

Solar panels across a logistics portfolio

Investment Case study

Asset class: Real Assets

Location: Australia

Our asset manager Townsend Group, is invested in the Charter Hall Prime Industrial Fund ("CPIF"). The Fund holds a portfolio of prime industrial and logistics properties in key markets across Australia.

The Case for Installing Solar Panels on Logistics Assets in Australia

Harnessing solar power is an important component of transitioning to a low-carbon economy. Given that, on average, the country has approximately 9.8 hours of sun per day¹, the opportunity within Australia is significant. At the end of 2022, there were already over 3.4 million solar panel installations across the country, with a combined capacity of over 29.7 gigawatts.

The logistics sector offers a unique opportunity that not all real estate asset types do, as the assets typically have large flat roofs that are ideal for hosting solar panel systems. Furthermore, the roofs of modern logistics assets are typically high enough off the ground to ensure the panels aren't impacted by shade and are developed to be pitched at a certain angle to ensure the sun's rays are caught throughout the day².

Owners of logistics assets which are either partially or entirely powered by solar panel-generated electricity benefit from lower operating costs and a lower carbon footprint. In addition, sustainably powered assets are becoming increasingly more attractive to prospective tenants, who are seeking to meet corporate-level emission reduction targets.

The Fund's Growing Solar Capacity

By the end of 2022, CPIF had installed solar panels on the roofs of 52 assets (out of 119) within the portfolio. In total, the portfolio has the ability to generate 22.7 megawatts of capacity, which is enough to power approximately 9,080 average households³ for an entire year. In Q4 2022, solar panels with an additional 500 kilowatts of capacity were installed, taking total installations over the past 6-month period to 3.2 megawatts.

The Fund has a target of installing an additional 15 megawatts of solar panel capacity across the portfolio by 2025 and is currently on track towards achieving this.

The solar power installed helps to reduce tenants' carbon emissions and electricity costs. Where tenants do not operate over the weekends, the electricity generated is either stored on-site for use at busier times or sold back to the grid.

¹ Source: Global Solar Atlas (2023)

² Source: Prologis Research (2023)

³ Source: www.betterhomelab.com



Rooftop solar panels installed at Charter Hall asset (East Logistics Park, Queensland, Australia)