

What is C-PACE?

C-PACE 101

C-PACE (Commercial Property Assessed Clean Energy) is a financing tool that enables low-cost, long-term funding for energy efficiency, renewable energy, water efficiency, resilience, and public health improvements to new and existing buildings.

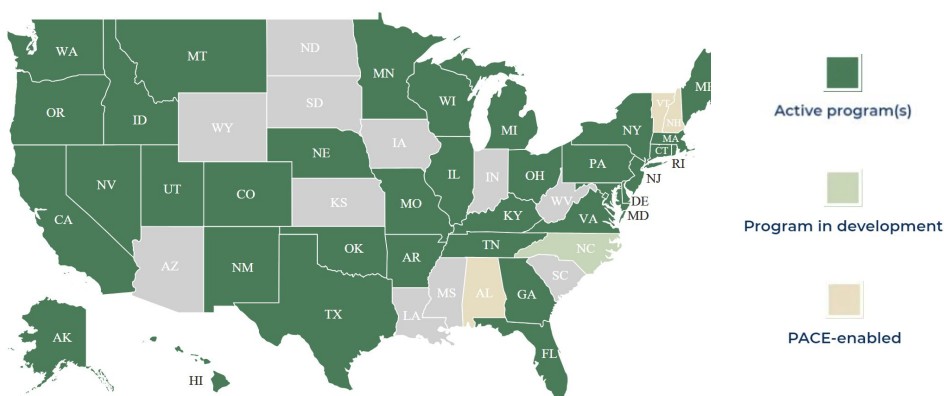
C-PACE lenders finance 100% of the hard and soft costs of eligible projects through fixed rate, fully amortizing financing for up to 30 years. C-PACE assessments are secured by a voluntary assessment on the property, which automatically transfers upon sale or foreclosure. Property owners may also elect to prepay a C-PACE assessment.

Most types of commercial properties are eligible for C-PACE, including office, hospitality, retail, mixed use, healthcare, industrial, and multifamily buildings with more than four units, depending on the state and C-PACE program. Many programs have enabled C-PACE for new construction projects and to refinance installed improvements within a 1-3 year lookback period.

C-PACE is enabled by state legislation and at the local level by cities and counties. To date, 40 states and Washington, D.C. have adopted C-PACE enabling legislation, and 34 states and D.C. have active programs. Over 3,500 building owners have chosen to use C-PACE to invest nearly \$10 billion in improvements to their properties.

↳ PACENation.org/what-is-pace/

C-PACE ENABLED STATES



40 states and D.C. have enacted PACE-enabling legislation, and PACE programs are now active in 34 states plus Washington, D.C.



Covers 100% of eligible improvements



Non-recourse & non-accelerating



Low-cost, fixed rate financing



Amortized over up to 30 years



Increase cash flow and preserve equity

PACENation is the national membership association for PACE financing.

Our members enable millions of American property owners to increase the efficiency and resilience of their homes and businesses.

PACENation.org/join

✉ membership@pacenation.org

Data as of 12/31/2024

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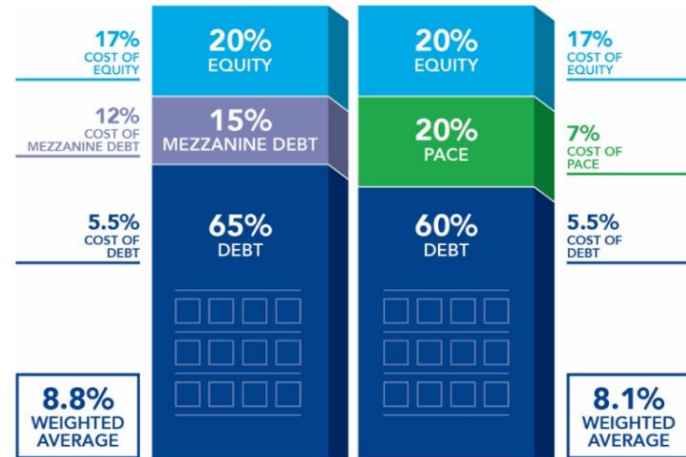
C-PACE in the Capital Stack

PACE works well alongside other sources of capital and significantly reduces weighted costs of capital as an alternative to mezzanine debt, construction loans, and preferred equity in a capital stack.

C-PACE has been used alongside a wide array of financing sources, including new market tax credits, federal and state historic tax credits, EB-5 financing, utility rebates and incentives, and more.

C-PACE also offers additional benefits to property owners and developers, including the ability to pass through the cost of payments to tenants, no operating covenants, and long-term fixed rates that remove the need for hedges or interest rate caps.

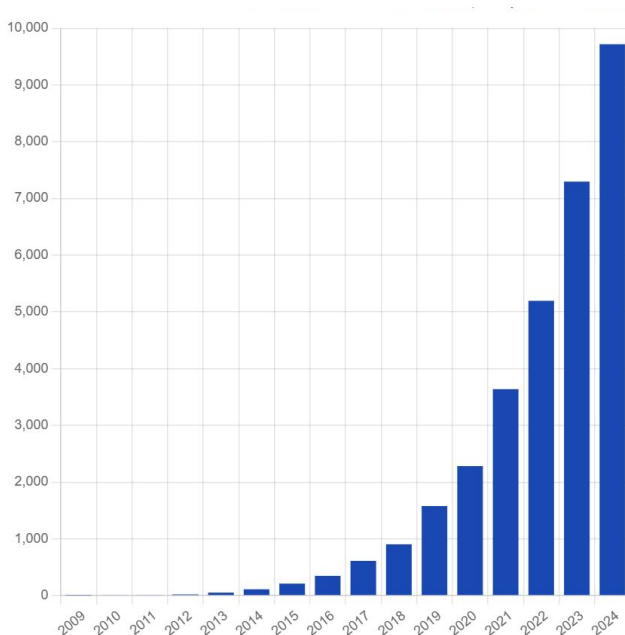
➔ <https://pacenation.org/case-studies>



Source: <https://www.cleanfund.com/what-is-pace/pace-in-the-capital-stack/>

Example numbers for illustration

CUMULATIVE C-PACE FINANCING, 2009-2024 (\$, Millions)



C-PACE Market at a Glance

- **\$9.87** billion funded on **3,500+** properties
- Annual market growth rate of **30%+**
- Over **140** C-PACE lenders are currently active in **31** states
- **420** consenting financial institutions
- **\$2+ trillion** market opportunity for deep building retrofits and electrification of U.S. commercial buildings

➔ <https://pacenation.org/market-data>

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