



# About AB 1103

Are you going to sell, lease, or refinance your hotel?



**kango**

**Contact us to learn more:**

Kango Development  
Fran Hereth  
fran@kangodevelopment.com  
323-644-8023 office  
323-627-8291 cell  
www.kangodevelopment.com

If your hotel is larger than 10,000 square feet, as of Jan. 1, 2014 a new law, California's AB 1103, requires that you benchmark the building's energy consumption, and disclose that to any prospective buyer, lessee, or lender financing the building.

AB 1103 disclosures are generated by the ENERGY STAR Portfolio Manager. After the previous year's total energy usage is entered, including electricity and gas, the program will calculate an energy efficiency rating for the building on a scale from 1 (least efficient) to 100 (most efficient).

Buildings with a score of 75 or higher can apply for an ENERGY STAR plaque. However, any building applying for a such certification must have their data reviewed and approved by a licensed engineer.

## Complying with AB 1103.

A hotel's Data Verification Checklist from ENERGY STAR must be disclosed to:

- > A prospective buyer of the building, no later than 24 hours prior to execution of the sales contract.
- > A prospective lessee of the entire building, no later than 24 hours prior to execution of the lease.
- > A prospective lender financing the entire building, at the time a loan application is submitted.

The image shows a screenshot of an ENERGY STAR Data Verification Checklist. At the top left is the ENERGY STAR logo. The title is "ENERGY STAR® Data Verification Checklist". Below the logo is a large number "86" and the text "Sample Property". To the right of the number, it says "Primary Function: Office", "Gross Floor Area (GFA): 200,000", "Built: 1982", "For Year Ending: 04/30/2013", and "Date Generated: 06/28/2013". Below this is a section titled "Property & Contact Information" with three columns: "Property Address" (123 Main Street, Arlington, Virginia 22200, Property ID: 8000023), "Property Owner" (Washington Commercial Property Managers, 1 Washington Blvd, Arlington, VA 22202, jsmith@wcpo.com), and "Primary Contact" (John Smith, 1 Washington Blvd, Arlington, VA 22202, jsmith@wcpo.com). Below that is a section titled "1. Review of Whole Property Characteristics" with a sub-section "Basic Property Information" containing four questions with "Yes/No" checkboxes: 1) Property Name: Sample Property (is this the official name of the property? if 'No', please specify: \_\_\_\_\_) [Yes/No]; 2) Primary Function: Office (is this an accurate description of the primary use of this property?) [Yes/No]; 3) Location: 123 Main Street, Arlington, Virginia 22200 (is this correct and complete?) [Yes/No]; 4) Gross Floor Area: 200,000 ft² [Yes/No].

A Data Verification Checklist, documenting the energy efficiency of hotels, must be given to prospective buyers, leasees, or lenders.

## Get your AB 1103 report.

Let Kango generate an AB 1103 report and ENERGY STAR rating for your building.

We also can design and implement energy efficiency improvements to boost your ENERGY STAR score, increase your NOI, and enhance the value of your hotel.