

Multi-Property Energy and Water Retrofit Creating Long-Term Property Value with Energy & Water Management



MG Properties Group (MGPG) specializes in the acquisition, development, rehabilitation, and management of more than 16,000 apartment homes in over 60 communities across the West Coast. MGPG has provided thousands of quality homes for its residents while producing attractive returns for its investors.

Objectives

- Reduce utility expenses
- Increase net operating income
- Upgrade quality and durability of energy & water systems
- Protect investments with post-retrofit verification
- Reduce environmental impact

Challenge

As a value-add apartment investment and management firm, MGPG saw an opportunity across its portfolio to increase cash flow by reducing water and energy expenses. However, the firm did not have the resources internally to become experts in energy and water analytics, incentives, and retrofit implementation.

MGPG began using Bright Power's EnergyScoreCards™ in 2015 and implemented it across their California properties. Our teams worked together to holistically review the portfolio and determined that energy and water usage could be significantly reduced at many properties.

"EnergyScoreCards was the perfect way for us to outsource energy management across our portfolio to the experts at a fraction of the cost to build that capability internally," noted Lane Jorgensen, Vice President of Investment Management at MG Properties Group.

Bright Power worked with MGPG to develop a tailored strategy: target select properties for immediate high ROI retrofit opportunities, recommend effective upgrades, source local incentives, and implement seven unique efficiency measures across twelve communities in Southern California – representing over 3,100 apartment homes.

Solution

Bright Power's project management team and the MGPG capital projects managers worked together to implement the retrofits at the portfolio scale. The MGPG site staff at each community were instrumental to the retrofit, acting as a critical resource throughout the entire process and helping to make the installation go smoothly.

The retrofit will benefit the residents with improved interior lighting, more brightly lit exterior common areas, and reduced electricity and water bills. By leveraging economies of scale, the twelve property retrofit project achieve MGPG's goals in the most cost-effective way.



"I value Bright Power as our energy management partner. They are a single source for us in managing this entire initiative, identifying and executing meaningful projects that optimize costs with available rebate incentives to create high ROI outcomes."

Lane Jorgensen
VP of Investment Management
MG Properties Group

Results

The upgrades were completed April 2017. The project enrolled in several incentive programs to reduce the upfront cost of the measures. Bright Power will continue to follow the savings and track the performance of the retrofit in EnergyScoreCards™.

\$1,364,000
INSTALLATION COST

\$1,112,000
INCENTIVES RECEIVED

\$252,000
NET OWNER COST

\$244,400
FIRST YEAR OWNER SAVINGS

1 Year
PAYBACK

97%
ROI

\$4,889,000
ADDED PROPERTY VALUE

Improvements

- Installed Domestic Hot Water (DHW) recirculation flow control
- Insulated Domestic Hot Water (DHW) pipes
- Retrofitted common area and exterior lighting with LEDs
- Replaced apartment unit lighting with LEDs
- Installed ENERGY STAR washers in common area laundry rooms
- Installed low-flow faucet aerators in apartment units
- Installed efficient showerheads in apartment units
- Installed Variable Speed Drive (VFD) pool and spa pumps

Our Role

- EnergyScoreCards benchmarking
- 12 energy and water audits
- Utility incentive procurement
- Turnkey implementation services
- Savings verification through EnergyScoreCards