

Winter 2009-2010

Time of Sale Home Energy Labelling Pilot

Frequently Asked Questions for Home Sellers & Buyers



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How Does Time of Sale Home Energy Labelling Work?

When the homeowner decides to sell their home, they request a home energy assessment to be conducted by a Natural Resources Canada Certified Energy Advisor. A list of participating service organizations providing assessments is available on the back of this package. The energy assessment takes into account the heating and hot-water systems, insulation levels, windows, doors and includes a test to determine overall air leakage. Computer modelling is performed by the Certified Energy Advisor to produce a report summarizing the home's energy efficiency and initial *EnerGuide for Houses Rating*. After receiving advice from the Certified Energy Advisor on options to improve energy efficiency and the financial incentives available to do so, the homeowner has a number of choices, depicted in Diagram 1.

Diagram 1. How Does Time of Sale Home Energy Labelling Work for the Seller?

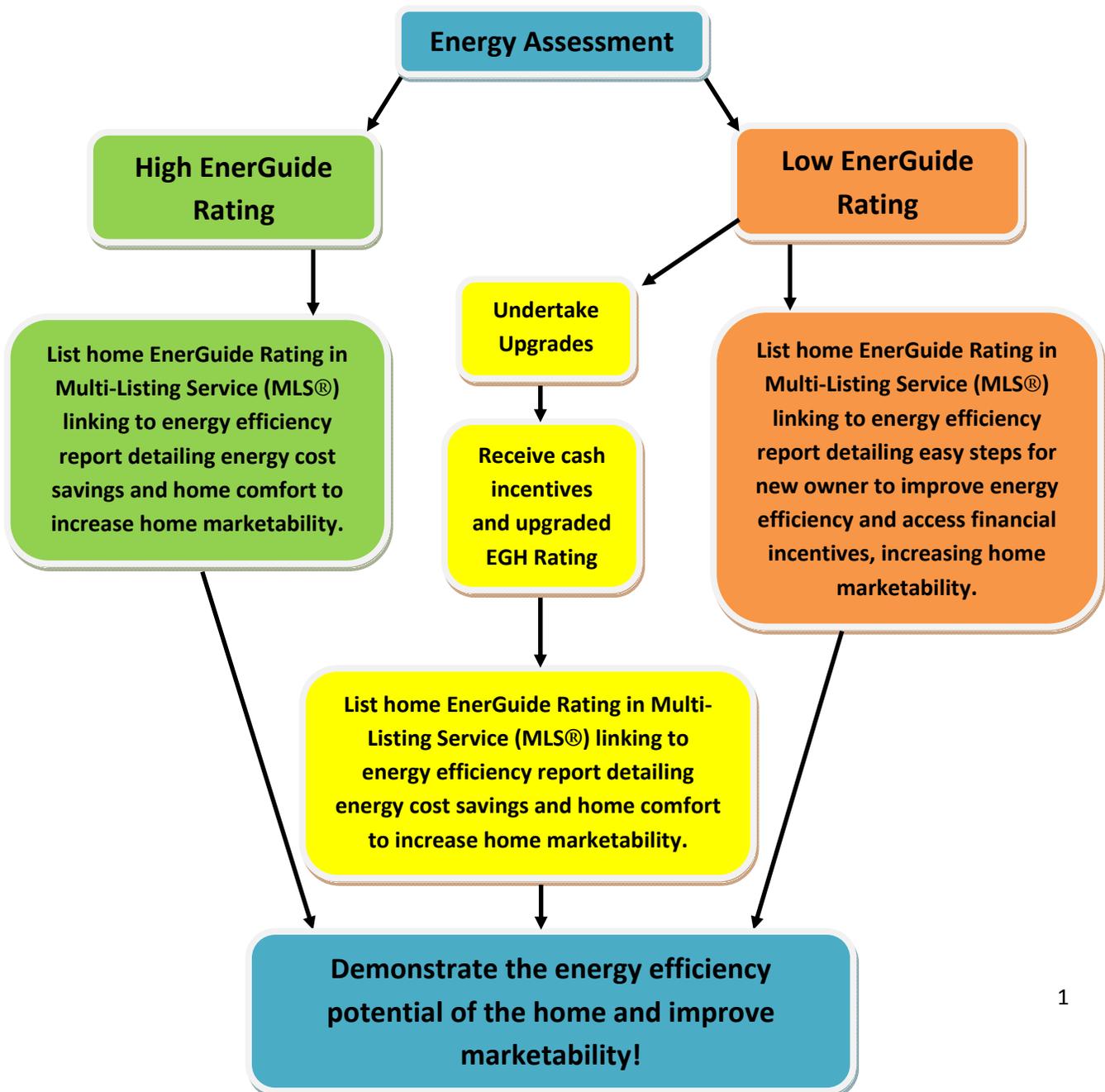
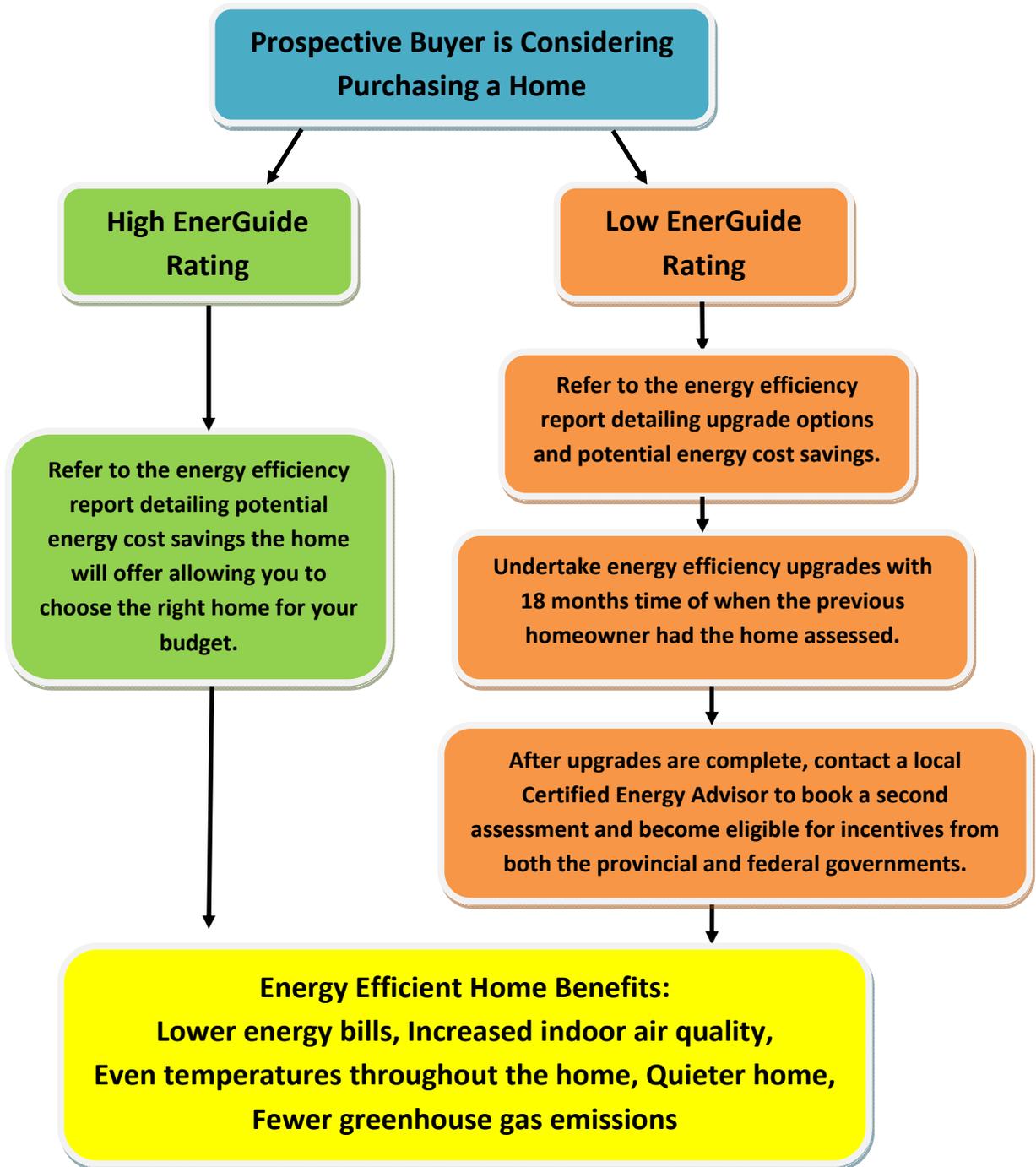


Diagram 2. How Does Time of Sale Home Energy Labelling Work for the Buyer?



What is the EnerGuide Rating?

The EnerGuide for Houses (EGH) Rating is a rating determined by a software program that assesses the energy efficiency performance of the whole home. Currently new homes are built to about an EGH rating of 77. The average EGH rating for homes in Oak Bay is 47. The figure below is a sample EnerGuide for Houses Rating.

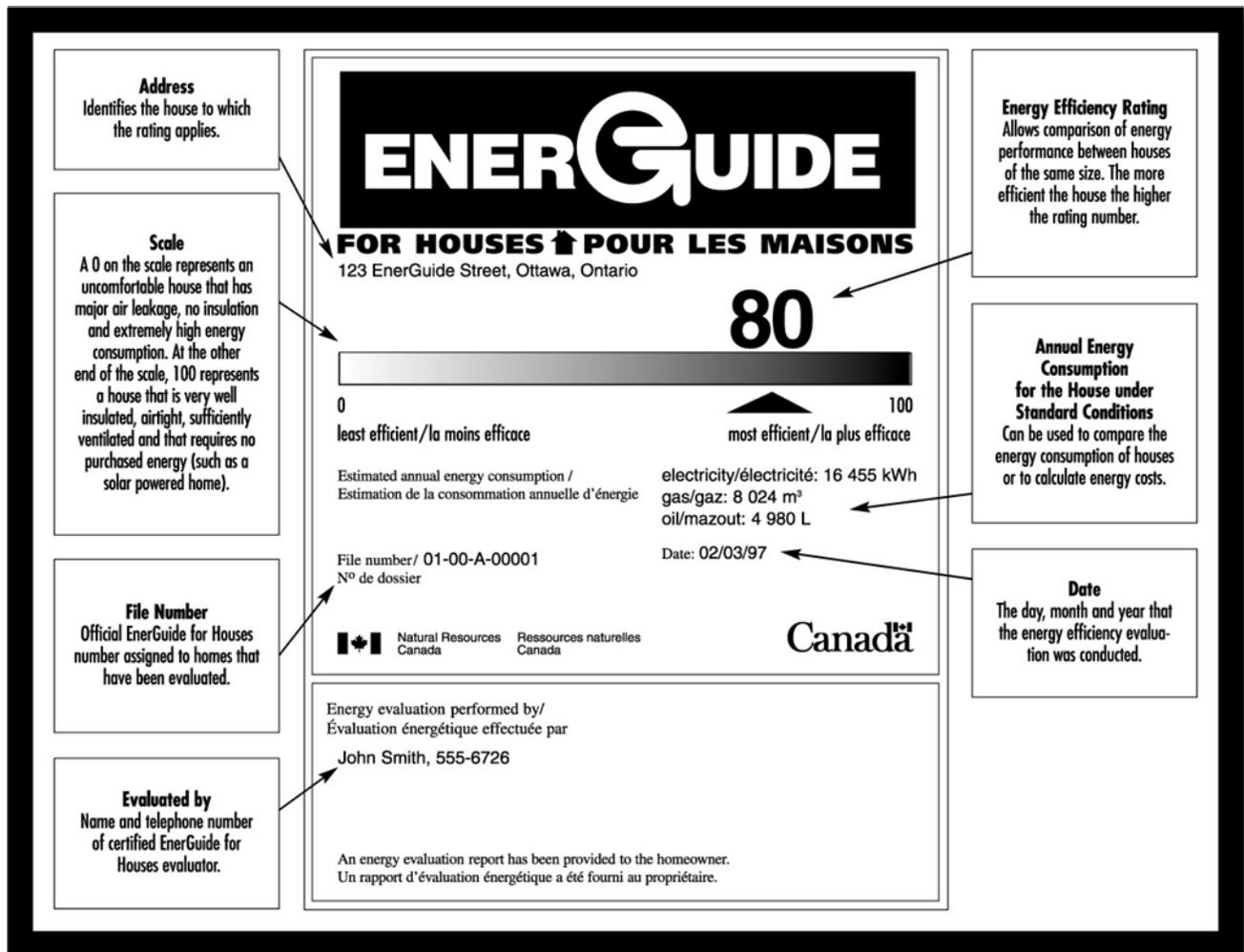


Figure 1. EnerGuide Rating Example

Average EnerGuide for Houses Ratings by Year Built for Homes in Southern British Columbia

The following table depicts the average EnerGuide for Houses Ratings for homes in Southern British Columbia, based on the age of the home and time period in which the home was built. These figures have been derived from the Federal Government of Canada's ecoENERGY Retrofit – Homes Program.

Time Period Home Was Built	Average Rating Before Upgrades	Average Rating After Upgrades
1900 - 1909	42	59
1910 - 1919	44	62
1920 - 1929	46	61
1930 - 1939	48	63
1940 - 1949	53	65
1950 - 1959	56	66
1960 – 1969	55	65
1970 – 1979	56	66
1980 – 1989	60	68
1990 – 1999	65	72
2000 +	70	79

How Long is the Wait for a Home Energy Assessment?

Service organizations have confirmed that all sellers participating in the Time of Sale Home Energy Labelling Pilot will receive service from a Certified Energy Advisor within 3 days of booking a home evaluation. Reports will be ready within two days after the home is assessed. Home owners should identify themselves as participants in the Oak Bay Time of Sale Home Energy Labelling Pilot to ensure they receive service within these timeframes.

Is Everyone Selling Their Home in this Area Required to Participate?

No. This Pilot is purely voluntary. The decision to participate in the Pilot is the choice of homeowners, and should not in any way interfere with the normal flow of business between the REALTOR® and their clients. This Pilot is considered to be a learning tool for the Provincial Government, The Victoria Real Estate Board and BC Hydro. We would appreciate feedback from Pilot participants and REALTORS® so we can make efforts to improve the Pilot. After the Pilot is complete, surveys will be conducted and we welcome and encourage participation in those as well. If you have any questions or feedback regarding the Pilot, please do not hesitate to contact Emily Eng, the LiveSmart BC: Efficiency Incentive Program Outreach Coordinator at: **Email:** Emily.Eng@gov.bc.ca or **Tel:** 250-952-0665.

My House is Old and Will Receive a Low EnerGuide Rating, Will Need A Lot of Efficiency Renovations, How Will I Be Able to Afford It?

Sellers can still benefit from obtaining an energy assessment and posting an EGH rating on the MLS®. A seller may choose to undertake renovations to increase the energy efficiency of the home and improve the EnerGuide rating. The cost of efficiency upgrades are substantially reduced due to the cash incentives available from the federal government.

When a home is assessed after upgrades are made, homeowners become eligible for the federal incentives under the ecoENERGY Retrofit for Homes program. An extra bonus is the Home Renovation Tax Credit for home improvements made between January 27th, 2009 and February 1st, 2010. As you can see, *now* is the time for home sellers and new home owners to take action on energy efficiency upgrades while these great deals are still available.

What If I Want to Sell My Home Quickly and Don't Have Time to Do the Efficiency Renovations?

This is not a problem because new home owners can easily access the federal ecoENERGY Retrofit Homes incentives and tax credits.

If a seller chooses not to undertake energy efficiency upgrades, the assessment and access to incentives is transferable to the new home owner. The report provided through the energy evaluation gives the seller the information to show buyers how easy it can be for them to improve the efficiency of their new home and direct them to all the cash incentives available to do so.

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Benefits for Sellers

Displaying a higher than average EnerGuide for Houses rating at the time of sale has the potential to increase home value resulting in a potentially *faster* sale at a potentially *higher* price.

If a home receives a lower EnerGuide for Houses rating and the seller prefers not to upgrade efficiency, the seller benefits by having the information to show buyers how easy it can be for them to improve the efficiency of their new home and direct them to all the cash incentives available to do so. This may increase the marketability of the home.

Benefits for New Owners

If home sellers participate in the Time of Sale Energy Labelling Pilot and make energy efficiency upgrades to their homes, new owners will have peace of mind that their new home is going to save them money in energy costs. They can also enjoy the increased comfort of a home that is energy efficient —warm and cozy during cold winter nights and cooler on hot summer days.

Alternatively, if new owners rather than sellers undertake the efficiency upgrades, they will have the home's energy efficiency report to clearly show the most cost effective and beneficial upgrade options for their new home. They will also have information about the financial incentives available to make these improvements much more affordable.

By understanding the energy efficiency potential of the home the new owner will be able to choose the right home for their budget taking into account the operating cost of the home. New buyers planning on undertaking upgrades can plan for financing these upgrades when they finance their home. There are many low interest loans available for financing energy efficiency upgrades.

Investing in home energy efficiency is a choice many British Columbians are now making. Why? There are many benefits associated with energy efficiency, including:

- Lower energy use and related energy bills
- Increased indoor air quality
- Increased comfort with even temperatures throughout the home
- Reduced greenhouse gas emissions

Shared Benefit between Sellers & New Owners

Through this Pilot, both home sellers and new owners will be environmental leaders in their neighbourhoods and communities. Whether the home sellers or the new owners undertake the energy efficiency upgrades, both can feel confident that they have helped to increase the energy efficiency of the home and in doing so helped to combat climate change. Participants in the Pilot will be reducing the carbon footprint of their home, promoting a brighter future for B.C.'s next generation.

Who Is Running the Time of Sale Home Energy Labelling Pilot & Why?

The Time of Sale Home Energy Labelling Pilot is being run as a partnership between the Provincial Ministry of Energy, Mines and Petroleum Resources, the Victoria Real Estate Board and BC Hydro. The Pilot is designed to evaluate whether or not the disclosure of the energy ratings of homes will improve marketability.

Where is This Pilot Taking Place?

This Pilot is taking place in the Municipality of Oak Bay. There are also other Pilot projects being developed in Tsawwassen, Prince George and Salt Spring Island.