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Sub-metering industry set to expand in 2012

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Utility sub-metering is widely recognized as an excellent way for multifamily and commercial properties to cut costs and conserve energy. While some property owners are still hesitant to take the plunge, 2012 is an excellent year to consider what sub-metering can offer your organization.

Sub-metering is no longer a foreign term in the multifamily and commercial property industries. With the green movement in full force, property owners are using utility sub-metering as a way to lower operating costs while still appealing to environmentally conscious residents. In fact, water sub-metering has even become a required practice in certain cities and states. Georgia's Water Stewardship Act requires all multifamily and commercial units to be sub-metered by July of 2012. Areas of California and Texas have also passed similar laws that will take full effect in the next few years.

Todd Quarterman, president of nationwide sub-metering company WaterWatch Corp., said, "Utility sub-metering helps properties to benchmark energy usage and offers a consistency in predicting utility expenses. As the market continues to improve this year and developers play catch-up, the demand for utility sub-metering will only continue to grow."

Vacancy rates for multifamily properties are predicted to drop to 4.9% in 2012, while commerce department statistics expect rents to spike approximately 7% in the next two years, compared to the normal 1% increase seen in recent years. These statistics, combined with the influx of millions gen-x and gen-y renters that will soon enter the rental market, make 2012 the perfect time to upgrade a property's energy efficiency.

The rise of sub-metering popularity has also led to a variety of tax rebates and tax deductions aimed at this energy efficient practice. For example, the Energy Policy Act (EPACT) provides a \$1.80 per s/f tax deduction for the design and construction of energy efficient buildings through December 31, 2013. A variety of energy efficiency rebates that can also apply to submeter installation are also found on the Database of State Incentives for Renewables and Efficiency website (<http://dsireusa.org/>).

Quarterman explains, "Occupancy level, utility rates, and time constraints are all reasons why owners tend to hold off on sub-metering, but my experience has been that once owners enjoy the benefits of one sub-metered property, they move quickly to sub-meter their remaining portfolio."

Allison Sass is the online content manager for WaterWatch Corp., Rochester, N.Y.