

Every Home Will Be Audited!

Q: My Real Estate Agent said we should get an energy audit done on our home before we sell it this year. He said it is becoming law, is this right?

A: Your agent may be jumping the gun just a bit, but the possibility that this may become law in 2010 is getting closer. First, let's cover a bit of the background here so everyone understands where the Province of Ontario is going. It is no secret that Ontario is struggling to supply us with electrical power during peak periods, both winter and summer. Nearly 50% of all green house gases come from our homes and vehicles. There are more studies on this subject than one can imagine, I have 26 in my files alone. In 2000, Germany realized that something had to be done. They were suffering from energy constraints worse than ours. They wrote the German Renewable Energy Sources Act into law in 2004 and are now considered a world leader with respect to a national green energy program. Germany boasts over 10,000 solar hot water installations alone, quite a feat for a small country in such a short time frame. This initiative has made Germany a world leader in solar technology.

An MPP from Ottawa, Phil McNeely introduced a private members bill last year requiring that homes have an energy audit. At the same time the government was developing a far-reaching green energy act and part of this act will include home audits. In December of 2008 the draft of this act was released. It covers many areas, green energy procurement, financing, community programs, conservation and environmental protection. One of the largest sections in the proposed act is on electrical management and environmental protection. If you would like to read more on this go to www.greenenergyact.ca.

Section 15 of the Act reads "empowering consumers to make informed decisions on building energy ratings, building labeling and energy performance..." Part of this is expected to be Mr. McNeely's plan for home energy audits. The next question is how will all these audits be done? Fortunately the base framework is already in place called the EcoEnergy Program. Natural Resources Canada started the Energuide Program nearly 10 years ago and the recent federal government modified it to the EcoEnergy Program about 2 years ago. There are a number of licensed organizations already operating in Ontario like Green Communities Canada. They have regional organizations with trained auditors on staff. Some of these organizations have been aware for a while that the Green Act was coming and they are training more auditors now.

How will this affect anyone selling a home? As we understand this right now there is a phased in plan as part of the act. All new homes will have a pre-sale energy audit done starting in March of 2010. All Resale Homes will come under the act in 2011 and all rental properties the following year. This is probably going

to create more jobs for energy auditors and the spin off will be work for renovation companies, window installers and insulation contractors.

The interesting part will be how the results of an energy audit affect the sale of an existing home, especially one that finishes the audit with a lower rating. The audit in its present form makes recommendations for upgrades and I can see this as an issue. Will the buyer want the retro fit work done? Will the seller be forced to factor in the costs of the upgrades recommended? The other concern will be the level of competence with a glut of new auditors and the level of quality and responsibility of workmanship by the retrofit contractors.

My suggestion to anyone that is considering selling their home in the next year or two, get the audit done this year. There is going to be a rush once the Act is passed and the deadlines are established. I fully expect this to become a hot topic within weeks and won't be surprised if buyers start asking for an audit as part of their purchase agreement. From a seller's point of view, this will give you an edge over other home sellers if you have the audit done and your home gets a good rating. Given the present economic climate this may be a wise idea.

If you go to ecoaction.gc.ca and then scroll down to hiring an energy auditor it will bring up a page where you fill in your postal code. A list of local auditors will show up on your screen including their phone numbers.

It is unfortunate that the government had to mandate energy conservation, as citizens of the world we should have realized this was necessary. As with many government programs this one will have some less than desirable side effects, but the idea is something we must address, the sooner the better.