PERCEPTION IOT

The ROI of Smart Water & Electricity Metering

A one-page business case for mid-size commercial & multi-tenant property managers

Connected metering pays back in two ways: ongoing consumption savings, and the avoidance of high-cost water damage events. For multi-tenant portfolios, the leak-avoidance value is typically the larger lever.

1. Consumption Savings

Utility	Typical Reduction	Basis
Electricity	**~3%**	UK DESNZ study: smart metering cut electric & gas use by 3%+.
Water	**15–30%**	Water Research Foundation (2023): real-time monitoring reduces consumption 15–30%, often thousands of dollars per site annually.
Grid / loss rates	**4–7%**	MIT Sloan (2025): electricity loss rates fell ~4% post-install, up to 5–7% in well-performing segments.

Plus: accurate per-tenant sub-metering enables true cost recovery instead of flat-rate billing — often a larger financial gain than the consumption savings themselves.

2. Cost of a Single Water Leak Event

Scenario	Cost USD	Source
Average commercial water damage claim	**~$24,000**	PropertyCasualty360
Average commercial claim (insurer data)	**~$89,000**	Chubb (2019)
Leak above ground-floor tenant, electronics damaged	**$50,000+**	Zensurance
Upstairs leak damages tenant equipment (salon)	**$17,000**	Zensurance
Frozen / burst pipe, residential building	**$19,000+**	Zensurance

Planning figure for a single multi-tenant occurrence: **$20,000 – $90,000** — skewing higher where sensitive equipment or multiple units are affected.

3. Why This Matters

- **Water damage = 50%+ of all commercial real estate insurance claims**, and 75% of all claim dollars paid out. (McGuire Mfg.)
- **Water claims cost ~3x a non-water claim** on average. (McGuire Mfg.)
- **~75% of losses come from plumbing, HVAC and appliance discharge** — exactly the failures connected metering and leak sensors catch early. (Chubb / industry)
- **Many insurers discount premiums** for properties with leak detection installed — a recurring saving on top of avoided losses.

> **Bottom line:** One avoided leak event ($20K–$90K) typically exceeds several years of metering subscription cost — before counting 15–30% water and ~3% electricity savings or insurance premium reductions.

Sources

Consumption: UK Dept. for Energy Security & Net Zero (via ProptechOS); Water Research Foundation 2023 (via Phoenix Water Solutions); MIT Sloan 2025 (via WorkOnGrid). Leak costs: PropertyCasualty360 (via Sonicu); Chubb 2019 (via Tosten Marketing); Zensurance commercial claims; McGuire Manufacturing water damage facts.

Figures are industry averages for illustrative business-case purposes; actual results vary by building age, systems, occupancy and utility rates.