

NMHC/NAA Viewpoint
NMHC/NAA oppose the development of mandatory building performance labeling programs and continue to work with federal partners to expand well-known and voluntary energy management tools, such as the ENERGY STAR program, to apartment properties.

The Energy Star program
partnered with 18,000 organizations in 2012, cumulatively saving more than \$230 billion on utility bills.

BUILDING ENERGY LABELS

The apartment industry has a long history of supporting cost-effective energy management and conservation strategies. We have worked with the model building codes and standards organizations for more than two decades to improve the environmental performance of the nation's housing stock. We have also worked to expand energy management tools, such as the Environmental Protection Agency's (EPA's) ENERGY STAR program, within the apartment sector. However, we caution against the development of rating systems or labels that would grade buildings on their energy performance and publicly disclose that information.

While there is a lengthy history of energy-scoring tools for the commercial real estate sector, such as ENERGY STAR, similar programs have not been broadly available for apartment properties. It is much harder to collect apartment energy data due to resident privacy concerns or to predict energy use given wide differences in individual consumption behavior. In addition, federal efforts to attempt to create an apartment energy benchmarking rating are relatively new and, as a result, lack the depth of data available for commercial properties.

Mandating unproven energy labels for apartments could cause the property values of older properties to fall significantly. Fully 81 percent of the nation's apartment properties were constructed before 1990, and these properties are essential to our affordable housing supply. Therefore, extreme care should be exercised before requiring any rating system that may devalue or stigmatize these properties.

Instead, we strongly urge the federal government to direct its resources to expanding well-known, voluntary energy benchmarking programs, such as ENERGY STAR. The ENERGY STAR program is a well-established designation and suite of resources to help building owners and managers, including multifamily firms, evaluate their energy use and maximize energy savings. We question the market need and reliability of alternative rating programs, specifically the Department of Energy's Asset Score Program that would rate buildings on their predicted energy consumption.

Rather than create additional ratings systems, the government should focus on investing in the existing federal energy management tools, namely EPA's ENERGY STAR, including expanding its use within the apartment sector. Policymakers should also invest in industry-specific education and resources on energy-savings opportunities in multifamily properties and meaningful access to capital for efficiency improvements.