



SEATTLE-KING COUNTY ASSOCIATION OF REALTORS®

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Mike Mann
Acting Director
Office of Sustainability & Environment
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submitted electronically
Mike Mann (mike.mann@seattle.gov)

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RE: Green Building Task Force Recommendations for Existing Buildings

Dear Mr. Mann,

The Seattle-King County Association of REALTORS® supports the City's goal of reducing the energy consumption and associated carbon emission of existing buildings within the City. We applaud the City's leadership in environmental protection. And we have appreciated the opportunity to be a part of the process through the Green Building Task Force. We caution, however, that the potential impacts of implementing the goal on home owners, sellers and buyers are significant. Careful consideration and deliberation is required.

There has been considerable Task Force discussion regarding the implementation of the 20% carbon reduction goal. Beyond the debate about voluntary or mandatory measures was the trigger point at which a residential energy audit would be performed. As you know, the Seattle-King County Association of REALTORS® is particularly troubled about an implementation program that would mandate disclosure of an energy performance score at the point of sale.

The introduction of new mandates within the real estate transaction places a yet another burden on an already complicated, stressful and costly process. The weak condition of the Seattle real estate market is not the sole basis for our concern. Even in robust real estate markets, preservation of cash and ease of transaction are critical. Additional dollars often are scarce for both the buyer and seller. Buyers are struggling to afford their first house or move-up house. Sellers are seeking to preserve equity at a time in our history when low or no down payment options have meant that sellers have very little equity in their home. Sellers' equity enables the purchase of a more expensive house or, for seniors, cash to

supplement savings and fixed income. Both buyers and sellers value a transaction free of last-minute obstacles to closing.

At such a time when the program expands to not just require an energy audit, but also require energy improvements that raise the energy performance score, we would expect to see reduction in homeownership options for middle-income earners within the City.

While it is true that many home improvements occur within the context of an offer to buy, room for new work orders is limited, particularly in Seattle where the housing stock is among the region's oldest. As such, many houses are strong candidates for repairs or replacements of roofs, furnaces, electrical systems, and plumbing. These repairs relate directly to the habitability and fundamental life safety of the house. Each item easily costs \$1,000 and can range upward well beyond \$25,000.

And yet energy performance information and associated retrofits are important and something about which Seattle homeowners would desire counsel and assistance.

We believe strongly that the energy performance audit is best conducted outside of the emotion and financial stress of the transaction. We believe that the goals can be achieved --- in far greater numbers and with far greater speed --- through a program that applies to all residences and begins as a voluntary program and transitions into a mandatory program. Education and outreach would need to play a major role as well as coordination with City Light and PSE.

The following bullets offer a rough model we would encourage you to consider:

- Establish a residential energy audit program that applies to all residences
 - Voluntary for first 18 months
 - Mandatory upon 19th month
 - Civil penalties for failure to comply
- Market audit program to property owners city-wide
 - Provide clearinghouse for information / education about investments in home energy retrofits
 - Collaborate with City Light and PSE programs.
- Establish referral service to link property owners seeking to make improvements to financing, grant, discount, and tax incentive programs.
 - Collaborate with City Light and PSE programs.

We believe the program outlined above would result in a far greater number of homeowners being exposed to and taking action on energy performance information about their house. With regard to a real estate transaction, as a city-wide requirement, buyers would request energy performance information of the seller and might well include energy-related change orders in purchase offer. Sellers may choose to highlight energy-related improvements in their marketing materials.

Lastly, we would like you to know that REALTORS® stand ready to help the City succeed in reaching its carbon reduction goals outside of the real estate transaction. In 2006, we established The REALTORS® Environmental Council (TREC) for just such projects. TREC is a nonprofit affiliate that promotes

environmental stewardship among REALTORS®, its affiliate members and homeowners, and supports projects and policies to preserve a healthy natural habitat and built environment. TREC could provide:

- REALTOR® education and outreach
- Homeowner, seller, and buyer education
 - Audits
 - Energy improvements
 - Financing
- State and local residential energy code changes
- Regional coordination/collaboration

We look forward to working with you to further develop this program.

Very truly yours,



Jolene Anderson

SKCAR Representative to the Seattle Green Building Task Force



Kristen Greenlaw

Vice President of Government Affairs