

FOR IMMEDIATE RELEASE
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**INDEPENDENT SURVEY FINDS CFG® FAUCETS OFFER
LOWER LIFETIME COSTS FOR MULTI-FAMILY PROPERTIES**

***Use of Durable, Easy-to-Install CFG Products
Can Save a Property Time and Money***

North Olmsted, Ohio . . . When building maintenance supervisors and property managers make product selections for a community, cost is a major factor, if not the *most important factor*. But there is much more to cost than the purchase price of an item. When selecting faucets for a multi-family property, it's important to consider lifetime costs – the investment required to maintain a product over its useful life – including installation, maintenance, repair and replacement.

“To determine an item’s lifetime cost to your facility, its initial purchase price is only part of the equation,” said Mark Knurek, brand manager for Cleveland Faucet Group® (CFG), a Moen Incorporated brand. “The true cost of a product actually includes three key factors: installation costs, maintenance costs and purchase price. Together, these expenses will give you the item’s total cost of ownership. Initial purchase price is easy to determine, but maintenance and installation costs may not be as obvious.”

Determining CFG’s Maintenance & Installation Costs

CFG recently commissioned a blind survey through the independent Rabin Research Company to determine how its faucets compared to others in real-world applications. Two key factors were reviewed – installation and general maintenance costs – those items beyond purchase price that make up the total cost of ownership of the product.

The independent survey found that CFG faucets were significantly less expensive to maintain than competitive faucets; saving, on average, 36.3 percent per living unit per year, or \$5.34 per living unit per year. In a 5,000-unit property, this would translate to an annual cost savings of \$26,700. Assuming an average five-year life of a faucet in a multi-family property, this would translate to a savings of \$133,500 over the life of the faucet.

The survey also found that CFG faucets can be installed faster than competitive faucets, reducing installation time by 20.3 percent. On average, a CFG faucet takes 35.4 minutes to install (including replacement time); versus 44.4 minutes for other ceramic disc cartridge faucets. This time savings helps improve a plumbing technician's overall efficiency; while also contributing benefits to a property's bottom line.

"This research confirmed what we had suspected all along," said Knurek. "CFG faucets cost less to install and maintain than others in the market, which translates to lower operating costs and ultimately higher property values for multi-family property owners and managers."

Measuring Profitability with CFG

Beyond confirming the superior long-term value of CFG products, the survey results can be used to draw conclusions as to how this value directly affects profitability for multi-family properties.

When evaluating the performance of a multi-family property, Net Operating Income* (NOI) is the key measure of profitability in the apartment industry. Taking action to reduce a property's operating expense – such as reducing maintenance costs by installing CFG faucets – will positively impact its NOI.

In determining the value of a property, along with NOI, Capitalization (Cap) Rate is also key. A Cap Rate is the ratio between a property's NOI and its market value. The Cap Rate is also an indirect measure of the return on investment. Consequently, the higher the NOI, the higher the property value.

"NOI and Cap Rate are the means to determining a property's value," said Knurek. "These figures can help a potential buyer determine whether a multi-family property is a solid investment. Our goal at CFG is to positively impact these figures and have a real effect on property owners' bottom lines and portfolio value."

To determine a property's real value, the accepted formula is NOI divided by Cap Rate. With this formula in mind, when a building maintenance supervisor or property manager decreases a property's operating expenses through smart product selections that offer lower lifetime costs, it measurably increases a property's NOI, and therefore improves the property value.

Considering the previous example of a 5,000-unit property that was able to achieve an average cost savings of \$26,700 per year by choosing CFG products, assuming a seven percent Cap Rate, the potential increase in real property value (\$26,700 increased NOI divided by seven percent Cap Rate) would be \$381,429.

With the help of these calculations, one could conclude that installing CFG faucets can help improve a multi-family property's bottom line and increase its value. Maintenance supervisors and technicians benefit from decreased installation and maintenance time, freeing time for other jobs. Building owners and property managers are able to improve operational efficiency and increase appreciation of their investment.

"CFG has always placed a strong emphasis on the long-term value of its products, offering an unparalleled level of design, quality manufacturing and service to its customers," said Knurek. "The results of this independent research serve as a strong reminder of our commitment to providing superior products and services for the multi-family housing industry."

About the Study

The blind study was conducted by the independent Rabin Research Company for CFG in the fall of 2008, with nearly 400 maintenance professionals from multi-family properties across the country.

Maintenance expenditures, including labor and materials, were estimated for each of the following five areas:

- Cartridge-related requests
- Handle-related requests
- Spout-related requests
- Drain/Waste assembly requests
- Complete faucet replacement

The results were then averaged over the living units under management to determine the average cost of maintenance and installation per living unit.

To receive the full whitepaper on this research, please contact Jennifer Allanson or Jamie Dalton at Falls Communications at 1-216-696-0229. For more information about kitchen and bath collections from CFG, visit www.cfgonline.com or call 1-888-450-5522.

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*Net Operating Income (NOI) is calculated as net revenue minus operating expenses

About Rabin Research Company

Started in 1963, Rabin Research, a full-service marketing research company headquartered in downtown Chicago, has conducted over 5,000 studies for hundreds of major companies worldwide. Their extensive controls ensure accurate, high-quality study results. They offer full-service marketing research services in six major industries: consumer, business-to-business, financial, healthcare, foodservice and new technologies.

About CFG

CFG delivers real value in kitchen and bathroom faucets, showerheads and in-wall valves, with a strong foundation in design, distribution and service. CFG offers customers the confidence of working with a solid business partner committed to providing the best return on investment. For more information, visit cfgonline.com, or call 1-888-450-5522.

About Moen

Moen offers a diverse selection of thoughtfully designed, on-trend [kitchen faucets](#), [bathroom faucets](#), [showerheads](#), and [stainless steel sinks](#) for residential and commercial applications. As the #1 faucet brand in North America, customers have come to rely on Moen to deliver dependable products and service. Moen is part of Fortune Brands, Inc. (NYSE: FO, fortunebrands.com), a leading consumer brands company.

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