

Study Reveals Cost Averages for MF Utilities

The least efficient apartment community may spend \$165,000 more in annual energy costs than a comparable community operating the most efficiently, according to a recent report issued by Fannie Mae.

This is based on calculating the difference between the 5th and 95th percentile values of energy cost per square foot applied to a 100,000 square foot property.

The report gets more interesting. A 100,000 square foot property spends on average \$125,000 on energy and \$33,000 on water annually. Assuming a 6 percent cap rate, if this community saved 15 percent on energy and water costs, it would increase asset value by nearly \$400,000.

And, when property owners pay for all energy costs, median annual energy use was 26 percent higher than when residents paid for all energy costs.

These findings were released in “Transforming Multifamily Housing: Fannie Mae’s Green Initiative and Energy Star for Multifamily,” which was issued in conjunction with the Environmental Protection Agency’s (EPA) announcement that multifamily housing communities are now eligible to receive an ENERGY STAR score (see pg. 29 of the Sept. issue of

units Magazine).

The report offers detailed and exhaustive research into energy and water use data for apartment communities across the U.S. based on data from 1,163 respondents (including market-rate, affordable and senior housing communities) between June 2012 and June 2013.

The survey pegged total median costs for energy and water usage (including residents and common areas) at \$1.58 per square foot and \$1,313 per apartment.

This breaks down to \$1.25 per square foot and \$1,005 per apartment in median energy costs at U.S. apartment communities. Median water costs stand at \$0.33 a square foot and \$308 per apartment.

These findings are consistent with NAA’s 2014 Survey of Income & Expenses in Rental Apartment Communities (see pg. 31 of the Sept. issue), which found utility costs of \$1.12 per square foot and \$995 per apartment for market-rate, master-metered communities.

\$1,313

Total median costs for energy and water usage per apartment

Visit

www.fanniemae.com/content/fact_sheet/energy-star-for-multifamily.pdf for the full survey results.