

Submetering water use for individual units in multifamily properties allows each unit to be billed separately for their water consumption. Overall water consumption typically decreases by 15% when individual units are submetered and costs are transferred to those responsible for its use. Submetering is becoming more cost-effective as technologies improve and more companies enter the market to support submetering.

Submetering Overview

Submetering a property involves the addition of individual meters to each unit within a multi-tenant development. The water utility is usually not involved with submetering and it is typically done by a contractor hired by the property owner. Even with submeters installed, the property still retains its municipal meters.



There are different approaches to multifamily submetering including:

- **100% Capture.** This method uses submeters to measure all of the water use within a residential unit. This can be done with either specialized water meters that are installed at each point-of-water-use, or by intercepting the main cold and hot water feed to each unit before it branches out to the various end-use points.
- **Partial Water Allocation.** This method submeters either the hot water or cold water used by each unit. Often, a submeter is placed on the feed line to the unit's individual hot water heater. The un-metered (cold water) use is then estimated based on how much hot water is used. After subtracting common area use such as irrigation, the total water for each unit is estimated. This practice is used almost exclusively for retrofit projects.

The transition to submetering is most successful when 100% capture methods are employed and inefficient water-using fixtures are replaced. Replacing inefficient water-using fixtures alone can save as much or more than submetering.

Cost

Submetering is most cost-effective when incorporated into a new building project. However, retrofitting a building can also be cost-effective depending on water

and sewer rates, the number of rental units, and the type of submetering service. Some systems, such as advanced wireless systems, can have a relatively high fixed cost; as a result, the more units in a complex, the cheaper the per-unit cost will be.

When considering whether to submeter or not, keep in mind that water and sewer costs are likely to continue climbing as utilities face the challenges of infrastructure repair, increased regulations, and population growth.

Submetering Services

Many companies provide submeter installation, reading, billing, and conservation consultations. These companies may use different approaches to submetering including 100% capture and partial water allocation as described earlier.

Questions to Ask a Potential Submetering Contractor:

- Does the submetering capture 100% of the unit's water use or is it a partial water allocation system?
- Is the system manually or electronically read?
- Is the system wireless or wired?
- Are billing services provided and if so are they available online?
- Can tenants pay for services online and by common means such as credit cards?
- Is performance contracting available?
- Is technical assistance available for retrofitting units with low water-using fixtures?

Tenant Billing

The landlord may charge the tenant for the cost of water provided to the tenant as measured by the tenant's submeter at a rate that does not exceed what the landlord is charged by the utility. The landlord cannot make a profit, and any additional costs for installing, maintaining, or operating the submeter or its associated equipment cannot be assessed to the customer. Prior to submetering, the relevant landlord/tenant legal obligations should be reviewed by the property owner or landlord: See the Oregon Revised Statutes: [ORS 90.531 to 90.539](#)