

How Multifamily Property Owners Can Plan For The EV Future

By **Sydney Tucker and Andreas Wokutch** (October 7, 2024)

The relationship between available transportation and the success of multifamily developments is nothing new for developers and property owners.

Such developments have historically succeeded based on convenient proximity to public transportation and infrastructure, so tenants can access desirable business and retail centers. Many housing finance agencies have considered the availability of public transportation when awarding low-income housing tax credits to multifamily developers.

But now, the expanding electric vehicle market, recent legislative incentives and mandates intended to promote ubiquitous EV use, and the ability of tenants to charge their EVs at home are additional factors multifamily property owners and operators will need to consider.

The U.S. Environmental Protection Agency issued a final rule in March, establishing emissions standards for light-duty and medium-duty vehicles in model years 2027 and later. The rule imposes more stringent emissions standards on new vehicles, and is therefore expected to lead manufacturers to produce more EVs and less gas-powered vehicles.[1]

California has gone a step further, and passed the Advanced Clean Cars II regulation in 2022, which requires all new passenger cars, trucks and SUVs sold in California to be zero-emission vehicles by 2035.[2]

Moreover, one of the major obstacles to EV proliferation that analysts often point to — the lack of EV charging stations along major interstate corridors — is currently being addressed through the National Electric Vehicle Infrastructure Program. This program administers grants from the U.S. Federal Highway Administration to state highway transportation departments in order to promote the construction of EV charging stations in strategically located areas.[3]

The push toward a greater market share for EVs requires multifamily property owners to learn about and account for certain realities involved in EV ownership. These include the length of time it takes to charge an EV, and how frequently one needs to charge it.

The time needed to charge an EV is affected by many variables, most notably the output of the charger and the capacity of the battery. A Level 1 charging source — i.e., a common 120-volt outlet — can take days to fully charge an EV.

A Level 2 charging source — with a capacity of 240 volts and 40 to 80 amps — will charge an EV in an average of seven to eight hours. The quickest charging time a Level 2 charger can provide is five hours, while the longest is over 13 hours.

A Level 3 charging source — commonly referred to as a DC fast charger — will typically



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charge an EV from 0% to 80% of the battery capacity in just over 30 minutes. The last 20% of charge will then take around an additional 30 minutes.

The charging frequency for an EV will mostly depend on the range of the specific EV and the mileage driven. However, it is recommended that EVs are charged to between 20% and 80% of the battery capacity twice a week, in order to maximize efficiency and improve longevity.

The availability of public charging stations is rapidly increasing, and is expected to greatly expand with the continued implementation of the Infrastructure Investment and Jobs Act and the Inflation Reduction Act. Together, these laws collectively provide an estimated \$19.25 billion for EV charging infrastructure.

The most convenient charging arrangement for EV owners is having Level 2 charging sources installed at their residences, so they can charge their cars overnight. For EV owners living in multifamily housing properties, the ability to use a Level 2 charger overnight is ultimately a matter of the property owner providing sufficient Level 2 chargers on site for tenants with EVs.

Accordingly, multifamily property owners and developers should expect to face market pressure from current and prospective tenants to provide access to Level 2 charging stations, comparable to what a tenant might otherwise install at a single-family residence.

While it is relatively easy for luxury apartment properties to market charging stations as an amenity, developers and property owners of low- and moderate-income multifamily housing developments should also consider offering charging stations.

Otherwise, tenants of such properties face the burden of finding the time, and incurring the expense, of locating and using publicly available charging stations — circumstances that could make multifamily properties less desirable for low- and moderate-income tenants.

As a result, multifamily owners face a tough choice between purchasing and leasing EV charging stations. Generally, leasing charging stations will have a lower up-front cost and can simplify the installation process. On the other hand, owning charging stations will give the owner access to tax incentives and greater control over charging station maintenance.

Owners of multifamily housing properties should also consider how the increased costs of EV charging stations could potentially be recovered through increased rents, or by having tenants directly pay to use a charging station.

Finally, local laws and regulations, utility provider rules, legislative incentives, and the property owner's accounting and financing methods may affect the decision on whether to purchase or lease EV charging stations, and should be carefully reviewed.

Legislative requirements and market demands are already changing how property owners and operators need to view their specific property amenities and tenant needs with respect to transportation.

Property owners and operators can expect the availability of EV charging stations to become an increasingly important consideration for the market, and should be prepared to structure developments and operations to meet this growing demand among their tenants.

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[1] <https://www.epa.gov/regulations-emissions-vehicles-and-engines/final-rule-multi-pollutant-emissions-standards-model>.

[2] <https://ww2.arb.ca.gov/our-work/programs/advanced-clean-cars-program>.

[3] <https://www.fhwa.dot.gov/environment/nevi/>.