Talking Points

ISSUE: Energy Policy: Incentives, Not Mandates

Background

Energy efficiency and green building initiatives are a priority for the apartment sector. We have long advocated for a federal energy policy that provides building owners with tax and other incentives to help underwrite the cost of energy efficiency upgrades.

Unfortunately, recent efforts in Congress have focused instead on improving building energy performance through aggressive building code mandates. These proposals would require all buildings to exceed existing energy code measures by as much as 30%, even up to 50%. This one-size-fits-all approach overlooks the already sustainable nature of apartments and ignores the fact that it is not technologically or financially feasible for many properties in many regions of the country to meet these mandates.

Talking Points

- Apartments are already the most energy-efficient and "greenest" type of housing there is because they are compact and have small units. Residents in detached single-family houses use 49% more energy than residents in apartment properties (5-plus units), according to a federal energy consumption survey.

- A building code "mandate" will not achieve the results policymakers think because half of the energy used in an apartment falls outside the scope of the building codes. A resident's use of lighting, electronics and appliances are not covered by codes and out of the control of the property owner. That means a 30% more efficient building code does not produce a 30% drop in energy usage. More importantly, to meet that kind of a mandate using only the parts of a building that are covered by the building codes, apartment owners would be forced to invest in unproven and very expensive practices—costs that are either passed on to residents or prevent the development of more housing.

- Mandates also only affect new construction and miss a huge opportunity. Nearly 75% of apartments in use today were built 20 or more years ago and many can benefit from the replacement and upgrade of older inefficient equipment and building systems.

- It is also important to understand that apartment owners pay the costs for energy upgrades, but the utility savings generally go to residents—so it is difficult for owners to recoup these costs without some sort of incentive.

NAA/NMHC Position

- We oppose arbitrary energy efficiency and building code targets or codes that aren't economically sound and technically feasible.

- As members of Congress consider job creation programs targeting energy consumption, they should include apartment-specific incentives for new and existing properties. These incentives could not only help save energy, but also create jobs and lower utility bills for residents. We also need apartment-specific research, development and demonstration projects (similar to those single-family housing has enjoyed) to develop new building materials, systems and technologies that work in an apartment property.