

The potential advantages of water submetering

Though submetering for electricity has been available for about 20 years, the new possibilities provided by digital submeters for water are altering the multiunit residential landscape.

Not only can submeters create a fairer billing system and reduce property costs, they can also change the way consumers use (or waste) water. Additionally, digital submeters allow property managers to identify maintenance issues very early in the loss cycle.

Submeters are installed in each residential unit, and—though the apartment owner still pays the utility company—a utility billing vendor or services firm reads the meters, bills the resident and sends the payment to the property owner or manager monthly to reimburse it for water expenses. Residents pay based on their individual unit's usage instead of paying an average of the overall utility cost for the whole building embedded in their rent.

Not only does submetering allow for fairer billing—those who use the most pay the most—it also allows residents to make better decisions about waste. That is particularly important in areas where water conservation is necessary because of drought conditions or water contamination. But it is generally important for the environment since clean water requires a lot of fossil fuel energy to make. If you are billing your property as an environmentally friendly place to live, submetering is something you may want to adopt and advertise.

The unit meters are typically serviced by a vendor hired by the property. That vendor must be of high quality since faulty meters can produce incorrect bills, which could land an apartment property manager or owner in court. In fact, California has introduced legislation to create standards for submetering that include manager access to the meters, required maintenance and checks, transparency in billing, and even that submeters be installed in individual units as a condition of new water service in newly constructed multifamily residential structures and new mixed-used buildings.

The good news is that digital submeters can be rigged to send information to the property management office so problems can be identified early—not just upon billing. For example, property management staff would be able to see if water was constantly running, indicating a leak, or if water wasn't running at all, indicating a possible problem with the resident or with a mechanical component.

If you are considering retrofitting your commercial residential building with water submeters, investigate both the utility service providers and the options for digital/wireless meters. It's important to have a qualified service company that provides transparent and user-friendly billing and remittances along with immediate and knowledgeable repairs and maintenance of the meters.

For an apartment complex that is interested in environmental, social and governance (ESG) attributes, water submetering could be an attractive choice.