



NATIONAL
MULTIFAMILY
HOUSING
COUNCIL



NMHC/NAA Viewpoint
Apartments are a low-cost, high-impact resource in the drive to reduce energy use. To better realize potential savings, national energy policy should reflect the uniqueness of the apartment industry, limit reliance on inflexible codes and mandates and support new research, incentive-based strategies and trusted energy and building technology programs.

The U.S. could save \$9 billion in energy costs by improving the energy efficiency of apartments.

ENERGY POLICY

Apartments represent a significant opportunity for achieving energy efficiency and furthering public policy goals of energy independence and environmental sustainability. By their basic density and design, apartments are inherently energy efficient. In fact, according to the U.S. Energy Information Agency, the 17.8 million renter households that live in apartment buildings (5+ units) use 55 percent less energy on a per-household basis than their single-family counterparts.

However, with the right energy policies in place, even greater improvements in energy savings through apartments are possible. Almost 81 percent of the nation's stock of apartment buildings (5+ units) was constructed prior to 1990. Given this older stock, a recent Harvard University report stated that the energy efficiency of apartments could be economically improved by 30 percent, saving \$9 billion in energy costs.

To begin to realize such savings, federal energy policy should:

Limit the use of building codes and mandates to drive energy improvements. Trying to use aggressive building codes or other mandates to force energy savings ignore the unique characteristics of apartment construction, operation and maintenance and create additional hurdles that impede the industry from meeting growing rental housing demand.

Support energy efficiency tax incentives. Incentives for energy efficiency upgrades both promote energy savings and spur jobs for the construction and manufacturing industries. Favorable tax treatment, including an enhanced depreciation schedule for certain building systems and an extension and expansion of the energy-efficient new homes and commercial buildings tax provisions, can help apartment owners make substantial investments in more efficient building systems.

Reinvest in ENERGY STAR program. Unlike proposed building performance labeling programs for estimated energy use, which raise valuation concerns and create transactional uncertainty, the Department of Energy's **ENERGY STAR** and building technologies programs are more effective and resource-efficient paths to achieving federal efficiency goals.