

Time of Sale Energy Disclosure: Frequently Asked Questions



WHAT IS THE PURPOSE OF THIS POLICY?

Similar to miles per gallon (MPG) for a car, an energy asset rating will inform homebuyers of how the energy assets of the house are performing. The energy disclosure report will also include recommendations for how to improve these assets, which will lower energy costs and improve the energy performance of the home.

WHAT PROPERTIES WOULD BE AFFECTED BY THE POLICY?

The energy disclosure report will be incorporated into the Truth in Sale of Housing (TISH) process. This policy affects 1 -2 unit properties that are available for sale in the City of Minneapolis.

WHAT ARE THE BENEFITS OF TIME OF SALE ENERGY DISCLOSURE?

An energy disclosure report will provide a number of benefits:

- Homeowners will get information about the energy assets of their home and steps they can take to improve them.
- Homebuyers will get information about which energy assets are already efficient, and what remains to be done to improve the homes energy efficiency.
- Home sellers will be able to recoup the investments made to the energy assets of the home, because these improvement will now be 'visible' to the market through this report.



WHAT OTHER CITIES HAVE SIMILAR POLICIES?

Several U.S. cities have passed similar policies, including Austin, Texas, Berkeley, California, Santa Fe, New Mexico, Boulder, Colorado, and most recently Portland, Oregon. These policies all differ in a variety of ways and none are exactly the same as this policy.

HOW WILL THIS POLICY AFFECT THE SELLING PROCESS AND HOW MUCH WILL IT COST?

The City plans to implement this policy through the current TISH process. This will minimize the impact of both cost and time for the seller. Other cities have required a separate energy assessment, which adds both time and cost to the sales process.

WILL THIS POLICY REQUIRE ANY ENERGY IMPROVEMENTS?

The city of Minneapolis would like to focus on informing the market about energy saving opportunities, rather than requiring improvements like other cities around the county have done.

WILL THIS POLICY MAKE IT HARDER TO SELL OLDER, LESS EFFICIENT HOMES?

The energy disclosure report will include an energy asset rating that is grounded in cost effective improvements specific to the Minneapolis housing stock. Other asset ratings tend to limit how high an older home can score through cost effective improvements, but this rating allows older homes to improve their score cost effectively.

I JUST HAD AN ENERGY AUDIT. DOES THAT COUNT?

Yes, an energy audit that includes an asset rating meets the requirements of this policy. Similarly, a nationally recognized energy certificate (e.g. ENERGY STAR), will also be recognized by this policy.

WILL THIS POLICY HARM FIXED OR LOW-INCOME HOME SELLERS?

Incorporating the energy disclosure report into the TISH process will help limit costs to the home seller. Low-income homeowners also qualify for a free home energy audit, which is an option for compliance.