



Freddie Mac Green Program Cuts Multifamily Energy and Water Consumption

December 23, 2020

MCLEAN, Va., Dec. 23, 2020 (GLOBE NEWSWIRE) -- Properties participating in [Freddie Mac](#) (OTCQB: FMCC) Multifamily's Green Advantage[®] program save an average of more than 2.7 million gallons of water and 1.3 million kBtu of energy per year, according to a new [white paper](#). Created in 2016, the program, which includes the Green Up[®] and Green Up Plus[®] offerings, provides financing incentives for multifamily borrowers that agree to reduce energy and water consumption.

"Green improvements to multifamily housing can simultaneously help reduce the environmental impact of aging properties and help address housing affordability," said Steve Guggenmos, vice president of Multifamily Research and Modeling at Freddie Mac. "Our analysis shows that many cost-effective energy and water efficiency improvements result in savings for renters that are increasingly important in light of financial hardships during the COVID-19 pandemic."

The white paper, titled "2020 Analysis of Green Improvements in Workforce Housing," is part of Freddie Mac's Duty to Serve plan to increase rental and homeownership opportunities in historically underserved markets throughout the nation. This is the last of three papers the Multifamily line of business will release this year.

Since program inception through the third quarter of 2020, Freddie Mac Multifamily Green Up and Green Up Plus provided over \$60 billion in financing through loans purchased on nearly 600,000 units. The financed properties are typically garden-style apartments that are, on average, 35 years old with 85% of units being affordable to households making 100% of area median income (AMI) or less.

Key Findings:

- Tenants are saving, on average, \$114 per year based on reported property data.
- Properties have reported over 827 million gallons in actual cumulative water consumption savings, which is the equivalent of 1,250 Olympic-sized swimming pools and over 152 million kBtu in actual cumulative energy consumption savings or roughly enough energy to power 4,100 homes.
- The reported actual annual overall cost savings totals over \$11 million, which averages roughly \$40,500 per loan per year and \$133 per unit per year.
- The projected average cost for improvements is \$471 per unit with a total of \$280 million of projected improvements as of the end of the third quarter of 2020.
- The most commonly selected water-saving improvements continue to be the low-cost showerheads, kitchen aerators and bathroom aerators.
- The most commonly selected energy-saving improvements were exterior and common area LED lighting, closely followed by unit interior LED lighting and then HVAC thermostats.

[Freddie Mac Multifamily](#) is the nation's multifamily housing finance leader. Historically, more than 90% of the eligible rental units we fund are affordable to families with low-to-moderate incomes earning up to 120% of area median income. Freddie Mac securitizes about 90% of the multifamily loans it purchases, thus transferring the majority of the expected credit risk from taxpayers to private investors.

Freddie Mac makes home possible for millions of families and individuals by providing mortgage capital to lenders. Since our creation by Congress in 1970, we've made housing more accessible and affordable for homebuyers and renters in communities nationwide. We are building a better housing finance system for homebuyers, renters, lenders and taxpayers. Learn more at [FreddieMac.com](#), Twitter [@FreddieMac](#) and Freddie Mac's blog [FreddieMac.com/blog](#).

MEDIA CONTACT: Mike Morosi
(703) 918-5851
Michael.Morosi@FreddieMac.com
Erin Mancini
(703) 903-1530
Erin.Mancini@FreddieMac.com