Landlords warm to energy control

TRADING ROOM

GREG BROWN

THERE'S nothing like an empty wallet to sharpen the mind, says Irish-born entrepreneur David Walsh, who has invented a software program he argues could save landlords millions of dollars a year on energy costs.

Walsh came to Australia in 2009 after his residential design and refurbishment company collapsed during the global financial crisis, when Ireland's house prices fell 35 per cent between 2007 and 2010, according to Irish government figures.

A couple of years into his Aussie life, Walsh saw a gap in the local commercial property market and came up with an IT program that analyses data from the HVAC (heating, ventilation and air-conditioning) units of buildings to detect faults.

The program aims to save 15 per cent of total energy costs, with air-conditioning accounting for about 70 per cent of a building's energy bill, he says.

Walsh's CIM Environmental Group generates a report outlining the action required by the maintenance teams if inefficiencies creep into the air-conditioning and heating units.

This compares with faults running for up to a month before maintenance teams would do their regular checks.

One of Australia's largest landlords, GPT Group, has signed on to use the program, while CIM Environmental is in due diligence with four more Australian real estate investment trusts.

Walsh says that local hospitals and universities as well as companies in Asia and Europe are also trialing the system.

On the back of the mooted deals, Walsh expects to increase CIM Environmental's staff from four to 20 by the end of the year.

He plans to open an office in Singapore at the beginning of next year and then one in Europe in 2016.

Walsh says that the tight-fisted corporate environment suits what his company offers, with landlords in the search for extra savings in a tough leasing environment and where energy costs are rising.

Walsh has both an IT and property background. The computer science graduate worked for Intel and SAP in Ireland before jumping into his own property business with his wife in 2003. The business designed and refurbished home interiors and grew rapidly on the back of Celtic Tiger-era property mania, to gain a revenue of between €1m and €2m a year.

The Irish boom lasted from 1994 to 2007, delivering economic annual growth of between 5 and 10 per cent.

Then the global financial crisis hit Ireland hard, with unemployment rising to nearly 15 per cent and most of the major banks either collapsing or being largely nationalised.

JAMES CROUCHER

David Walsh, chief executive of CIM Environmental Group, has rebounded after a hard landing in Ireland

Walsh says that the fall of Lehman Brothers in September 2008 heralded the collapse of the residential property industry and his workbook dissipated almost overnight. At the time, building approvals fell from 90,000 dwellings a year to 5000.

Walsh says that he was doubly stung, having invested his business profits in property and banking shares.

His company folded in May 2009 when he was 32.

"There was a completely unsustainable view to investing in Ireland and there was very little financial regulation," he says.

"It's tough when you have a young family, you're working for yourselves, and you go from having lots of options and planning the future to business drying up and seeing most of your friends unemployed.

"So I turned around to the wife and then said: let's give Australian a go."

> 'You go from having lots of options to business drying up'
>
> DAVID WALSH
> IRISH-BORN ENTREPRENEUR

Walsh used his computer science and property background to gain work for a commercial property energy efficiency company that had clients such as Dexus Property Group and Stockland.

It was in this job where he came to understand how energy could be managed better. "With these buildings there was a huge volume of hot and cold complaints and tenant issues with air-conditioning weren't being picked up as quickly as they should," Walsh says.

"Because of my computer science head I realised that you could use the data in a building better, because everywhere in a building there are censors and air-conditioning ducts that could be monitored but nobody was doing it."