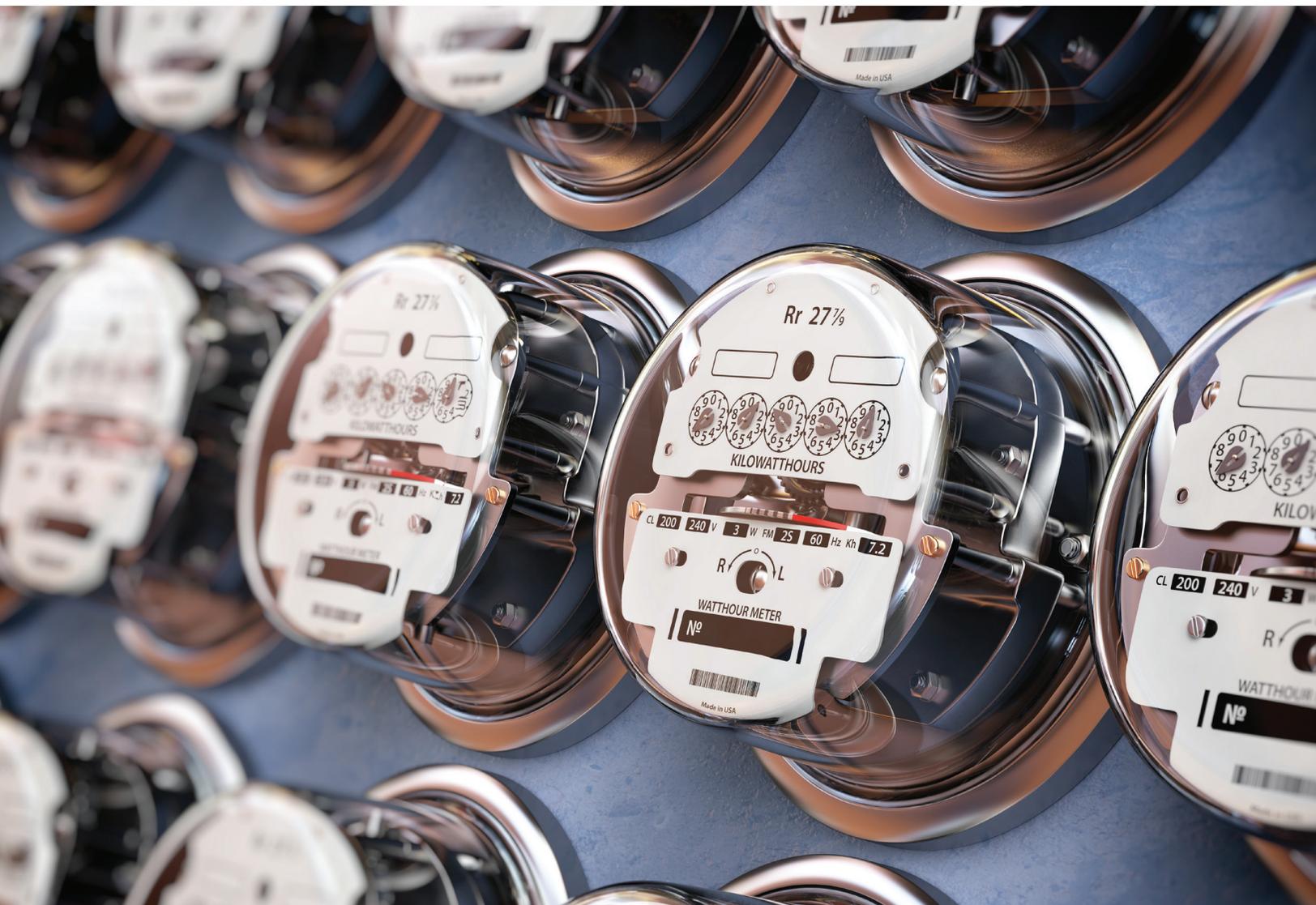

THE

Positive Ripple Effects of **SUBMETER SOLUTIONS**





If you can't measure it, you can't manage it.

This popular phrase rings true in many scenarios — one of which is energy use in commercial and multi-family residential properties. Without data on the individual use of utilities, building owners end up charging tenants the same monthly fees, regardless of high or low energy usage.

Submetering technologies have helped to bridge this gap. With individual meters installed to service each unit, building owners can track energy consumption per unit and fairly disperse utility costs based on this data. In the simplest terms, owners can better monitor energy use, and tenants pay only for what they use.

Like a stone thrown into a serene body of water, introducing submeter solutions into a commercial or multifamily residential property has ripple effects. From the outlook of tenants on energy consumption to how prospective tenants perceive the value of the property, these subsequent developments save building owners money and pave the way for a more profitable future.



Tenants Have More Incentive to Go Green

Tracking expenses is a catalyst for changing spending habits. Let's say you notice a good portion of your monthly income is spent on dining out. With numbers to put this into perspective, you'll feel more inclined to scale back on pricey restaurant visits and cook more meals at home.

A similar scenario plays out when tenants are made aware of how much energy they use. Because they are billed for their individual energy consumption, a tenant who previously left on lights and electronics is more likely to take note of these habits and turn them off to lower costs.

While lower utility costs are a natural incentive for tenants to take these sustainable measures, environmental concerns also prompt change. In many cases, tenants may be unknowingly overusing energy – whether they're often standing in front of an open refrigerator or spending summer afternoons baking recipes in the oven. When they're able to visualize how these minor habits can lead to wasted energy, tenants are empowered to do better to preserve resources.





In addition to measuring electricity and gas in the right applications, it's also important to note that submeters can track water consumption. Consider this example: Per requirements from the Environmental Protection Agency (EPA), companies behind wastewater management systems have invested large sums of money into preventing untreated water from entering natural bodies of water amid storms. Because sewage fees are calculated based on water bills, this investment in water quality will cause fees to increase substantially over the next 10-20 years. The use of submeters could help minimize water use and thus counteract these costs.



How Small Adjustments Collectively Make a Difference

- Turning off a single incandescent light bulb that would otherwise burn eight hours a day saves \$15 per year.
- Turning off the television before going to sleep every night saves \$55 per year.
- Washing clothes with cold water instead of hot water can save \$60 per year.
- Shutting down a desktop computer at night, versus keeping it idle, can save \$75 per year.
- Turning off a small portable air conditioner that would otherwise run eight hours a day saves about \$85 per month.



Building Owners Can Easily Spot Red Flags

The metrics around energy use are always subject to change. While some of these fluctuations can be attributed to seasonal patterns – the use of heat in the winter and A/C in the summer – outliers can also be to blame.

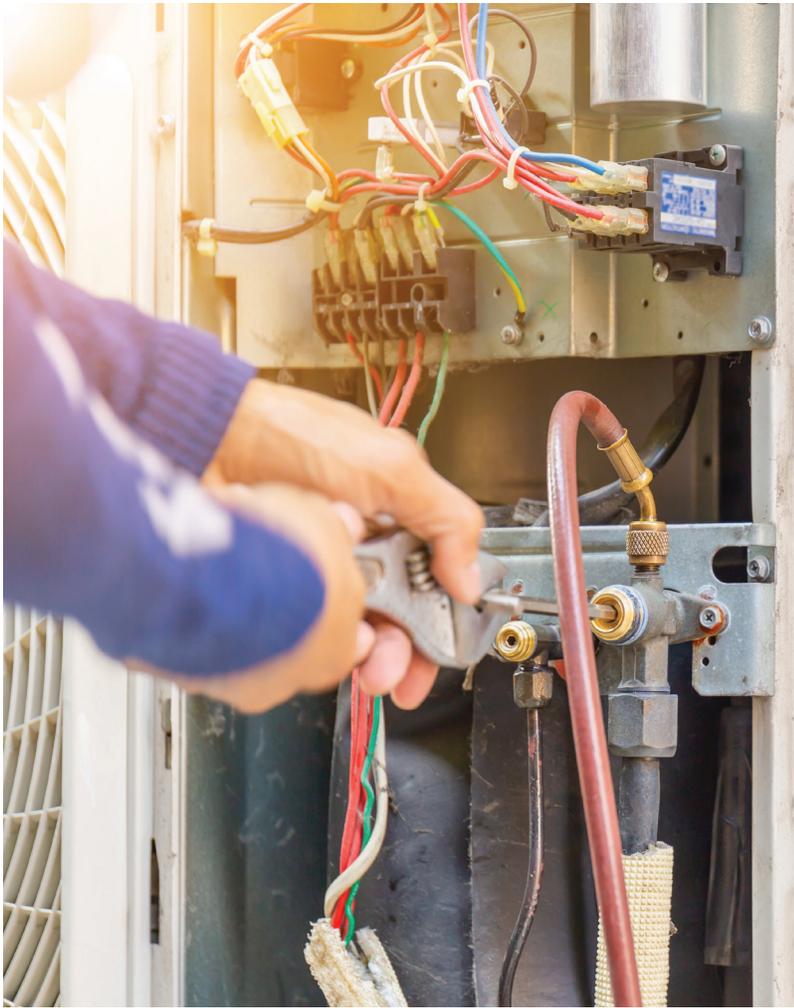
Consider the case where there is an undetected faucet leak in one of the units.



Assuming that the leaky faucet drips at a rate of one drip per second, it can waste more than **3,000 gallons of water per year – the same amount of water needed to take 180+ showers.**

These active leaks can lead to unusual spikes in utility bills, but without a way to disperse costs or trace the roots of such issues, it becomes difficult to pinpoint and address this cost increase.





With submetering technologies, building owners are able to proactively identify and troubleshoot building issues *before they become a big expense*. If a building owner notices that equipment in one unit is consuming far more energy than its counterparts, it could indicate that there is a leak or some other type of maintenance issue to address. Before a complete breakdown occurs (and utility costs continue to rise), maintenance personnel can make any necessary repairs.

Tenants Don't Just Want Good Maintenance — They Demand It

Whereas some tenants move because of financial changes or commute times, other moves are prompted by frustrations with the building itself. In fact, 11.7% of tenants reported unresolved maintenance issues as the reason they moved.

With an understanding of the value tenants place around good maintenance, it's important to not just focus on promptly responding to reported problems, but also identifying them first. This takes the burden off the tenant, who can remain comfortable and safe in the space, and helps the building owner maintain stronger relationships with tenants while minimizing costly repairs.



The Value of the Property Increases

When prospective tenants are looking for a place to call home or their office, they often come armed with a list of must-haves. On the commercial side, this list could include a kitchen area, conference facilities and easy access to parking. On the residential side, this list could include stainless steel appliances, an in-unit washer/dryer and off-street parking.

While these amenities remain an integral part of the decision-making process for tenants, smart technology has also become a point of consideration. Not only do these technologies attract the attention of renters, but they attach a monetary value to them. Research shows that 86% of Millennial renters who live in multifamily housing would pay more for an apartment with automated or remotely controlled devices, and 65% of Baby Boomers would do the same.

Submeter solutions fall under this umbrella of smart technologies. Prospective tenants value the building's decision to make this energy monitoring investment, as well as the degree of control they have over their own utility costs. This curb appeal combined with a reduction in energy consumption (and thus a higher profit for building owners) increases the value of the property.



Did We Mention That Submetering Can Earn You LEED Points?

By providing accountability over energy consumption and reducing the economic impact of high energy use, submeter solutions complement efforts to become certified by the Leadership in Energy and Environmental Design (LEED) — the most popular green building rating system.

LEED buildings command rents as much as 10% higher than the market value, and lease-up rates as much as 20% more than the market average.



Turning Insights into Action

Now that you have a better understanding of the benefits of submeter solutions, it's time to think about how to integrate them into your infrastructure — and make the most of your investment:

- Is the design of your submetering system customized to suit your property's unique needs?
- Are licensed technicians handling the installation to ensure best practices are used?
- Is data from the submeter readings presented in a format that's easy to understand?
- Does the submetering equipment receive routine maintenance to maintain performance?

The answer to all these questions should be yes. And with Pro HVAC/R, that's the case. Our team of experienced technicians are well-versed in identifying the best submeter solution for your property, with industry knowledge to guide the proper installation and maintenance of the system. We'll benchmark your initial energy use and talk through these findings, while continuing to help you monitor patterns and identify further opportunities to lower energy costs.

An Example: The Avon Lake Office and Storage Condominium Association (ALOSCA)

Before...

When the ALOSCA relied on 97 electric company meters for five buildings, condo owners who used little electricity still had monthly electric bills of more than \$72.

After...

By having PRO HVAC/R replace the 97 meters with five electric utility meters and 97 submeters, monthly electric costs have decreased. Now small energy users can pay as little as \$30 per month in electric bills.

Looking to make your property more energy efficient? See how Pro HVAC/R can help support your efforts.

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