

Help Clients Buy & Sell Comfortable Homes with Home Energy Score

We all want to live in homes that are comfortable and affordable to maintain. Most buyers, however, enter the largest investment of their lives without knowing how efficient or comfortable their new home is, and little idea of how much energy bills are likely to be. On average, utility costs are higher than either property taxes or home insurance. As a real estate professional, you are in a prime position to bring valuable information to your clients and help them be smart consumers.

When selling a home, energy efficient features can be valuable in the home's listing. The National Association of REALTORS[®] (NAR) recently found that 71% of respondents said promoting efficiency in listings is very or somewhat valuable, and over half reported their clients are interested in sustainability. According to the Demand Institute, energy efficiency is the most significant unmet demand in the housing market. Providing this information can make a home more appealing and available to a wider pool of potential buyers through access to energy efficiency-related financing products.

What is the Home Energy Score?

Like a miles-per-gallon rating for a car, the Home Energy Score is an easy-to-understand rating designed to give homeowners and homebuyers insights about a home's energy performance. Home Energy Score uses a simple 1-to-10 scale where a 10 represents the most efficient homes. The Score is designed to be easily understood and tap into people's desire to improve their score and outperform their peers.

Based on a standard, in-home assessment of a home's energy-related assets, the Home Energy Score Report provides various information that can be included in MLS listings and used with home financing products. The Report also includes energy efficiency recommendations that would improve the Score through cost-effective investments.

At time of sale, the Home Energy Score is

- ▶ **FAST.** Takes less than one hour in most homes.
- ▶ **AFFORDABLE.** Free for Assessors to keep costs low.
- ▶ **SIMPLE.** Easy to understand 1 to 10 scale.
- ▶ **CREDIBLE.** Created through robust testing and analysis.
- ▶ **FLEXIBLE.** Available through a variety of software and programs.



“As homeowners start to ask more questions about energy efficiency, the Home Energy Score is a way to meet your client's needs.”

—Craig F., RE/MAX Leading Edge

Why Use the Home Energy Score?

No matter your client, the Home Energy Score is a way to build trust by enabling access to the reliable information buyers and sellers desire. Set yourself apart as a professional who is knowledgeable about home energy efficiency through the Home Energy Score.

▶ Sellers can showcase their home's energy features through the MLS listing.

Multiple Listing Services (MLSs) around the country are adding green fields, which often include the Home Energy Score in a standard and searchable way. This makes it easier for buyers to find homes with green features or certifications and benefits the home appraisal process.

▶ Buyers can access financing products through the Home Energy Score.

Borrowers can use the Home Energy Score to qualify for mortgage products such as Fannie Mae's HomeStyle Energy mortgage loan, FHA's mortgage products, and solar financing from Green Banks. In some cases, Home Energy Score can help borrowers qualify for larger loans. Encourage your lending partners to offer these products.

▶ Homes sell faster with energy disclosure.

One study from Elevate Energy found that homes disclosing energy costs - even when those costs were high - closed at a higher percentage of the asking price and spent less time on the market than comparable homes that did not disclose energy costs. Homebuyers appreciate the credible information Home Energy Score provides when purchasing a home.

HOME ENERGY SCORE

How to Use Home Energy Score with Clients

As a real estate professional, you play a vital role in clarifying energy information to your clients and providing data that will help them make an informed home purchase.

When listing a home, include information about the home's energy features in the MLS. Show that your client's home is not only beautiful, but comfortable to live in with energy features that may otherwise go unnoticed. Use the Home Energy Score to improve the home's desirability by providing trusted information up-front and showcasing the home's efficiency features.

When advising a homebuyer, encourage your clients to get a Home Energy Score as part of the home inspection. Be remembered for helping them make an informed decision. Buyers like to know what to expect, so give them the information they need to accurately predict their monthly costs. Help your clients make smart investment decisions and be happier in the home they buy with the Home Energy Score.

“When efficiency improvements are done well, they are completely out of sight in attics or behind walls, with benefits that only become obvious after living in the home. Real estate professionals can help homeowners see energy investments that improve their living experiences at home and increase resale value.”

—Council of MLSs' (CMLS) Home Energy Information Guide



Help! How Do I Sell a Home with a Low Home Energy Score?

- ▶ Scoring a “1” does not mean a home is poorly built. A beautiful home with up-to-date equipment can still get a low score if the home has a large surface area where heat can escape, or if there is insufficient insulation. Information on the Score Report can provide insight on energy use and areas for improvement.
- ▶ The Score estimates a home's total energy use, *not* energy use per square foot. A home with a low score is expected to use more energy each year than an average U.S. home, which might be an expected tradeoff for 4,000 square feet of living space or large windows featuring a beautiful view.
- ▶ Most investments into a home are made within the first two years after purchase. Solutions provided in the Home Energy Score Report can help a buyer ensure these investments are prioritized and cost-effective.
- ▶ Some financing products can help homeowners make energy efficiency investments that increase their Home Energy Score to a six or above. A homebuyer may be able to access these products to improve their home.
- ▶ Studies have shown that while homebuyers appreciate having energy information, high bills or a low score do not kill a sale. Buyers care about a home's location and character far more than its estimated energy use. The Score is simply a tool to help buyers make informed investment decisions.

Learn More & Contact Us

Visit our website at homeenergyscore.gov to learn more, and find who offers the Home Energy Score in your area. Check out our “Resources for Real Estate Professionals” under the Resources tab on the website. Can't find what you are looking for? Email us at homeenergyscore@ee.doe.gov to get in touch.