



Energy Efficiency

in Apartments Can Save Billions

Several states have enacted legislation and accompanying funding to reduce energy use and costs in apartment buildings.

BY SARAH FRYE

As our nation strives to incorporate sustainability and become greener, the multifamily sector will set better policies for the efficiency of apartment buildings with a goal to maximize energy efficiency, create the healthiest environment possible and minimize buildings' environmental impact. While engaging residents about ways to improve their energy use can be a challenge in the multifamily housing sector, additional owner profit can be captured for

providing increased energy efficiency. To effectively implement energy management programs, behavioral change strategies and energy education is a must.

If property managers can be transparent while sharing energy goals and assessing current practices, it will increase the chance that residents move toward their own energy efficiency goals; collectively addressing the greater need to reduce electric usage as power grids hover near maximum capacity.

Residents and owners can work toward reduced energy consumption and, in turn, communities will see an increase in general energy awareness and more investors will commit to the energy efficiency industry.

According to the U.S. Department of Energy, multifamily buildings account for 15.6 percent of U.S. energy consumption. Energy savings potential exists in the multifamily sector.

Apartment owners and managers can take advantage of state-specific energy efficiency standards, policies and programs to maximize cost savings.

Several states have enacted legislation and accompanying funding to reduce energy usage and costs. For example, the Empower Maryland Energy Efficiency Act of 2008 mandates statewide energy reductions of 15 percent by 2015. One popular program is the Quick Home Energy Check-up for multifamily and single-family properties.

This program pays third-party contractors for direct installation of energy-efficient lighting, aerators, efficient-flow showerheads, water heater tank wraps, smart strips and more.

One of Maryland's leading energy solutions contractors, greenNEWit, deploys teams of certified energy retrofit technicians to install qualifying energy conservation measures (ECM) in residences.

As customers who are already paying into the Empower Maryland Energy Efficiency fund by virtue of utility bill assessments,



owners and residents bear no additional cost for the ECMs. Through this program, greenNEWit has installed 313,135 compact fluorescent light bulbs to more than 31,461 residences in the state of Maryland and are saving 17,037,189 kWh of electricity and 382,536,407 gallons of water annually through this program.

The Towers at University Town Center is a residential building located in Hyattsville,

Md. greenNEWit inspected and installed 7,476 CFL light bulbs, 1,152 faucet aerators and 289 showerheads in 244 units on the premises that will prevent nearly 197 tons of CO2 from being released into the atmosphere.

The CO2 saved is equal to nearly 983 trees being planted. As a result of these energy saving measures, the Towers at University Town Center will also experience annual cost savings of \$100,985 for electricity, water and gas.

That's an average annual savings per unit of \$414.

"We needed to do something to slow and hopefully begin to reduce our energy expenses at our 16-story, 910-bed student housing tower in Hyattsville, and after screening several companies we decided to partner with greenNEWit for the quick home energy check-up and energy-saving retrofits," says Director of Real Estate Greystar Student Living Luca Finocchiaro.

DTE Energy, a utility based in Detroit, created a Multifamily

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Dwelling Program to provide substantial co-pays and incentives for common area T5 and T8 lighting upgrades, LED signs and controls as well as in-unit lighting and water ECMs. Nearly 1,000 units across six Slatkin Corporation-managed communities participated and they are estimating cost savings of \$40,000 a year just in hallway lighting costs alone.

A representative from Slatkin Corporation said that residents are more aware as they see the energy-efficiency upgrades in action as energy bill costs are reduced.

CSI Support and Development Services specializes in affordable housing for low-income senior citizens with locations in California, Maryland, Massachusetts and Michigan. They too have participated in DTE's Multifamily Dwelling Program and residents see the benefit of energy savings.

Sixteen of their co-op properties took advantage of the lighting upgrade grant and nine of those also participated in the refrigerator upgrade grant.

Co-op Liaison Peter Lillie said that of the \$186,991 in upgrades that were performed on lighting in various Michigan co-ops, \$124,141 was paid for by DTE.

The co-op properties only had to pay a total of \$62,849. He mentioned that of the \$469,820 in refrigerator upgrades that were performed in these various Michigan co-ops, \$253,800 was paid for by DTE and the co-ops only had to pay a total of \$216,020. Across these 16 co-op properties, CSI Support and Development Services saved a total of \$377,941 for an immediate return on the investment and anticipated savings in reduced energy use to come.

The New York State Energy Research and Development Authority (NYSERDA) developed a Multifamily Performance

Program where property managers implementing ECMs can receive \$500/unit cash incentives. Additionally, a minimum achievement of 20 percent energy reduction qualifies for payments of \$150 to \$300 per unit.

Some approved ECMs are efficient boilers and water heaters, efficient-flow faucets and showerheads, Energy Star® appliances and R-value insulation. The 1212 Martin Luther King (MLK) Apartments in the Bronx, New York, provide affordable housing to moderate-income working families (formerly homeless).

They participated in NYSERDA's Multifamily Performance Program, and the energy measures are expected to save the building owners and residents a combined \$12,631 per year. This building is also the nation's first high-rise multifamily building to earn the Energy Star® label.

"Our experience with the NYSERDA program has been wonderful," Executive Director of Beulah HDFC, Inc. Walter Blenman says. "It has allowed us an opportunity to fund cutting-edge 'green' initiatives that otherwise we would not have been able to incorporate into our developments."

By participating in programs such as these that are increasing in popularity, owners and operators of multifamily buildings can measure energy performance and make more informed decisions to reduce owner costs and resident complaints; leading to higher resident satisfaction and an increase in the number of referrals. As an additional layer, if implemented by management, third-party certifications (LEED, Energy Star, Enterprise Green Communities, NAHB-Green, Green Globes, etc.) add premium value to the property on the investment market. **NA**

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