



Study: Effects of Energy Efficiency Rebates on Multifamily Rents

November 2017



Discussion Overview

- Resolution 20130523-069 background
- Definition of rental population
- Explanation of data analysis
- Discussion of findings
- Summary



- “....measures the effect, if any, the participation in Austin Energy’s Multifamily Rebate Program has on rental process for properties receiving a rebate of \$50,000 or more. Data collected should also illustrate if energy savings result in a net benefit to the treat.....”

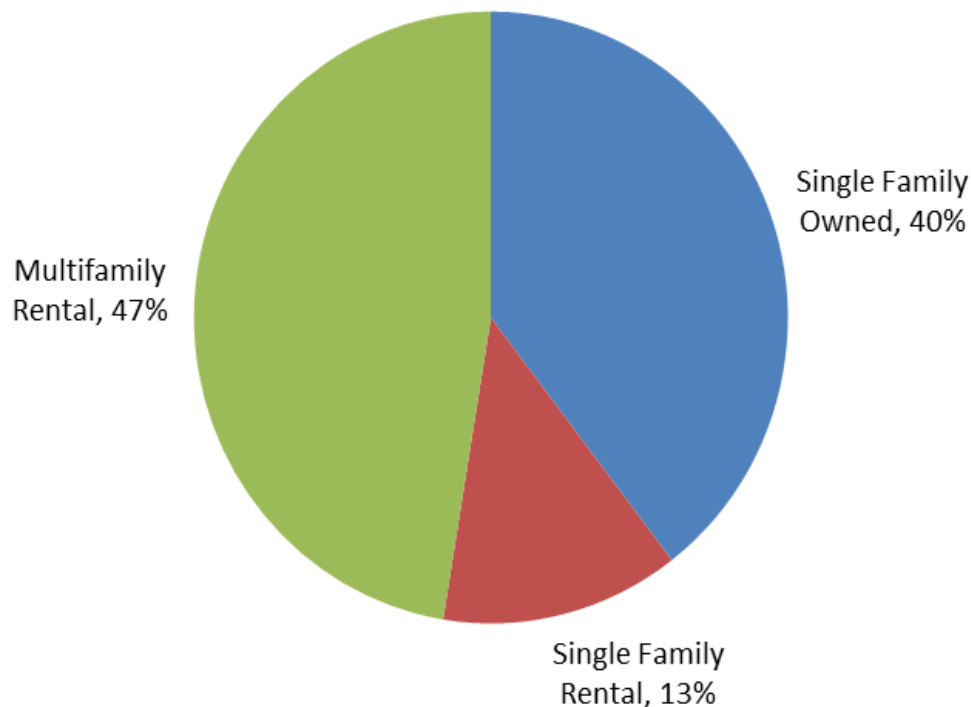


- Focus is to investigate possible effects of participation in multifamily property energy efficiency rebate programs on rental prices
- Data tracking and semi-annual reporting began in December 2013
 - Not tied to the fiscal year
- Since December 2013, continued findings demonstrate no significant relationship between rebate participation and rental prices



Austin Energy Residential Customers

- Renters residing in multifamily complexes comprise approximately 47% of all Austin Energy residential customers
- Renters pay into the Community Benefit Charge, but cannot take advantage of premise-based rebate programs.





Multifamily Property Participation in Austin Energy Programs

- Program began 1991
 - Award from ACEEE for best practices
 - HVAC, lighting, insulation, duct sealing, water heater timers
- 42 properties (covering 7,944 units) received energy efficiency rebates through mid-FY17
 - 3 of those properties were listed with the Austin Tenants' Council as low income properties (50% or less of area median income)
 - Multifamily rebated properties were in 7 of the highest 10 zip codes for percentage of households at or below poverty per Census data



Data Analysis

- Rebated properties are matched with comparable properties by location and/or property class and year built
- Include similar properties that have not gone through an energy efficiency rebate.
 - Better analysis of the impact of rebate participation on rental prices
- Consistent trend of no differences among rebated and non rebated properties on rental prices



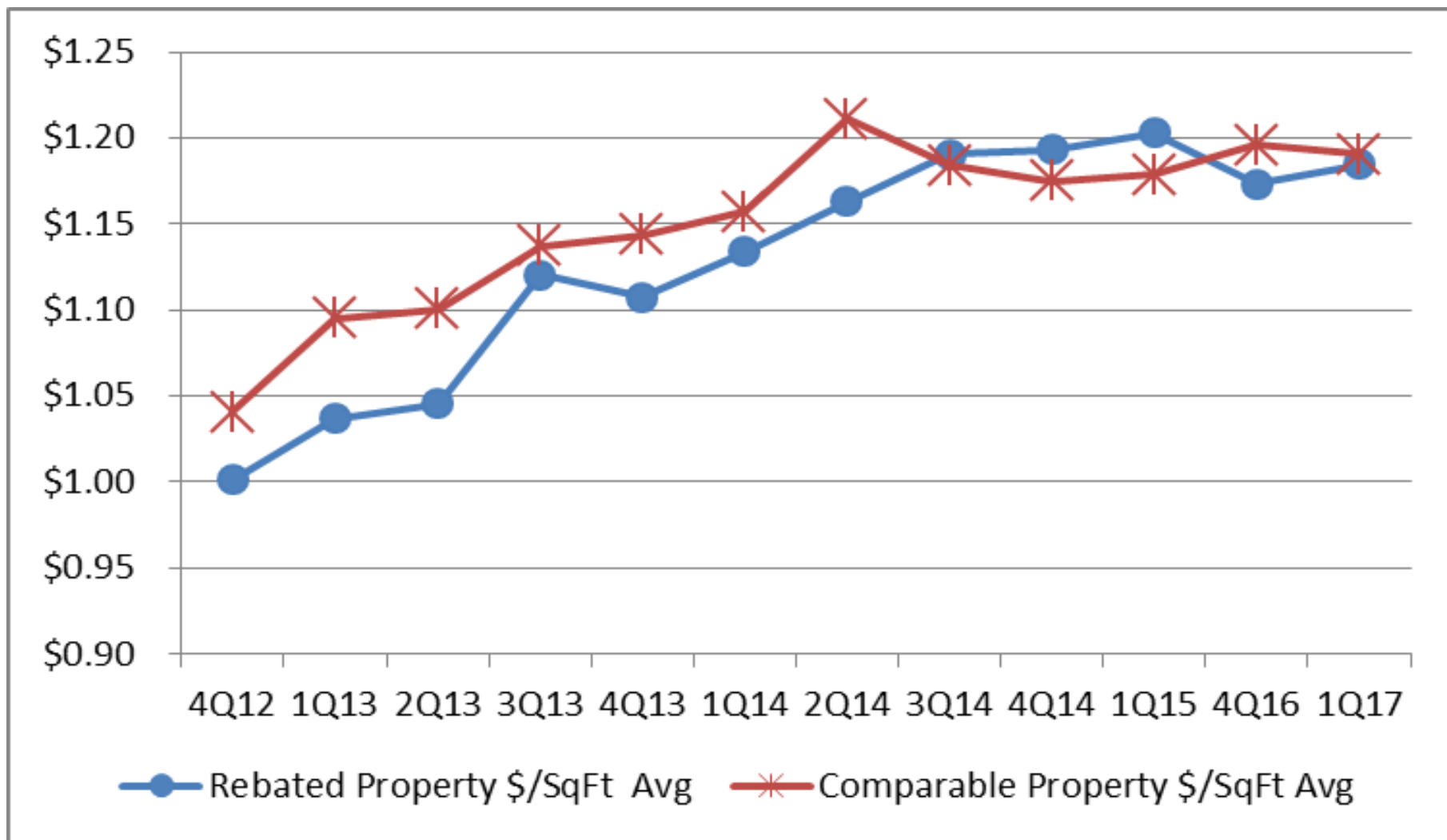


Data Analysis

- Data analysis also includes correlations to:
 - Occupancy rate
 - Rent per square foot
 - Rebate amount
 - kW savings
 - kWh savings



Findings





Findings

- Occupancy rates high, between 85% and 100%
- Correlations are highest between rebates and kW/kWh savings
- No consistent effect of energy efficiency rebates on rent changes
- Changes in rents are not a function of energy efficiency improvements or rebate participation
 - Increases have often happened after improvements were made to fitness centers and kitchens
 - Some complexes may increase or decrease rents to match competitive market rent rates



Summary

- Program reaches a critical population, enabling:
 - Reduced energy use and lower bills
 - Enhanced comfort and health
 - Benefits customers that pay in to Customer Benefit Charge
- Analysis since 2013 demonstrates no relationship exists between multifamily rebate participation and rent changes
- Rent per square foot appears to remain a function of market conditions



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**Thank
You!**