

# Renovating for Efficiency Benefits Landlords

May 07, 2008

American Water & Energy Savers, with the help of Power Buyer Green and Grant Capital Management, has established a program to help landlords pay for the cost of remodeling apartment buildings and other multi-family housing to install water conserving fixtures (toilets, etc.). The major problem that many property owners have faced is the significant upfront cost of retrofitting apartments with water-saving devices: there are great savings to be had in the long run but there's a substantial up-front investment required in order to get there. AWES' program will allow landlords to borrow against the money they will save in the future by installing these fixtures now.



GEMSA Loan Services (a company specializing in the commercial real estate loan business) owns Power Buyer Green. They don't have a live site for Power Buyer Green, but my guess is that it will act as the vehicle for making loans to landlords. Grant Capital Management routinely provides services to large-scale property managers -- housing authorities, universities, etc. They also don't have a live website at the moment (when they do it will be here).

To begin the process of finding financing for a particular project, a property owner would need to contact American Water and Energy Savers, which would then conduct an assessment of the apartment complex (or other multi-family housing). From there, the property owner would receive information about his or her options in the financing program. The general idea is that American Water and Energy Savers can customize a retrofit plan to the particular property with the intention of staying within a budget, maximizing savings and increasing the overall value of a property.

American Water and Energy Savers is based in Florida, and, so far, the organization doesn't seem to have operated much outside of the state. However, its approach seems very worthwhile. The majority of rental property owners seem to have accepted the fact that they're going to have to install efficient appliances and fixtures in their properties eventually. The real sticking point is the fact that it will be a significant cost to do so, with no guarantee of quickly earning that money back, made worse by the fact that a large number of landlords require renters to take responsibility for utility payments. A cheaper cost for renters, after all, isn't immediately passed along to the property owner. But the fact that efficient rental units will be easier to rent in the future makes the investment of both time and money to upgrade systems surprisingly worthwhile.

*By MatteR Network | News and ideas for a sustainable world*

*Photo by Cayusa*