



SOUTHEAST MULTIFAMILY MARKET ASSESSMENT

Highlights from SEEA's June 2016 Report

Full Report

<http://wp.me/a5WT9H-pk>

[Webinar of the report](#)

Highlights

Key Learnings

In the SE:

- Standalone multifamily EE programs are recently emerging - still new area of opportunity
- Nearly 7.5 million multifamily housing units
- 86% are located in metropolitan areas, yet most metro areas are underserved with multifamily EE programs
- In 2013, nearly half of renters had housing cost burdens, spending at least 30 % of their income on housing, with > 25% of renters spending >50% of their income on housing
- From 2007 to 2011, 45% of rentals in the nation’s largest cities were located in low-income neighborhoods
- Relatively even split between sizes 2-4 units, 5-9 units, 10-19 units, 20+ units, with 20+ units representing 30% of total units in metro areas
- Appendix provides total multifamily units for all SE MSAs. Cohort #s with % of total housing stock, availability of standalone multifamily program:
 - Knoxville - 66,823 (17%)
 - Memphis - 129,707 (23%) YES
 - Sarasota Cty - 99,469 (25%)
 - Huntsville - 35,324 (19%)
 - Atlanta - 542,955 (25%) NO
 - Charlotte - 190,177 (20%) YES
 - Fayetteville - 42,528 (21%)
- Cultivating relationships with developers and property owners can ensure they are engaged when renovations are being planned
- Market’s complexity has historically limited utility program offerings and gains in efficiency. Existing program structures are:
 - Direct installation of no-cost energy efficiency measures such as lighting, weather stripping, and faucet aerators - *most common*;
 - Equipment and product rebates or incentives for the purchase and installation of EE
 - Whole building programs for new construction and comprehensive retrofits—often involving additional work beyond energy upgrades—that provide incentives for all cost-effective energy efficiency measures identified by energy audits or modeling
- Table 9 on p.19 summarizes multifamily program offerings/measures in SE
- Finance programs such as Property Assessed Clean Energy (PACE), tax credit allocations and energy performance benchmarking are some tools being experimented with to drive multifamily efficiency.

- FL, GA and NC all have enabling legislation that includes residential. NC's legislation specifically calls out multifamily residential as eligible, and AL, AR, KY and LA all have commercial legislation, which is being opened up to multifamily properties.
- States with loan programs worth exploring further include FL's Multifamily Energy Retrofit Program (MERP) revolving loan program and the TN Loan
- Consortium for Affordable Multi-Family Housing run by Pathway Lending to provide permanent financing to multifamily developers who had been awarded a Low-Income Housing Tax Credit.

Case Studies Referenced

Duke Energy's Multifamily Energy Efficiency Program (p.21)

- Direct Installs key
- Reached 100,000 units in Kentucky, North Carolina, South Carolina and Ohio
- Property owners covering tenant water bills have been very receptive to retrofits that included water-saving devices - found to be effective in avoiding split-incentive challenge typical in multifamily
- www.duke-energy.com/multifamily for more info

Memphis Light, Gas & Water (MLGW)Energy Advantage Apartments Program (p.23)

- MLGW staff observed that, of all residential units, apartment complexes tended to use the most energy per tenant, often from the use of inefficient electric resistance heating and leaky building envelopes.
- Works with developers of new complexes to simulate anticipated energy use determine incentives and rebates for reductions from model
- Incentives are not available to developers installing electric resistance heating
- MLGW is now developing an existing building program including rebates for windows, insulation and HVAC equipment
- <http://www.mlgw.com/images/content/files/pdf/EAA2.pdf> for more info

Better Buildings Challenge (BBC)(p. 28)

- Atlanta's Affordable Multifamily Housing Challenge allows qualified participants (property owners or managers committed to reducing energy consumption 20% by 2020 and benchmarking their energy data) to access tools, resources, incentives and funding options to support energy and water efficiency retrofit projects.
- Tampa Housing Authority has committed to 15% reduction and has issued a performance contract to retrofit units to meet savings
- Housing Authority of City of Palatka also joined BBC.

FL's Multifamily Energy Retrofit Program (p.28)

- \$8.3 million revolving loan fund was seeded from residual ARRA funds and FL's Office of Energy match, explicitly supporting the financing of energy retrofits in older affordable housing multifamily properties.
- Significant outreach and engagement of affordable housing developers led to interest from developers who had deferred capital needs and limited cash flow to act upon them.

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