

Managers centralize laundry rooms, cut energy costs

To cut energy costs by up to a third, apartment owners are centralizing laundry utilities and trying new technology. **By Eric Wong**

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– Dan Terheggen,
president of the
Multihousing Laundry
Association

Apartment and condominium owners are coping with rising operational costs by scaling down amenities. But that doesn't mean they've stopped delivering quality service, said Dan Terheggen, president of the Multihousing Laundry Association.

“You want to be careful in keeping costs down and fees reasonable,” he said. “More managers are asking to increase fees to cover utility costs. [A few] years ago, you could keep the price stable for five to six years. Not now.”

Apartment Finance Today spoke with Terheggen about what managers need to keep abreast of in laundry service.

Q What are the trends in managing laundry units in multifamily buildings?

A [Managers can save money] with centralized laundry rooms, as opposed to having washers and dryers in multiple buildings. They can put more equipment in one room, like 20 washers and dryers in a location versus a pair in a small room.

The idea of centralized rooms has been around for a long time. As construction costs get more expensive, more people are paying attention to it. Clearly, many new developments

have in-unit washers and dryers. A lot of condo conversions are putting in individual hook-ups. But these installations use up to 300% more energy than centralized rooms.

Centralized rooms can save at least 50% in development costs. All the plumbing and drains are in one big room. You can realize huge energy savings because all the heating generated is in one place as opposed to 10 individual rooms, for example.

Centralized laundry also encourages people to do full loads, rather than partial loads [on a whim] in their own apartments.

Another feature is the smart card. This is a fast-growing trend. Twenty percent of all installations [use] smart cards. There's no money in the washer or dryer, which makes it safer for the tenants. You don't have to bring cash to the laundry. The card-servicing center could be in a safe, high-traffic area like the manager's office.

Q What are the most common mistakes managers make about laundry rooms?

A They forget that people need to feel safe when they go into a laundry room. Clearly, safety is a big issue. Have a locked door and the pathway well lit ... Common areas have [been] designed to be tucked away and are not easy to get into. Make them convenient, high-traffic areas.

Cleanliness is number two. Laundry

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compared to the lost revenue caused by residents leaving or not renewing due to poor service.

This same thinking applies to the latest and greatest FTTP services. I have a hard time getting comfortable with the idea of having only one provider providing all of the telecom services at a project unless that provider agrees to very strong service-level and competitiveness terms – especially because the FTTP services will be delivered over what might be a proprietary system.

Q What are some common problems multifamily owners have with their telecom service providers?

A Over the past 18 months, the problems we've seen most frequently are poor customer service, poor quality of service, and uncompetitive services.

There are two basic ways owners can address these issues. The first and best method is to put teeth into service agreements. I prefer contractual provisions that govern not only response times, but also cure times. I prefer an express statement that a provider's services will be competitive with any other providers' offerings in the market place. The more detail, the better.

The second method, which is really nothing more than promoting economic forces, is to have as many competitive providers as possible at a project. If one provider is doing a

poor job, market forces will typically drive business to the competitors. For instance, if you have an FTTP provider who can provide a triple play, a cable provider who can offer a triple play, and a satellite provider capable of offering video service, then there is a high likelihood not every provider's service will be poor.

We're also seeing an increase in construction-related problems, like providers whose installation fails to meet the owner's construction schedule or the approved plans and specifications. The best methods for addressing these problems are to require providers to attend the owner's construction meetings and to install facilities in accordance with the owner's construction schedule. As for correctly installing facilities, I prefer to incorporate exact specifications and, if available, plans, as an exhibit to the service agreement. That eliminates most questions and finger pointing, provided the owner inspects the provider's work to ensure compliance with the plans, code and industry standards.

Q From the telecom providers' side, do they have any items that they wish multifamily property owners knew about when entering into these agreements?

A Providers want owners to better communicate their desires and expectations about both business terms and legal terms.

In my experience, if you explain what you want and why you want it, providers will regularly go to great lengths to find an agreeable resolution. If you communicate what you want and you're informed that it can't be done because it's "against the provider's policy," then you're talking to the wrong person. Instead, you need a decision maker who understands your request, understands the purported logic behind the policy, and will work toward a mutually satisfactory resolution. If the decision maker isn't willing to work with you to find a resolution or workaround, then you're probably better off doing business with another provider. ■

LAUNDRY

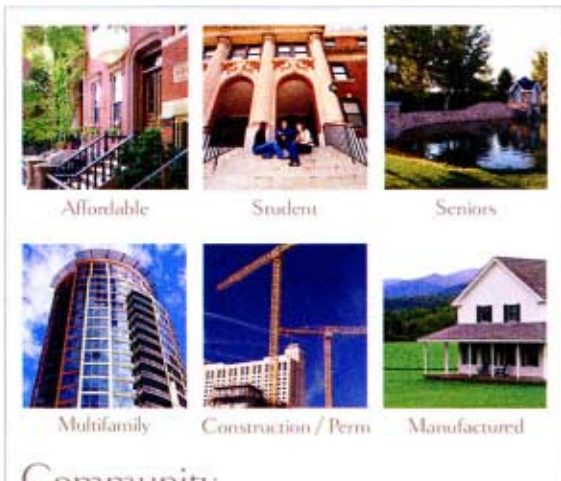
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machines are user-friendly pieces of equipment. Maintenance [workers] should go by periodically and clean up the room. In high-traffic, centralized laundry rooms, do this on a daily basis. [If the laundry rooms are scattered,] do this once a week.

Q How often should laundry equipment be maintained?

A A piece of equipment would break down on average once a year, depending on use. But literally, you could check today and it'll break down tomorrow.

Inspection won't do much good. If you have a call [about] the equipment or notice wear-outs on the rubber in the washing machine, replace it. Response time [from service technicians] is usually within the same day. ■



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