



FS Energy partners with banks to offer loans for energy efficiency projects

May 23, 2011 - Green Buildings

FS Energy, LLC, has partnered with two financial institutions to arrange for loans to residential buildings that seek to make capital investments to improve energy efficiency and reduce operating costs. FS Energy is a subsidiary of FirstService Corp. These loans are available exclusively to properties managed by subsidiaries of FirstService.

The loans, the first of their kind to be implemented on a large scale, will be available to properties electing to undergo retrofits and renovations that improve building energy efficiency.

These unsecured energy loans require no upfront investment; will be paid off entirely from the savings derived from the improvement; and feature below market financing rates for qualified retrofit projects. Because the loans are secured by an escrow of the energy savings, a mortgage does not need to be recorded. FS Energy will focus initially on facilitating loans for properties managed by FirstService's N.Y.C. subsidiary, Cooper Square Realty.

With loan terms longer than the projected payback period, savings will always exceed monthly loan payments of principal and interest. Clients will realize immediate savings and continue to save throughout the term of the loan. Once the loan is retired, the client continues to profit from all future energy savings.

The loans are available to finance conversions from Nos. 4 and 6 oils to cleaner-burning fuels. In April, N.Y.C. enacted a new rule that will phase out consumption of these dirty heating oils, which are responsible for more than 85% of the heating oil soot emissions in the city - more than all N.Y.C. cars and trucks combined.

"Retrofit projects improve a building's efficiency, lower its operating costs, improve residents' comfort as well as have a positive impact on the environment," said David Kuperberg, CEO of Cooper Square Realty and FS Energy. "As a result of the attractive loan terms we have negotiated, apartment owners will reap positive financial and environmental benefits without a special assessment or increase in monthly maintenance or common charge fees."

These energy loans mark FS Energy's introduction into the field of energy financing. It is an integral part of its three-fold approach to improving energy efficiency and reducing clients' operating expenses through evaluation, execution, and financing. To this end, FS Energy currently evaluates buildings' energy efficiency and reports the results through free energy report cards using its proprietary Building Energy Rating Guide (BERG) scores and ranks each building according a benchmarking database of Cooper Square Realty's 450 buildings under management. Using this information, FS Energy can accurately recommend necessary improvements and complete projects, while facilitating access to this attractive financing option. Loans initially will be available in N.Y.C. but will be extended to other FirstService managed properties in select US markets throughout the

year.

"Our financial partners have started issuing these loans and we are well on our way to meeting our goal of reducing the energy costs of our N.Y.C. portfolio by 25% by 2013," said Kuperberg. "We are pleased to be in a position to help foster economic and environmental change for our building owners with this unique arrangement."

For more information about FS Energy, please visit www.FSEnergyServices.com.

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540