



# 4 Strategies for Making the Most of Your Property's Utilities



In the past, utilities were viewed as a black hole. They were a monopoly—a monthly bill that you had to pay—and that was it, but now that's all changed. In many areas of the country, you have the choice of who your provider is for electricity, natural gas, and other services. If you play your cards right, you could realize significant savings.

Additionally, with the rise of environmental, social, and corporate governance (ESG) programs there are opportunities to not only score some PR points but also significantly reduce energy costs along the way.

While there is a huge opportunity to reap wide ranging benefits through more strategic utilities management, it can be a time consuming process to stay on top of it on a month-to-month basis, but don't worry. We're here to help. Below is a list of some tactics that when implemented could result in significant cost savings, increase NOI, and achieve ROI much faster.

## **Partner with utilities management accounting experts**

First and foremost, we recommend partnering with experts in accounting for utilities. There are so many nuances in sifting through bills to find savings or identifying eligible rebates that even the most seasoned member of your team would have a difficult time succeeding.

Even if they had the necessary skills to do it, it's such an all-consuming job that they likely wouldn't have time to do anything else. When you turn over processing and payment of utility invoices to a third party, you're able to re-allocate resources to more strategic initiatives. Another benefit of outsourcing utilities is the third party has more time to contact and gently nudge residents with reminders of when bills are due and make it easy to pay them.

### Consolidate and customize

In many cases, it makes sense to allow residents to pay their utility bills early and even to break up payments across the month to give them financial flexibility as well. When a resident's lease comes to an end, have processes in place to quickly prorate their utility bills so you're not holding those expenses on your balance sheet for any longer than necessary.

There's not just one way to deliver utilities to your residents. You can choose either consumption or allocation. There are pros and cons of each, but you should identify which one works best for your properties and meets the goals you're trying to achieve through utilities management.

### Take advantage of a fresh set of eyes

One of the biggest benefits of leveraging an industry expert is having a fresh set of eyes look at your bills and identify potential cost savings. Did you know that nearly a quarter of invoices have errors or items that need to be addressed that could cause financial impact. These are errors that site teams likely wouldn't notice with the amount of time available for them to review bills. At Entrata, some of the most dramatic savings we've been able to help our customers achieve is via sales tax audits.

Because sales tax varies from city to city and state to state, it's an area that's prone for errors. To date, Entrata has garnered more than \$1.2 million in refunds and savings as a result of sales tax audits with the largest being a refund of \$175,000 and the average savings being around \$10,000.

Depending on where your properties are located, you might have the opportunity to shop around for better rates based on your usage. This is another perfect scenario to utilize an expert in utilities management. Entrata has been able to find commodity savings in some electric markets between 15% and 50% of our customers' previous bills.



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**Become more energy efficient**

Evaluate energy usage at your properties to identify areas where you could benefit from optimizing your properties for energy efficiency. These could be small things like replacing traditional light bulbs with high efficiency lighting or a larger project like installing solar panels that have the potential for significant cost savings. When you employ a third party to help manage utilities, they can also be put to work identifying potential rebates and tax credits that help make energy efficiency a reality at your properties, while ensuring you meet benchmark requirements from state and local governments.

**How Entrata can help**

Entrata offers a number of utilities management products and services that can help you achieve much of what has been outlined previously. They include:

- **Entrata Utility Expense Management**

Entrata Utility Expense Management helps properties save time and money by removing time-consuming, tedious, and manual tasks off their plate. Entrata utility experts will manage and process invoices into your accounting system. To help reduce late fees and reduce cash flow restrictions, our teams will process, code, and prepare invoices before they're due. Finally, our utility experts will thoroughly review bills to identify any errors, ensuring you never end up paying more than you should.

- **Entrata ResidentUtility**

Entrata ResidentUtility enables you to maximize utility expense recapture, while accelerating property cash flow, cutting expenses, and generating new ancillary revenue. Additionally, it configures utility charges to ensure you're in compliance with local laws and regulations. It also gives residents the option to pay utilities earlier, while automatically updating your accounting ledger once payments are made.

- **Utility Procurement**

Don't have time to shop for the best utility rates? Let us do that for you. By letting us handle the research, you can make informed decisions and achieve your properties' energy needs and goals. Keep in mind, this is only available in areas where energy markets have been deregulated.

- **Sales tax audits**

Depending on the number of states you operate in, keeping track of what sales tax you should be charged can be difficult. With our sales tax audits, you'll never have that worry. We'll scour every bill and make sure you aren't being overcharged, and if you are, we'll make sure you get those overcharges refunded to your account.

- **Energy sustainability management**

Through our partner Correlate, we'll provide the support you need to reach your sustainability goals, whether that be updating building controls, vehicle electrification, LED retrofits, or solar. Based on your buildings' energy usage, we'll identify potential opportunities while also helping you meet your ESG commitments and NOI goals. The best part about it is there's no upfront cost. See which sustainability efforts will have the biggest impact before investing any of your money in the project.

**To learn more about how Entrata can help you achieve your utility management goals, request a demo today.**



Entrata powers over 20,000 communities worldwide  
helping clients achieve and exceed their goals.

