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How utility management technology can support greener buildings - by Stacy Holden

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Stacy Holden

Going green is the name of the game today, with sustainability taking center stage across many different areas of our lives and in our world: our food choices, our clothing picks, the types of energy we consume and more. In the world of real estate, property management teams are increasingly focused on sustainability efforts and determining how to make buildings more energy efficient and less wasteful. But, that's a task easier said than done. Luckily there are innovations in the utility management space that both benefit property management teams and increase sustainability efforts.

Utility Management Software - What Is It? Utility management technology is often underrated by property managers but is very valuable in recovering costs as well as increasing Net Operating Income (NOI) and asset value by facilitating an accurate utility recovery program. In simple terms, it automates the processing of incoming utility bills and the outgoing resident invoices and bills, ensuring property managers bill back their residents accurately and fairly. Utility management solutions work best when they're part of an end-to-end solution that is connected to bill pay and other workflows to run a property.

Beyond being an efficient addition to the property management office, utility management tech can have a real impact - on both the residents and the environment. When properties include utilities in the rent or charge flat fees, residents have no incentive to conserve, leading to leaky toilets and uncontrollable water costs. Studies by East Bay Municipal Utility District and NMHC have shown that water submetering, one form of utility recovery, can reduce water consumption at a property by 15% - 40%. Through adopting this technology, property managers can utilize analytics and compare their sustainability efforts against those of their competitors, monitor for unusual spikes in utility activity and attract new residents with a "green" mind.

Measuring Up Against the Competition: With accurate utility usage and cost data, property managers can benchmark their properties against other properties in their area, helping them identify energy and water hogs and highlighting efficiency opportunities. Moreover, utility management technology connects to the US Environmental Protection Agency (EPA) Portfolio Manager tool, a national database of building utility data. This opens up opportunities to secure a green mortgage from Fannie Mae, Freddie Mac or the US Department of Housing and Urban Development (HUD) and save up to 45 basis points on the mortgage due to sustainability.

Competition is tight when it comes to attracting new residents and getting them to stay, so being able to say to a resident that a property is sustainable can be a competitive advantage. Indeed, in a 2019 NMHC study, 73% of renters said sustainability/green initiatives are very important or deal breakers for them when renting, up from 65% the previous year. Utility management, benchmarking and green financing all signal to renters you care about aligning resident incentives around conservation and that they are renting from a property that cares about sustainability.

Predicting the Peaks and Valleys: Unpredictability in utilities can lead to fluctuating prices and unexpected costs. Traditionally, property managers could closely watch bills from month to month to

try and get a sense of trends, and this would be time consuming and may not be very accurate. But now, utility management takes the difficulty out of monitoring bills and provides data month over month. Property management teams also have more real-time insight into 'sudden' spikes in utility usage, enabling them to quickly identify issues, course correct and increase efficiency. For example, an unusual surge in a building's overall water bill may reveal a previously unknown burst pipe or a few leaky toilets. Spikes like these can be expensive, the EPA estimates that one leaky toilet can cost as much as \$2,100/year.

Selling Sustainability: More than ever before, residents are taking sustainability and greener efforts into consideration when determining where they want to live. They want the buildings they choose to reflect personal values so properties that look to reduce their energy waste can better align themselves with what both current and prospective residents want out of their home. Obviously green initiatives, like adding in solar-powered panels to a property's roof, are only one way of incorporating sustainability into a building. Efforts to conserve resources through utility management are another way that buildings can show that they care about the environment.

Stacy Holden is an industry principal and director at AppFolio.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540