

Energy Consumption and Energy Cost in Office Buildings (March 2016)

The consumption is slightly down. The cost and the price per unit continue to decrease.

June 3, 2016

Xymax Real Estate Institute has been studying the energy consumption and energy cost of office buildings in the Greater Tokyo area on a continuous basis. The report, which covers the results for the period between January 2010 and December 2015, was released in March this year. The latest report, which covers the results for the period ending March 2016, is available now.

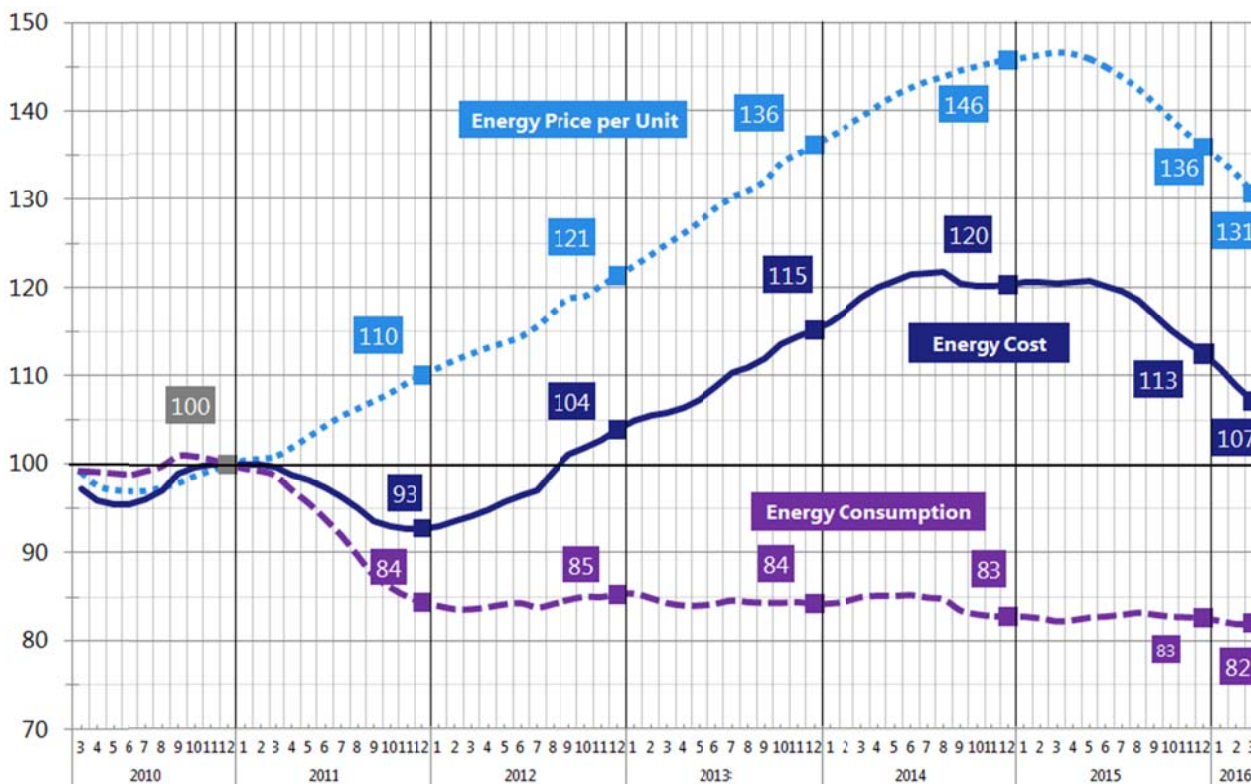
Findings from Research

- Energy Consumption
2.8% down year-on-year; a record low and slightly below the level continued since 2011.
- Energy Price per Unit
5 points down from previous study (Dec. 2015). The price started to fall in March 2015.
- Energy Cost
6 points down from previous study (Dec. 2015), decreased in line with the falling consumption and price.

1. Office Building Energy Consumption & Cost 12-Month Average

Figure 1 shows the 12-month moving average of the energy consumption, price per unit and cost. The energy price per unit (dotted line) kept falling since March 2015. The energy consumption (dashed line) had a slight decrease quarter-on-quarter. The energy cost (solid line) also continued to decrease reflecting the decrease of the price per unit and consumption volume.

Figure 1: 12-Month Average Energy Consumption / Price / Cost



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2. Monthly Energy Consumption, Price per Unit & Cost

Figure 2 shows changes in energy consumption volume. The period between January and March 2016 was a year-on-year decrease of 4.0 MJ/sqm. The consumption volume is decreasing since 2014. This quarter marked the record low. This is likely to have been caused by the warm winter around the turn of the year from 2015 to 2016.

Figure 2: Energy Consumption (MJ/sqm/month)

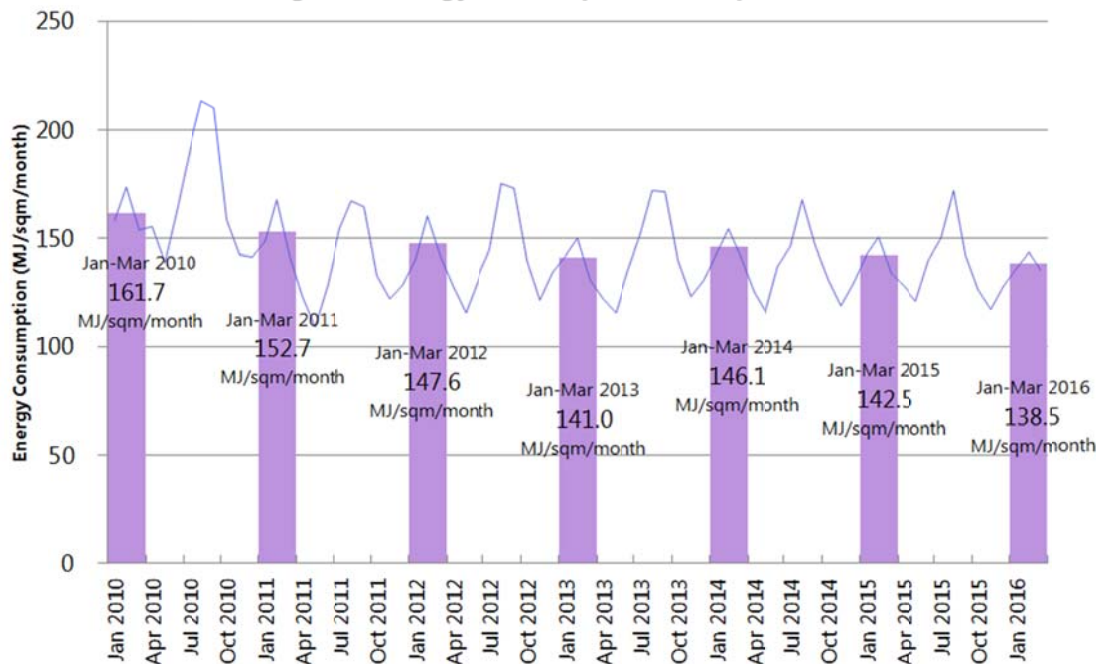
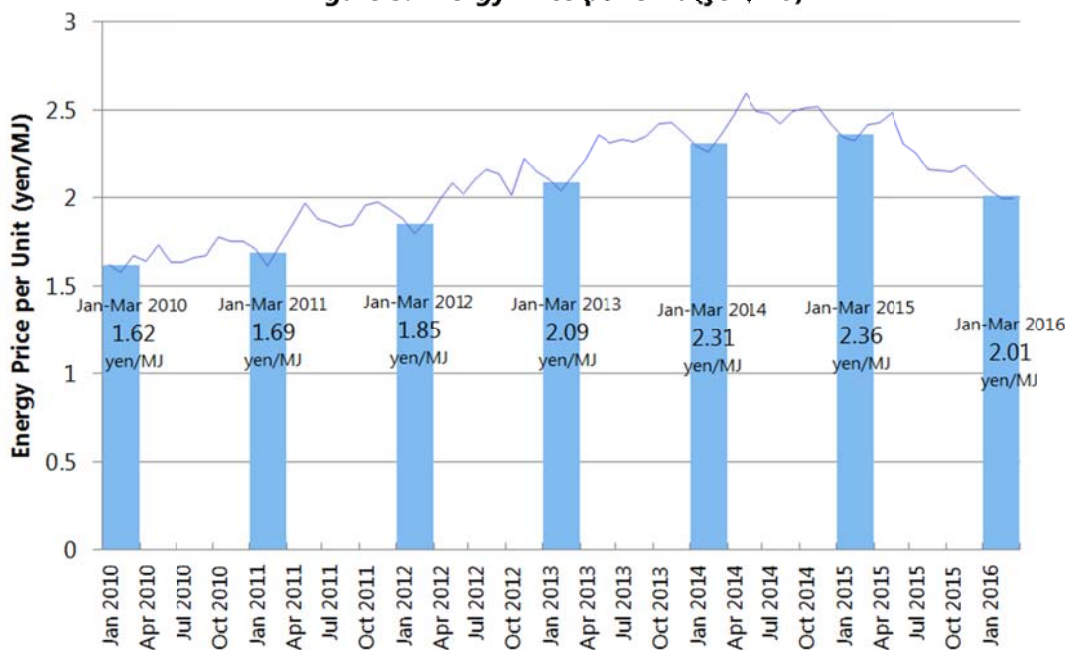


Figure 3 shows changes in energy price per unit. The period between January and March 2016 was a year-on-year decrease of 0.35 yen/MJ. This is considered largely due to the decreased fuel adjustment charges of electricity and gas started in April 2015.

Figure 3: Energy Price per Unit (yen/MJ)

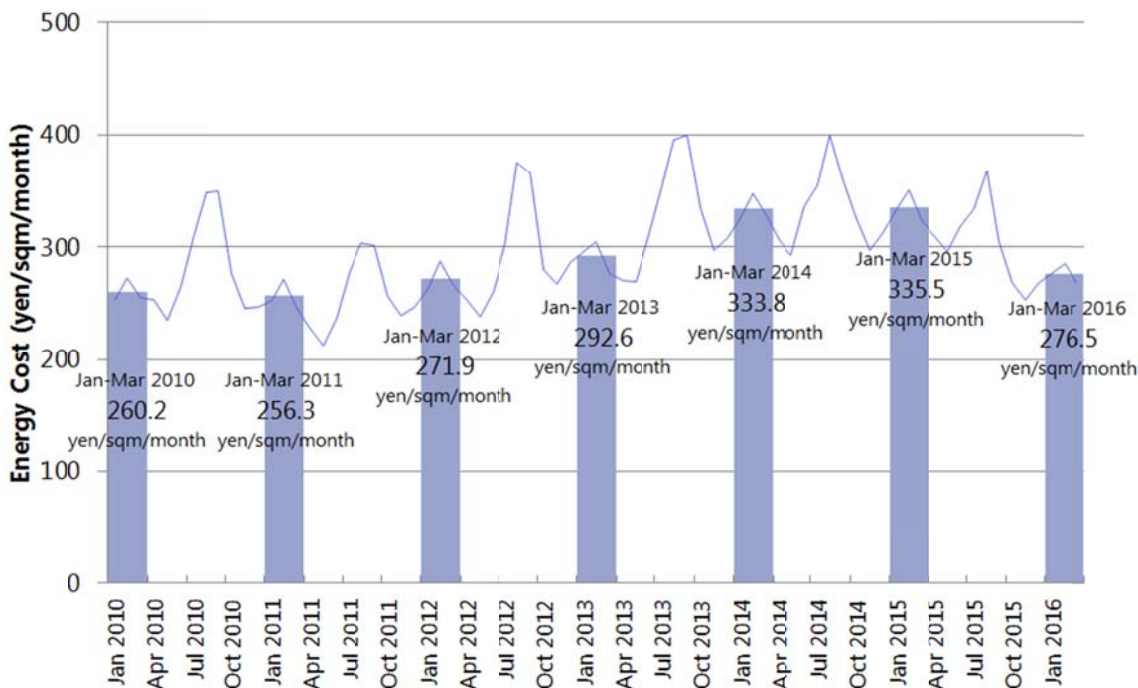


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Figure 4 shows changes in energy cost. The period between January and March 2016 was a year-on-year decrease of 59.0 yen/sqm/month. The cost started decreasing reflecting the decrease of the consumption volume and price per unit.

Figure 4: Energy Cost (yen/sqm/month)



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Research Overview

Period	April 2009 – March 2016 (84 months)
Subject Data	Of typical tenant-occupied office buildings in Greater Tokyo managed by Xymax Group, we obtained valid data from approx. 100 buildings.
How to Calculate	<p>A. Monthly energy consumption, price per unit and cost</p> <ol style="list-style-type: none"> 1) Gather the amount of consumption of and cost paid for (excl. tax) the electricity, gas, heat and oil in each building. 2) Convert the amounts of consumption in 1 to mega joule (MJ) (amount of primary energy) based on the following coefficients, and add all the results. Electricity: 9.76 MJ/kWh City Gas: 45 MJ/m³ Cool/hot water, steam: 1.36 MJ/MJ Open Steam: 2.68 MJ/kg Bunker A: 39.1 MJ/L 3) Energy Consumption (MJ/sqm/month) → Divide the total consumption calculated in 2 by the gross floor area (excluding vacant space). Energy Price per Unit (Japanese yen/MJ) → Divide the total cost calculated in 1 by the total consumption calculated in 2. Energy Cost (Japanese yen/sqm/month) → Divide the total cost calculated in 1 by the gross floor area (excluding vacant space) 4) Calculate the average of the three estimates in the preceding step. <p>B. 12-month moving average</p> <ol style="list-style-type: none"> 1) The figures for each month are the average consumption, price per unit and cost estimated in A for the past 12 months. 2) Indexed based on December 2010 = 100
Notes	<ul style="list-style-type: none"> • "Month" in this study is based on the date of the meter reading, which differs by building and by the energy supplier. • To represent the continuity and accuracy of the data, the gross floor area excluding the vacant space is applied in this study.

- For the previous report, please refer to Energy Consumption and Energy Cost in Office Building (December 2015) released on March 4, 2016.
- We reviewed the data and corrected some numbers in the previous release.

For questions on this report, please contact us.

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