ ★ ★ ★ ★ ★	OPPORTUNITIES FOR UPGRADES
★ ★ ★ ★ ★ ★	MARKET STANDARD
★ ★ ★ ★ ★ ★	HIGH PERFORMANCE
★ ★ ★ ★ ★ ★	SUPERIOR PERFORMANCE
★ ★ ★ ★ ★ ★	MARKET LEADER

Proposal 1: New NABERSNZ tools



NZGBC proposes a 4 star threshold for these new tools.

From version 1 of the NZGBC Sustainable Finance Guide two years ago, a trajectory from 4 stars to 5 stars was set out for NABERSNZ Energy for Offices. The timeframes were relatively rapid considering the decade-long use of the NABERSNZ office tool in NZ.

For sectors new to NABERSNZ, the logistics warehouse sector, cold stores sector, shopping centres and retailing sectors, we expect a more gradual uptake. To encourage energy monitoring and management, getting to 'good' performance levels, 4 stars is a good threshold to start with.

As more buildings use the new NABERSNZ tools in NZ, we will get a sense of what may be appropriate increases in thresholds in future reviews of this guidance.

Note that 'atypical' shopping centres as defined in the NABERSNZ Energy for Shopping Centre rules are excluded from this guidance since the benchmarking is not as consistent the great variety of shopping centres under this definition.

Atypical Shopping Centres

3.1.2.2 Atypical shopping centres

Atypical shopping centres do not align with the benchmark used in NABERSNZ Energy and Water for Shopping Centres ratings. Their energy and water use might be too different for a meaningful comparison to other shopping centres.

A shopping centre with one or more of the following attributes is considered to be atypical:

- a) The **GLAR** of the shopping centre is less than 5,000 m².
- b) The building style is such that more than 80 % tenancies in the shopping centre have an open roof or semi-partitioned walls.
- c) More than 80 % of tenancies within the shopping centre are of 'one type'. Examples include—
 - 1) a shopping centre with only medical clinics and pharmacy stores; and
 - 2) a shopping centre with only restaurants and/or cafes (may or may not have a food court).
- d) The shopping centre contains only one major supermarket or department store with fewer than three other shops.
- e) Access to more than 80 % of tenancies is not within the shopping centre building, i.e. most tenancies are accessed from public thoroughfares.

Proposal 1: New NABERSNZ tools



NABERSNZ and Green Star Performance uses different benchmarking methodologies for energy.

NABERSNZ is adapted from the Australian NSW Government's NABERS scheme in Australia, licensed for use in NZ by government agency EECA (Energy Efficiency Conservation Authority). It offers a detailed and rigorous benchmarking process, by requiring a qualified assessor to conduct the rating and mandatory site visit but can involve more effort and cost. It is captured in the Australian Taxonomy.

Green Star Performance specifies a hierarchy of benchmarking pathways with Pathway A NABERSNZ being the most preferred pathway but only requires this pathway if a building has a NABERSNZ rating. Pathway B, which uses an industry-wide benchmark, has been used for sustainable finance purposes in NZ – it is a more simplistic benchmarking methodology than NABERSNZ but can involve less effort and cost.

We have received varying feedback so far: some prefer using Green Star Performance, others want NABERSNZ to be used when it is available for a particular building typology. We invite feedback and justification from stakeholders on this point.

Green Star Performance Credit 15 Pathway B, will remain available for cases where buildings might not be eligible for NABERSNZ.

Give us your views on this

Proposal 1: New NABERSNZ tools

NZGBC proposes a 4 star threshold for the new NABERSNZ tools. This does not affect the trajectory for office buildings already in the guide.

We have also received feedback with varying views on whether or not NABERSNZ should take precedence over Green Star Performance for sustainable finance purposes.

Questions:

1. Do you think the 4 star threshold is appropriate for these new tools?
2. Do you see this addition to the guide driving positive impact in the new sectors through the use of NABERSNZ?
3. Do you think Green Star Performance Credit 15 (energy) pathway B should be allowed if a building is eligible to rate under the NABERSNZ scheme?

Please provide your reasons and any data that may be applicable.

Proposal 2: Criteria for water ratings



NABERSNZ Water for Offices has been available in NZ since August 2025. People using Green Star Performance has been rating both energy and water as a mandatory requirement.

This proposal is to set a threshold for water ratings when used alongside an energy rating. In other words, a water rating without rating energy is not recommended. Some have expressed interest in having these thresholds set and also speaks to nature-related issues in sustainability.

There was concern that a water rating would be imposed on people using energy ratings for sustainable finance transactions. This is not recommended as a part of this proposal; it is proposed that water ratings are optional criteria in this guidance.

NZGBC proposes a threshold of 4 star NABERSNZ Water rating or the corresponding number of points in Green Star Performance of 5 out of 10 points in Credit 19 Potable Water.

Water Credit in Green Star Performance

Table 19A.3 Simplified NABERS Water points allocation

NABERS Water Star Rating	Points awarded
1.0	0
1.5	0.5
2.0	1
2.5	2
3.0 Nominal average performer	3
3.5	4
4.0	5
4.5	6
5.0	7
5.5	8
6.0	9
Net Zero Potable Water	10

Give us your views on this

Proposal 2: Threshold for water ratings

Questions:

1. Is it useful setting a criteria for water ratings? What use cases do you see this having?
2. Do you think a water threshold of 4 star NABERSNZ Water is appropriate?
3. Do you think 5 out of 10 points in Green Star Performance is appropriate?
4. Do you agree that water ratings should be an optional criteria?

If you have any data from your past ratings that would benefit this criteria setting, please provide this in your survey feedback.

Proposal 3: Criteria for Green Star Fitouts

Green Star Fitouts launched in March 2026 and is NZGBC's current tool for interior fitouts.

Developed in collaboration with GBCA, this tool is designed to be relatively straight forward, matching the scale and pace of fitout projects. It covers what one would expect of a best practice, sustainable fitout: health and wellbeing, low carbon, energy/water efficient as well as a new category – circularity.

The tool has minimum expectations built in just like Green Star Buildings. However, for 4 star Best Practice level, only the minimum expectations are required to be fulfilled; no points are required. At 5 star level, 20 points on top of the minimum expectations is required.

This is a point for the consultation: is 4 star Best Practice or 5 star NZ Excellence more appropriate for sustainable finance?

A simplified framework relevant to your fitout



Best Practice

Meets minimum expectations



NZ Excellence

Meets minimum expectations

+

20 points



World Leadership

Meets minimum expectations

+

45 points

Note Green Star Fitouts only has 60 points total

10 key things that every Green Star Fitout will deliver

1. Be fossil fuel free
 2. Powered by renewables
 3. Be built with lower upfront carbon emissions
 4. Include responsible products and materials
 5. Be energy efficient
 6. Use less water
 7. Enable reduced operational waste
 8. Have improved air quality
 9. Provide good lighting and acoustic comfort
 10. Embrace the diversity of our population
-



**Give us your
views on this**

Proposal 3: Green Star Fitouts

Questions:

1. Do you think the threshold for sustainable finance with Green Star Fitouts should be 4 star or 5 star? Please explain why.
2. What use cases can you think of that would utilise this criteria?

Ngā mihi nui ki a koutou

Bobby Shen

Impact Manager – Buildings

Email: bobby.shen@nzgbc.org.nz

