

Manufactured Home Community Accelerates Portfolio Value with Reduced Waste and Energy Costs

Utilities Management, Cost Reduction



Client

A fully integrated real estate investment trust (REIT) and prominent player specializing in the ownership and operation of manufactured housing communities with a portfolio of 485 locations across the United States and Canada.

Solution

The work began with contracting SIB's team that specializes in all aspects of complex, error-prone [waste and recycling programs](#)—digging into the client's waste management challenges including the rising costs for waste across many locations. The waste team conducted thorough vendor analysis and audits of monthly invoices for all properties, services, and vendors. Leveraging expert insight into the waste market landscape, our waste team quickly uncovered operational inefficiencies and billing errors driving price creep and higher costs.

Through proactive negotiations with vendors, our waste team helped capture all available savings. At the same time, they reviewed regulatory compliance and environmental practices to ensure solutions that would check all the important boxes for both customers and investors. By streamlining service coordination across diverse locations and orchestrating cross-departmental collaboration internally, the waste team helped our client to identify, implement, and integrate more efficient waste management strategies and disposal logistics across its portfolio for ongoing cost savings.

Energized by its ability to reign in waste management costs, the client also asked SIB to look at its multistate propane supply chain in hopes of uncovering similar savings and efficiencies. Dynamic propane prices, consumption patterns, and distinct energy requisites affecting their 229 locations utilizing propane made this spend area as complex as waste management.

SIB's [energy procurement team](#) rose to the challenge. Recognizing the intricate nature of utility billing structures and the possibility of unnoticed errors, we developed a comprehensive auditing solution in close collaboration with 32 vendor contacts. The work pinpointed extensive billing errors and multiple opportunities for renegotiating lower rates, paving the way to immediate refunds and longer-time savings through expense optimization.

Challenge

As a manufactured housing community operator known for catering to active lifestyles, this community needs to operate in prime locations across the United States and Canada. However, this geographic diversity introduces a great deal of complexity when it comes to coordinating vendors in each area for important services like waste disposal and energy. While obligated to offer exceptional amenities and services to residents and guests, they also have a responsibility to investors to deliver optimal portfolio value.

With the rising costs for many business services jeopardizing the latter goal, the importance of expense optimization was not lost on company leadership. But the organization lacked the internal resources to dedicate to the time-intensive effort. The company chose to engage SIB's specialized team of [utilities management](#) experts to take on some of its most rapidly increasing expense areas and uncover opportunities for savings and enhance value.

Results

Through insightful vendor analysis and strategic negotiation, we helped to streamline waste service administration and enhance propane supply efficiency, leading to a combined annual savings of \$403,000.

- ✔ **Waste service administration represents 39% of the total annual savings.**
 - > 292 sites found savings
 - > 36-month contract period
- ✔ **Propane supply chain represents 61% of the total annual savings.**
 - > 56 sites
 - > 32 vendor contacts

By adopting a holistic approach to cost reduction and partnering with experts in utilities management, this multi-family operator demonstrated its commitment to meeting the needs of all its stakeholders. The ongoing partnership promises to uncover further financial advantages through tailored solutions that will continue to make these communities a smart choice for homeowners and investors alike.

Savings Highlights

- > \$403,000 in annual savings.
- > Simplified waste administration and propane supply chain.
- > Improved contract terms and conditions.
- > Streamlined cost optimization without compromising operational quality.