

Ashton Pines Lowers Energy and Water Usage, Reducing Utility Costs



Property Name: **Ashton Pines**

Borrower: **A repeat Fannie Mae Borrower**

Property Location: **Waterford, MI**

Building Type: **Low-Rise Multifamily**

Units: **191**

Rentable Area: **154,900 square feet**

Loan Origination Date: **March 28, 2018**

Installation Completion Date: **September 18, 2018**

ENERGY STAR® Score: **91**

EPA Water Score: **85**

DUS® Lender: **Berkadia Commercial Mortgage LLC**

Loan Amount: **\$10,575,000**

Fannie Mae Program: **Green Rewards**

Billing Overview: Electricity and natural gas are directly metered. Water and sewer are paid by the owner and billed back to tenants.

Highlights:

- Reduced tenant water costs by 20%
- Reduced owner energy costs by 18.7%
- Reduced owner water costs by 13%
- Owner payback period of 2.2 years

Energy and Water Efficiency Measure

Investment Amount: \$63,360

Energy and Water Efficiency Measures:

- Installed low-flow 1 gallon per minute (GPM) kitchen faucets
- Installed low-flow 1.25 GPM showerheads
- Installed low-flow 0.5 GPM bathroom faucets*
- Installed water-efficient 1.28 gallons per flush toilets

*Note that 0.5 GPM faucet aerators are no longer an accepted efficiency measure and do not meet the current WaterSense standard.

The eligibility requirements for Green Rewards have changed since this loan was originated. For current program eligibility requirements visit www.fanniemae.com/mfgreen.



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Green Measurement
and Verification Service

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While Ashton Pines was already an energy and water efficient property, Monarch Investment and Management Group sought to further reduce energy and water usage to cut operating expenses and provide lower utility costs for tenants. Monarch used Fannie Mae's Green Rewards program to bring the plan to fruition, selecting efficiency measures projected to save 32% of water usage and 38% of energy usage.

No stranger to making energy and water efficiency upgrades at their properties, Monarch chose quick and easy-to-install upgrades from the High Performance Building (HPB) Report that would have an immediate impact. Tenants were not inconvenienced, as installations including low-flow bathroom and kitchen faucet aerators, low-flow showerheads, and water efficient toilets could happen while they were out of their apartments for the day.

Monarch verified they achieved their savings goals post-installation by using the *Fannie Mae Green Measurement and Verification Service*, offered as part of the Green Rewards program.* By measuring energy and water usage and costs both before and after the installation, it was easy for Monarch to see if usage and costs decreased at Ashton Pines. The Service also allowed Monarch to schedule Ashton Pines' Verification site visit, confirm property information prior to the Verification site visit, and provide data access with ease. This took the administrative tasks off their hands while fulfilling their loan agreement. Even though there are various factors that impact year-over-year usage and cost trends, such as weather, supply rates, fuels, and occupancy, Ashton Pines still saw a decrease in annual usage and costs in 2019. Since the improvements' installation, Ashton Pines has **saved 36% of tenant water usage and 27% in owner water usage** in 2019 compared to 2018. Ashton Pines also saw a **20% decrease in tenant water costs** and a **13% decrease in owner water costs**. Ashton Pines will see a **return on their Energy and Water Efficiency Measure investment in just over two years**. While Ashton Pines was already in the top 15% of properties in the **ENERGY STAR® Portfolio Manager**, its **ENERGY STAR Score improved from 86 to 91** (of a maximum 100), and its **EPA Water Score increased from 55 to 85** (of a maximum 100).

Monarch can use its HPB Report and Fannie Mae Green Measurement reporting to save even more on energy and water. By identifying energy and water waste through Measurement reporting, Monarch can easily pinpoint less efficient properties within its larger portfolio. With the HPB Report in hand, Monarch can select from the eight additional EWEMs that they did not choose to install at

	Owner Energy Costs (annual)	
	• Pre-Improvement	\$36,910
	• Post-Improvement	\$30,010
	Owner Energy Usage (mmBTU/year)	
	• Pre-Improvement	2,375
	• Post-Improvement	2,267
	Owner Water Costs (annual)	
	• Pre-Improvement	\$82,620
	• Post-Improvement	\$71,890
	Owner Water Usage Index (gallons/bedroom/day)	
	• Pre-Improvement	62
	• Post-Improvement	42
	Tenant Water Costs (annual)	
	• Pre-Improvement	\$72,700
	• Post-Improvement	\$63,300
	Tenant Water Usage Index (gallons/bedroom/day)	
	• Pre-Improvement	56
	• Post-Improvement	41

the time of their Green Rewards Loan, such as upgrading to an energy-efficient central boiler and replacing all refrigerators, dishwashers, and laundry machines with ENERGY STAR rated appliances. Because the HPB Report already lists potential EWEMs, it makes it easy to select future improvements to continue to reduce energy and water consumption at Ashton Pines.

For More Information

Contact FannieMaeGreen@brightpower.com or green_am@fanniemae.com.

*Learn more about Green Rewards loans and the Green Measurement and Verification Service at www.fanniemae.com/mfgreen.

For program questions and future green loan eligibility, contact your DUS® Lender.



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