

Clinton Peacock  
Valad Property Group  
Level 9  
1 Chifley Square  
SYDNEY NSW 2000

16<sup>th</sup> September 2008

Dear Clinton,

**Re: SUSTAINABILITY STATEMENT IKEA STORE, TEMPE**

IKEA are an environmental leader in the way they manufacture their products and the way they run their business globally. They have established a new sustainability benchmark in the delivery and operation of the new IKEA store in Logan which has won a series of environmental awards for performance. IKEA consider the proposed Tempe store to be the global benchmark for sustainability in retail in the future and aim to deliver a development with smallest possible carbon footprint.

Cundall are an engineering consultancy practise that specialise in the development of sustainability strategies for building projects and have unique experience in sustainability in the retail environment. Recent projects would include the new Rouse Hill Town Centre, Centrepont retail development for Westfield and the new Top Ryde Shopping Centre. Cundall have also been working alongside IKEA in the development of the award winning IKEA store in Logan, Brisbane which opened in 2006 setting a new standard for sustainability in retail buildings and have been engaged as the sustainability consultants for the Tempe store with a role to reduce the carbon footprint of the development to a minimum. The IKEA Logon project achieved the following industry accolades for sustainability:

Industrial Eco-efficiency Award - QLD Environmental Protection Agency.  
Sustainability Award - Large Commercial - Environ BPN.  
Building & Structures Finalist Award - Engineers Australia.  
Environmental & Heritage Finalist - Engineers Australia.  
Gold Award of Merit, Low Energy Air conditioning - Engineer Australia.  
National Winner in Sustainability category - ARIAH Award of Excellence.

The development will implement and monitor the sustainability targets by using a Sustainability Management Plan (SMP) for the design, construction and ongoing operation phases of the project. IKEA will be developing a Sustainability Management Plan (SMP) for the project that will identify and monitor the sustainability initiatives throughout the design, construction and operational phases of the project. The SMP will be set out in the same categories as Green Star – Management, Energy, Indoor environmental quality, Ecological value, Water, Materials, Transport, Innovation. The SMP will be a *live* document that will be updated at each major stage of the project. The SMP records the design initiatives/ targets and provides a mechanism for ensuring that these targets are achieved throughout the delivery and operation of the project.

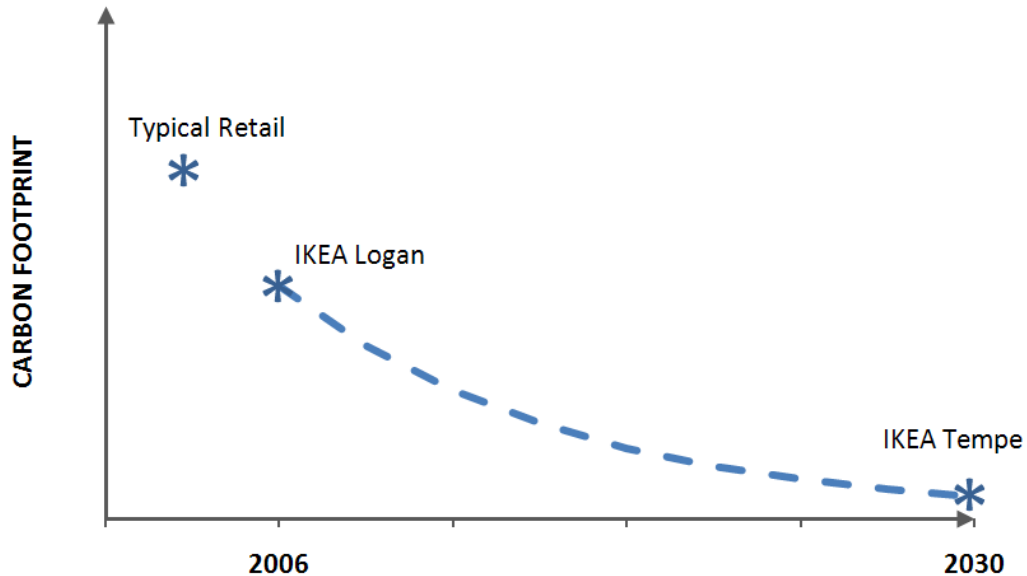
The Logan store targeted a 40% energy reduction and 60% water reduction in comparison to a typical bulky goods / retail development through the adoption of the following key sustainability strategies.

- Chilled beam air conditioning throughout the Market Hall and Showroom utilising chilled water recirculation from sprinkler chilled water storage tanks located on the site.
- Recycling of all roof rainwater into harvesting tanks with a 500,000litres capacity for irrigation usage, WC flushing and replenishment of cooling tower water lost through evaporation and drift.
- Solar hot water for domestic hot water used throughout the store including use in the commercial kitchen.
- Low VOC paint throughout to provide a more healthy indoor environmental quality.
- Sprinkler tanks were as a dual function in an innovative way by storing chilled water at night time using a lower power tariff and then supplying chilled water to the chilled beams at peak times.

**The following sustainability commitment has been made by IKEA for the Tempe project.**

1. To use the Logan IKEA store as a performance benchmark for energy and water use and to provide improvements to these performance figures.
2. To use an internationally recognised environmental rating tool as a guideline to achieving high levels of environmental performance in the other measurable areas of environmental performance such as waste management, materials, comfort and innovations.
3. To develop a long term- 20 year carbon emission reduction strategy in line with Sydney's 2030 sustainability strategy.
4. Develop IKEA's global renewable energy strategy for the Australian climate.

The graph below summarises the carbon footprint reduction strategy proposed for the Tempe project. IKEA are interested in a long term sustainability strategy for the site.



Overall the project will represent a sustainability benchmark for a Bulky Goods / retail project in Australia as well as a global benchmark for IKEA.

Yours sincerely  
For and on behalf of Cundall

**Tim Elgood**  
Principal

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