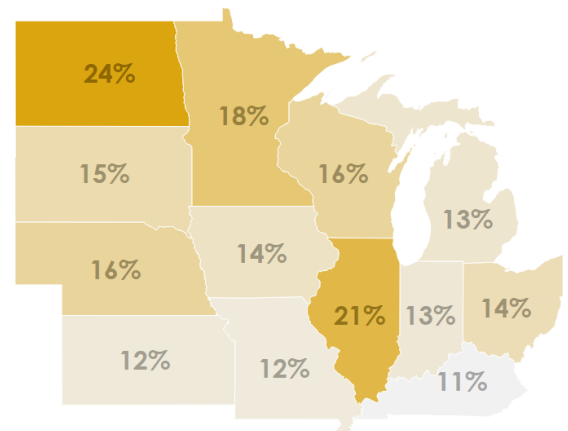


# Multifamily Energy Efficiency

Multifamily buildings offer substantial untapped energy efficiency and financial savings opportunities. There are more than 4.90 million multifamily housing units in the Midwest, representing 15% of the total Midwest housing stock. Energy efficiency upgrades made to multifamily buildings not only save energy, but also lower the energy bills of those facing the highest energy burden and improve the health, safety and comfort of their homes.

## Energy Expenditures in Multifamily Buildings

- 4.3 million units (87%) of multifamily housing units in the Midwest are rental units, representing 13% of the total Midwest housing stock.
- Energy expenditures per square foot in rented multifamily apartments are 20% higher on average than in owner-occupied single-family homes.
- Multifamily renters across all income levels spend \$30 billion nationwide on energy expenditures each year—about 13% of national spending on home energy needs.
- The Midwest region is responsible for 25% of the nation's total multifamily electricity and natural gas sales. Multifamily housing comprises 12% of total home energy sales in the Midwest.
- On average, the total spending on multifamily programs accounts for no more than 6% of total energy efficiency spending in metro areas nationwide.



**Multifamily Housing as a Percentage of Total Housing Stock by State**  
U.S. Census Bureau, 2020

## Importance for Under-Resourced Renters

**Energy Burden** refers to the percentage of gross household income spent on energy costs. Nationwide, the median energy burden is 3.1% while the median low-income energy burden is 8.1%. A high energy burden is above 6% while a severe energy burden is above 10%.

Energy efficiency leads to lower utility bills, reducing energy burden and helping low-income households manage bills. Additional benefits include reduced stress over having to pick between energy and other necessities as well as improved health, safety and greater household comfort.

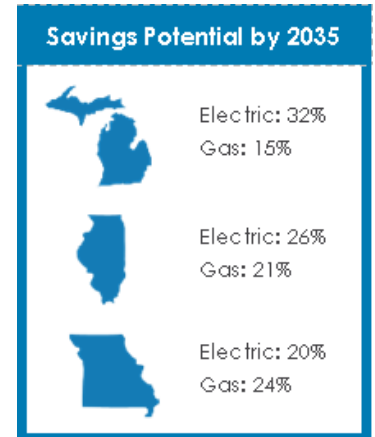
Cost savings from multifamily energy efficiency improvements are especially crucial for low-income renters.

- Nearly half of all under-resourced renters live in multifamily buildings.
- Some under-resourced renters spend 20% or more of their income on energy expenditures.
- Energy expenditures in multifamily rentals are 38% more per square foot than in single-family owner-occupied homes.

## Savings Potential in the Midwest

The national Energy Efficiency for All initiative commissioned a study to estimate the potential energy savings that could be derived from affordable multifamily housing over a 20-year period, 2015-2034. The study highlights the potential energy savings as a percentage of sales forecast for the multifamily sector and economic benefits in three Midwest states.

In each state, **for every dollar invested in energy efficiency in the multifamily sector, at least three dollars will be returned in benefits.**



## Capitalizing on Multifamily Energy Efficiency

### Design Programs for the Multifamily Housing Sector

Delivering energy efficiency to multifamily buildings requires tailored program design and marketing. To achieve deep savings, program offerings should be designed specifically for multifamily buildings rather than limiting eligibility to existing residential and commercial programs.



### Joint Gas/Electric Utility Program Delivery

Joining delivery of programs can help achieve deeper energy savings and makes it easier and more cost-effective for building owners to participate in utility energy efficiency programs.



### One-Stop Shops

Assisting building owners throughout the whole project is critical to ensuring its success. Owners need access to energy efficiency expertise, support navigating utility energy efficiency programs and access to financing. To help ease the customer experience, include energy efficiency resources when renters request energy bill assistance.



### Data Access and Benchmarking

Ensuring that building owners have access to their building energy usage data helps them compare their building's energy performance against similar buildings and is useful in identifying opportunities to improve efficiency.



### Valuing Non-Energy Impacts in Utilities' Cost-Effectiveness Tests

Accounting for benefits such as improvements in residents' health, increased resident comfort, lower maintenance costs and reduced tenant turnover should be included in cost-effectiveness tests applied to energy efficiency measures. Including non-energy benefits in cost-effectiveness tests captures the true benefits of efficiency and results in more measures passing the tests.



Sources:

[ACEEE, How Energy Efficiency Can Improve Low Income and Underserved Communities](#)

[ACEEE, National and Regional Energy Burdens](#)

[Energy Efficiency for All, Potential for Energy Savings in Affordable Multifamily Housing](#)