



Do house buyers value energy efficiency?

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Issue Addressed

- What does research tell us about the relationship between energy efficiency rating and residential sale prices?
- Do house buyers pay more for energy efficiency?

The Policy Context



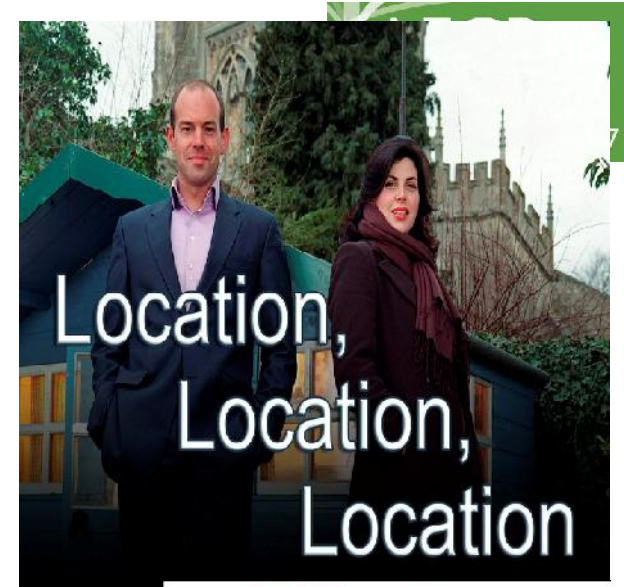
Environmental labels (such as EPCs) are a common market-based policy instrument attempting to “harness market forces” to combat climate change.

The proximate objective of environmental labels is to provide buyers and users with reliable information on the environmental performance of a product.

The primary objectives of environmental labels are to change demand for products, to change prices, to change supply and, ultimately, to change environmental impacts.

Prices then send signals from buyers to producers about what, where and when to produce.

Why do house prices vary?



GRAND DESIGNS



Home Condition Survey

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make sure the home you're buying is a happy home, have a home condition survey



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A home is probably the most expensive purchase you will

What is a Home Condition Survey?

A Home Condition Survey is a plain English, jargon-free report on the condition of the property. It will be carried out by a specially trained and fully

Average Floor Area of newly built homes



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Country	Area m ²
1 Australia	214.6
2 USA	201.5
3 New Zealand	195.2
4 Denmark	137
5 Greece	126.4
6 Belgium	119
7 Holland	115.5
8 France	112.5
9 Germany	109.2
10 Spain	96.6
11 Austria	96
12 Ireland	87.7
13 Finland	87.1
14 Sweden	83
15 Portugal	82.2
16 Italy	81.5
17 UK	76

Data From: Alan W. Evans and Oliver Marc Harwich, 'Unaffordable Housing: Fables and Myths', London, Policy Exchange, 2006



Size and age

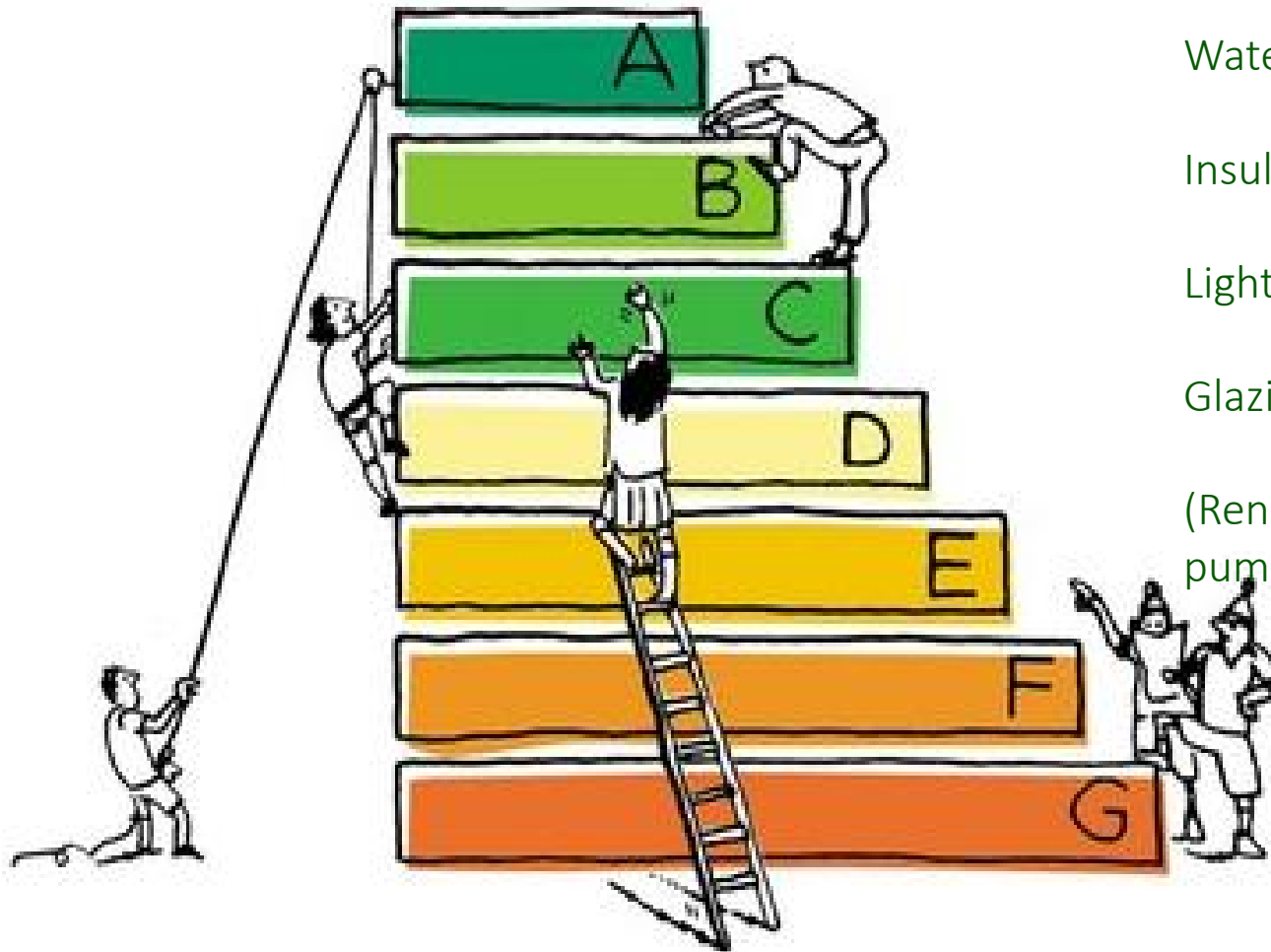
Water heating system

Insulation

Lighting

Glazing

(Renewables – Solar/heat
pumps/biomass)



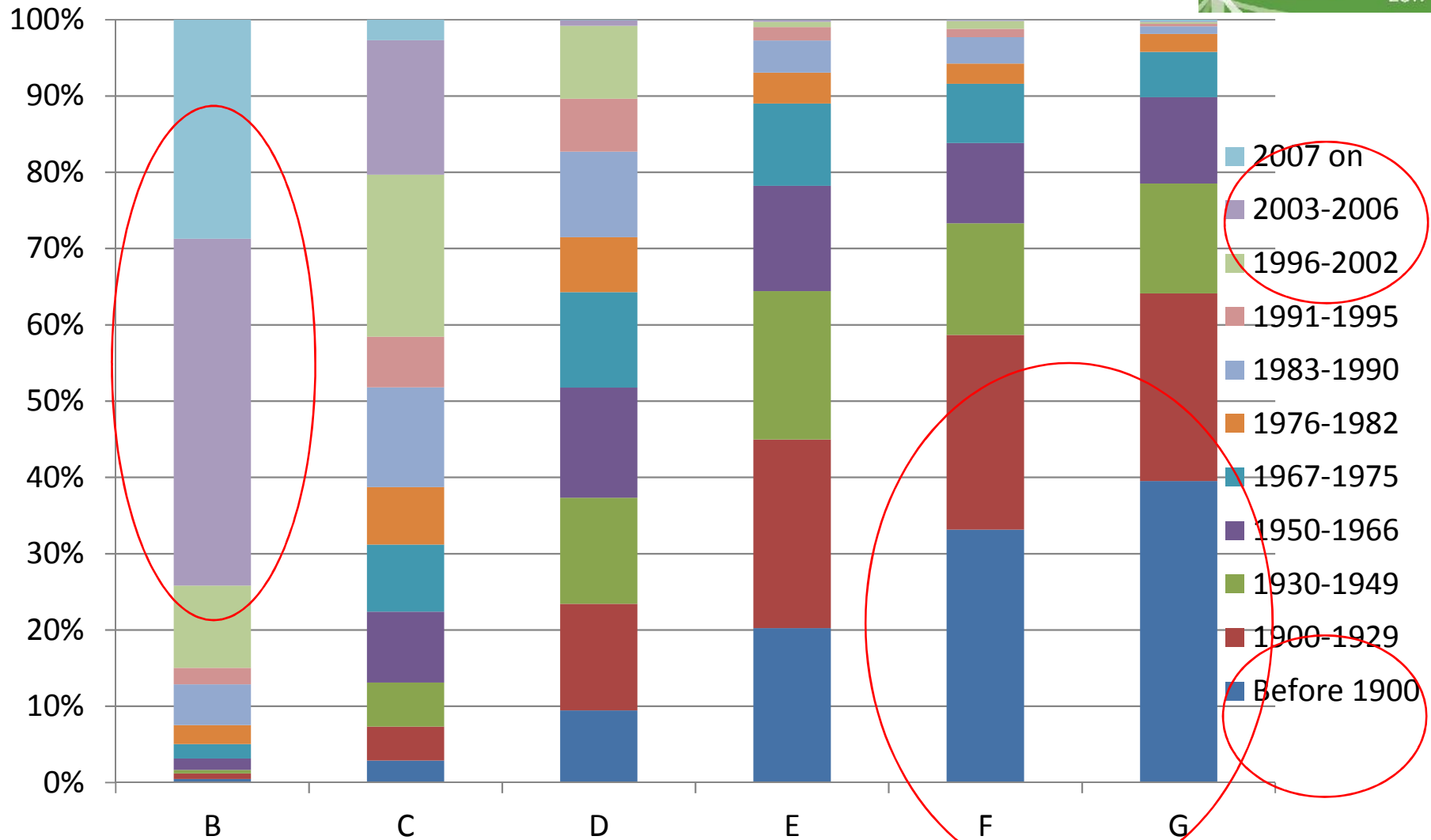
Energy efficient attributes - what is being paid for what?

- Glazing – Lower energy costs? Lower replacement costs? Noise reduction? Improved security?
- Lighting – Lower replacement costs? Aesthetics?
- Heating system - Lower energy costs? Lower replacement costs?
- Insulation- Lower energy costs?
- Renewables – Lower energy costs? Green glow?

Dwelling type and EPC rating

EPC rating	Detached	Semi-detached	Terraced	Flat
A/B	288	489	1,200	2,457
C	17,315	22,298	28,402	10,189
D	41,169	48,424	50,439	8,636
E	18,007	27,584	27,237	2,950
F	5,555	4,696	5,026	791
G	816	667	1,173	135
All	83,151	104,163	113,477	25,159

Age and EPC Rating



Our results in brief for Wales



EPC A/B	13.1%
EPC C	2.9%
EPC D	Hold-out
EPC E	-2.8%
EPC F	-5.7%
EPC G	-9.3%

But...

Thank you for your
attention