6 BENEFITS OF INSTALLING SUB-METERS IN YOUR RENTAL PROPERTY

By Intellemeter

*Innovative Metering Systems*

January 17, 2023

Now is a great moment for property owners and managers to take action toward being more energy efficient. Just in case, if the ever-increasing damage to our world hasn't grabbed your attention, maybe the prospect of **lowering your monthly power** cost will. Apartment complexes, townhouses, multiplexes, and condos may all benefit from having individual energy and water sub-meters installed for each unit. This is why you need to consider implementing a sub-metering system of in your rental property. An implementation like this will provide several significant benefits for both you and your tenants. That being said, today, we will discuss the six benefits of installing sub-meters in your rental property.

WHAT IS ELECTRICAL SUBMETERING, AND HOW DOES IT DIFFER FROM ELECTRICAL METERING?

Electrical metering is the process of tracking the power consumption of a property using a utility meter, often known as the master or primary meter. This device is responsible for keeping track of the overall power use *of a building or campus*. Utility companies will often put meters in buildings, read them, and then issue bills accordingly. For a single-family unit, it may be enough, but for a multi-unit building, it becomes more problematic. How can a landlord determine rent if there is just one meter?

Submetering is the answer to this problem. [Installing sub-meters](https://www.intellimeter.com/) allows property owners and managers to track power consumption in specific units below the master meter. Take electricity consumption; a master meter would reveal **the total consumption for a whole building**, while a submeter would detail the use in a single unit. The following are the benefits of using a sub-metering system on your rental property.

1. AFFORDABILITY FOR LANDLORDS AND TENANTS

Having submeters installed is a great asset for property managers in charge of [more than one property](https://blog.intellimeter.com/managing-multiple-properties-efficiently), as it allows for accurate billing of all tenants. Power consumption and expected consequences are no longer dependent on unfair cost distributions, or management's best guesses. A submetering system can take precise power use measurements, allowing for*in-the-moment data processing*. The result is that management can accurately charge all tenants for their monthly consumption, while sharing with tenants real-time information on consumption. These are becoming more of an appealing choice for renters looking for cost-effective housing solutions.

2. MINIMIZED RUNNING EXPENSES

Ongoing pressure to keep profits high is a major challenge for building management. Many companies in the property management industry are struggling to keep up with the continuous increases of the cost of operations. However, many management businesses cannot afford to undertake expensive construction projects to accommodate renters. **Technology-based energy systems** are an excellent way to better control operating expenses in an older building without making a large financial commitment that can be simply integrated into pre-existing infrastructure in order to cut costs. In fact, recent research has shown that submetering systems and other forms of energy management tools may dramatically cut operating expenses related to energy and water usage.

3. QUICK RETURN ON INVESTMENT

Nothing is free, especially when it comes to hardware, setup, rollout, or software. [Understanding the actual costs and the potential benefits](https://blog.intellimeter.com/understanding-the-true-costs-and-benefits-of-submetering) will guide as to when can you expect a profit. Having constant access to data allows for instantaneous tweaks. Many strategies for energy conservation don't require too much time to implement, so you may see savings from your efforts sooner than you thought possible. The return on investment for submetering often occurs in *less than one year*. However, some property owners are able to make a profit in as little as a few months. Furthermore, saving money on paperwork by [hosting your metering information in the Cloud](https://blog.intellimeter.com/benefits-of-hosting-utility-consumption-data-in-the-cloud) might be a welcome side benefit of using an automated submetering system. That being said, if you previously included electricity costs in the monthly rent but now bill tenants separately, charging tenants for energy and water use may increase your net profits sooner rather than later.

4. MORE AWARENESS OF ENERGY CONSUMPTION

With the use of sophisticated programs, submetering networks can monitor and evaluate power usage across a city or a region. Tenants who are kept up-to-date on their power use may better manage their electricity needs. As a result, consumers can reduce their energy consumption and save money on their monthly bills. With rising energy awareness, the widespread adoption of energy-saving measures could result in cost savings through lower utility bills and operational expenses.

5. IT’S GOOD FOR THE ENVIRONMENT

Sub-metering has many advantages, most of which have to do with streamlining [property management strategies](https://blog.intellimeter.com/property-management-5-strategies-to-adopt-in-2022), but there's also an environmental benefit that most people overlook. In order to *promote environmental sustainability*, it is crucial to use data to make better energy decisions, which results in less pollution. Although a single home's energy use may not seem like much in the broad scheme of things, it will become more necessary to monitor and control consumption as countries across the world take strong environmental action. That being said, renewable energy initiatives, such as solar power, also benefit greatly from submetering. When a solar power system is connected to the power grid, any excess energy is fed back into the grid. However, suppose you use a bidirectional submeter, which measures energy going to and from the solar farm. In that case, it is feasible to determine how much the utility should credit back to the property.

6. EASIER ROUTINE MAINTENANCE

And the last, but certainly not least, of the six benefits of installing sub-meters in your rental property is easier maintenance. Having access to real-time information on power use across a multi-tenant building can help you anticipate and prevent any issues. You can immediately identify and establish the reason for rate swings if the daily, weekly, or monthly consumption rates gradually rise without changes in tenant utility use. Installing sub-meters will help you [find and fix any problems before they become catastrophic.](https://blog.intellimeter.com/submetering-benefits-for-operations-and-maintenance-personnel) As a result, you will be able to drastically reduce the expenses that come with running a building. So, all in all, the benefits of implementing sub-meters far outweigh the costs.