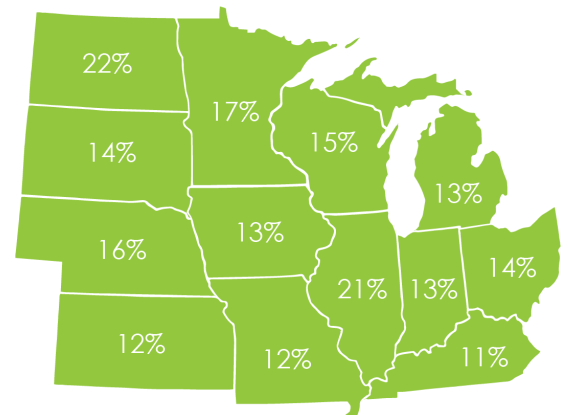


# Multifamily Energy Efficiency

Multifamily buildings\* offer substantial untapped energy efficiency potential and financial savings opportunities. There are more than 4.73 million multifamily housing units in the Midwest, representing 15% of the total Midwest housing stock. Energy efficiency upgrades made to multifamily buildings not only save energy, but also lower the energy bills of those most affected by rising energy costs and improve the health, safety and comfort of their homes.

## Energy Expenditures in Multifamily Buildings

- The vast majority (87%) of multifamily buildings in the Midwest are rental units.
- Energy expenditures per square foot in rented multifamily apartments are, on average, 20% higher than in owner-occupied single family homes.
- Multifamily rentals across all income brackets average 34% fewer energy efficient features than other types of housing.
- Multifamily renters across all income levels spend \$30 billion nationwide on energy expenditures each year—about 13% of national spending on home energy needs.



**Multifamily Housing as a Percentage of Total Housing Stock by State**

*U.S. Census Bureau, 2014*

## Savings Potential in the Midwest

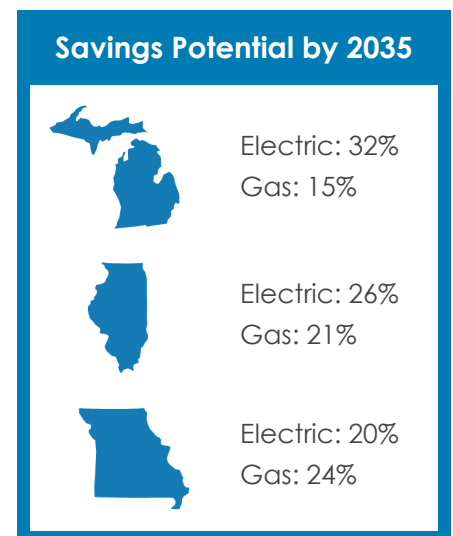
The national Energy Efficiency for All initiative commissioned a study to estimate the potential energy savings that could be derived from affordable multifamily housing over a 20-year period, 2015-2034. The study highlights the potential energy savings as a percentage of sales forecast for the multifamily sector and economic benefits in three Midwest states.

In each state, **for every dollar invested in energy efficiency in the multifamily sector, at least three dollars will be returned in benefits.**

## Importance for Low-Income Renters

Cost savings from multifamily energy efficiency improvements are especially crucial for low-income renters.

- Nearly half of all very low-income renters live in multifamily buildings.
- Many low-income renters spend 20% or more of their income on energy expenditures.
- Energy expenditures in multifamily rentals are 38% more than in single family owner-occupied homes.



\***Multifamily** generally refers to buildings with five or more units. **Affordable housing** refers to buildings with five or more units occupied by low-income renters. **Low-income renters** are people with household incomes at or below 80% of the area median income.

## Capitalizing on Multifamily Energy Efficiency

### Design Programs for the Multifamily Housing Sector

Delivering energy efficiency to multifamily buildings requires tailored program design and marketing. To achieve deep savings, program offerings should be designed specifically for multifamily buildings rather than limiting eligibility to existing residential and commercial programs.



### Joint Gas/Electric Utility Program Delivery

Joint delivery of programs can help achieve deeper energy savings and makes it easier and more cost-effective for building owners to participate in utility energy efficiency programs.



### One-Stop Shops

Provide assistance to building owners with initial building energy audits through retrofit installations, access to expertise on energy efficiency, assistance navigating utility energy efficiency programs, and access to financing to complete the building upgrades.



### Data Access and Benchmarking

Ensures that building owners have access to their building energy usage data, allowing them to assess their building's energy performance against similar buildings and identify opportunities to improve efficiency, leading to financial savings for themselves and tenants.



### Valuing Non-Energy Benefits in Utilities' Cost-Effectiveness Tests

Accounts for benefits such as improvements in residents' health, increased resident comfort, lower maintenance costs, reduced tenant turnover and increased property values in cost-effectiveness tests applied to energy efficiency measures. Including non-energy benefits in cost-effectiveness tests results in more measures passing the tests.



### Financing Energy Efficiency Projects

Whether from commercial banks, community development financial institutions, or other sources, financing addresses the upfront costs of energy efficiency upgrades. Some multifamily buildings, however, may not be able to take on new traditional loans due to their existing financing structure, in which case programs such as on-bill financing or property assessed clean energy (PACE) financing can serve those markets.



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