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## Strata Living

Headline: Are LED upgrades worth considering?

Topics: Energy Upgrades

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**Dear Tony:** Our strata council has proposed a resolution on our annual meeting notice that would authorize up to \$85,000 to upgrade all our common area lighting to LEDs. The business case they have put forward indicates we will have \$28,000 of electrical savings and we would recover the costs in just over 3 years. Our council does not have a very good track record historically, so the owners doubt any claims about cost savings. Have other strata corporations been doing upgrades? If so, what can owners expect to save?

*Marla R. Vancouver*

**Dear Marla:** LED upgrades are now one of the easiest changes for a strata corporation to consider with savings in hydro costs that in larger buildings have resulted in reductions of cost by over 50% annually. The savings are not only in electrical costs, but also in the maintenance and servicing costs. For a property of your size (high rise of 140 units) the projected costs on electrical savings alone is possible. Additional savings will result from reducing the frequency of labour to change lightbulbs and ballast replacements in your parking, storage and common hallways. Another way to look at the savings is to consider this is a short term investment of your contingency funds. An \$85,000 investment with a 3 year payback from direct savings is an eventual 33% interest investment. Compare that with the 1 or 2% investment rate your strata is currently achieving and it makes good financial sense. To ensure the contingency reserve fund is not depleted, your strata council has proposed a budget at the annual general meeting to contribute a higher amount to the contingency fund to offset the savings of the electrical. If you calculate this over a ten year period with current hydro rates, the strata will have saved/invested into their own future \$280,000 plus maintenance savings, all started by the expenses of

\$85,000. Better for your strata, better for the environment and improved housing affordability. As in all projects of this nature, confirm the strata corporation has a written contract that has been reviewed by the strata lawyer and verify the scope of the work not only includes the replacement of bulbs to LED's but also the fixture/ballast in fluorescent areas and the warranty/life period of the lamps is published. Constantly replacing old fixtures and the difference between five or ten year lamps can have a significant impact on your long term savings. LED lighting may change the appearance of some areas, and will certainly increase the lighting in your common areas, so do some testing before you make your final decisions.