

Austin Energy Conservation Audit Disclosure



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Alamo Title

The ECAD audit is a specialized energy audit that examines four primary areas in a home: (1) Heating and cooling system (HVAC) efficiency; (2) Air infiltration: duct performance, air sealing in plumbing areas and weather stripping; (3) Windows: shading, low “E” glass and solar screens; (4) Attic insulation. To alleviate the pressure of growing demand from Austin Energy’s service area, the City of Austin intended to mandate energy efficiency upgrades at the time a home was sold.

In response, the Austin Board of REALTORS® (ABoR) worked to address private property rights and homeowner affordability issues surrounding proposed mandates at the point of sale.

The ECAD Ordinance went into effect June 1, 2009.

May 2, 2011

Amendments to the ECAD Ordinance go into effect. A collaboration between Austin Energy and ABoR, the amendments require energy audits be disclosed no later than 3 days prior to the end of the option period defined in the sales contract. The amendments also address energy audit requirements for condominiums, which were excluded from the original ordinance. ABoR continues to work with Austin Energy to help Austin achieve its energy conservation goals.

What is required under the new ordinance?

Under the ECAD Ordinance, owners of homes that lie within the Austin city limits and are serviced by Austin Energy are required to obtain an ECAD audit and disclose the audit results to potential buyers prior to sale. As of May 2, 2011, audit results must be disclosed no later than 3 days prior to the end of the option period defined in the sales contract. If there is no option period, audit results must be disclosed prior to execution of the sales contract.

Who does this affect?

Homeowners with properties that lie within the Austin city limits and are serviced by Austin Energy are affected by the ordinance.

How Do I Comply?

The ECAD audit is required as part of the seller’s disclosure notice. Owners interested in saving money on their utility bills and increasing their home’s energy efficiency are encouraged have their homes audited before they consider selling, as early audits can pinpoint simple ways to increase a home’s energy efficiency.

Download Austin Energy’s Guide to Homebuyers, Home Sellers and Homeowners by visiting www.austinenergy.com/go/ecad and learn more about the available incentives from Austin Energy that can help homeowners meet the ECAD Ordinance requirements.

Who will conduct the audits?

ECAD audits will be conducted by professionals who have been certified by either the Residential Energy Services Network (RESNET) or the Building Performance Institute and who are registered with Austin Energy as approved contractors for this program. A list of registered energy audit professionals can be found online at www.austinenergy.com/go/ecad.

How Much Will The Audits Cost?

For a typical single-family home with 1,800 square feet or less and a single air conditioning system, the estimated cost of an ECAD audit ranges from \$200 to \$300. However, auditors set their own prices, which are dependent on the size of the home.

How long do the audits last?

Each energy efficiency audit will be good for 10 years under the current ordinance rule.

Are there any exemptions?

Yes, several. Properties that are fewer than 10 years old, as well as properties that are in foreclosure or pre-foreclosure are exempt. Properties subject to eminent domain, transactions between family members and properties under court order, in probate proceedings or under decree of legal separation or dissolution of marriage are all exempt. In addition, manufactured homes designed for use without a permanent foundation and properties owned by participants in designated Austin Energy Electric Utility programs or buyers who agree in writing to participate in these programs within six months are also exempt. Learn about which properties are exempt from the ECAD Ordinance by visiting Austin Energy’s website at www.austinenergy.com/go/ecad.

Who Should I Contact To Find An Auditor?

Your REALTOR® can help you find an auditor with the proper credentials for conducting an Austin Energy approved audit. When considering buying or selling a home, always contact your local REALTOR® first. REALTORS® abide by the National Association of REALTORS® (NAR) Code of Ethics and are equipped with the information and experience to guide you through your real estate transaction. With expert knowledge in marketing and negotiation, as well as a wealth of professional resources, your REALTOR® will add value to every step of your home sale or purchase.

Benefits to the Community

There are many reasons to comply. First and foremost, this will help *keep down the cost of living in Austin*. Energy prices are rising faster than ever and one way to keep the cost down is to use less energy.

Consumer's Right to Know

Most existing homes are nowhere near efficient by today's standards. Making modest investments in energy efficiency is much less expensive most home buyers aren't given any information that will tell them whether the house they're considering buying is in great shape or is horribly inefficient and expensive.

Lower Electric Rates Through Conservation

The City of Austin also owns our electric utility. If we continue to use electricity that could easily be saved, then the City will have to build additional generating plants. These plants are very expensive. Austin Energy provides rebates and incentives for energy efficiency upgrades because they find it less expensive than building new plants and generating more electricity.

Better for the Environment

By decreasing the amount of electricity and natural gas we use, we can contribute to reducing carbon dioxide in the atmosphere.

Financial Implications

The ordinance will have no financial impact on homeowners at all until they decide to sell their house. At that time, they will need to get an inspection and report that can be delivered to the prospective buyer.

Efficiency Upgrades

Once the results of the inspection are received, homeowners who want to voluntarily participate in the program are free to make any necessary efficiency upgrades themselves or leave it to buyers to make the upgrades after the sale is completed. In any event, program participation would only require that upgrades with quick payback periods be performed; and there would be an expenditure cap of no more than 1% of the home value.

Energy Efficiency Increases the Value of a House

While the results for any given house will be unique, research has shown that residential real estate values increase in relation to reductions in annual energy costs. So this is an investment that, whether made by the Buyer or the Seller, should result in an increase in the property's value. A recent study in the Seattle area by Northwest MLS found that energy efficient "green" homes were 5 to 10% more valuable than similar homes without green features or ratings.