

The Journal

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Monterey County Association of REALTORS

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Investing In Your Future....

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C.A.R. OPPOSES Point-of-Sale Mandate

Call your Assembly member Today!

C.A.R. is **OPPOSING AB 2678 (Núñez - Co-Sponsor Laird)** which will require a state agency to set up a process to require point-of-sale energy efficiency audits on ALL homes and commercial properties in California. These audits will cost up to \$400 for homes and ultimately require point of sale energy efficiency retrofits that may cost THOUSANDS of dollars.

While C.A.R. appreciates the goal of AB 2678 C.A.R. strongly opposes the point-of-sale requirements in AB 2678 because they fail to achieve the bill's objectives and, such mandates will further weaken the housing market. AB 2678 has just been approved by the Assembly Utilities and Commerce committee and may be considered for a vote by the entire Assembly as soon as next week.

In 2006, legislation was passed which set extremely ambitious goals for greenhouse gas emissions; the first of which is to reduce green house gas emissions to 1990 levels by 2020. To meet this goal, all market sectors in California are being targeted for energy and emissions reducing rules and regulations. AB 2678 is an attempt to reach this goal, albeit a misguided one.

C.A.R. has historically opposed point of sale retrofits: while they may be well intentioned, they are ineffective because they only apply to a small portion of the housing stock that changes hands every year, and they hurt housing affordability.

Here's why AB 2678 is a bad idea:

Point-of-sale takes too long. All homes will be subject to the requirements of AB 2678, but the California Energy Commission reports that approximately 70% of California's existing housing stock was constructed prior to energy efficiency standards, which were adopted in 1978. These homes, which use up to 50% more energy for heating and cooling than new homes are the homes where retrofits and upgrades can create the "biggest bang for the buck". Waiting for point-of-sale, however, to audit and retrofit these homes simply takes too long. C.A.R.'s research data concludes that only 22% of the homes built before 1980 (the homes most in need of retrofit) will change hands between now and 2020. By the time a point-of-sale program is devised and adopted this number would be even lower. The point-of sale approach falls critically short of reaching what is needed to achieve the state's goals.

Point-of-sale mandates hurt housing affordability. Every \$1,000 increase in the price of a home disqualifies 26,600 California households from achieving home ownership. Even in the current market, housing affordability in California is still abysmal. Home energy audits can cost up to \$400+ per home to perform. In addition, mandatory point of sale energy efficiency investments can add thousands of dollars to the price of a home. Every dollar counts when buying a home; California families are finding it difficult to achieve and sustain home ownership. The point-of-sale mandates in AB 2678 will only make matters worse.

There's a better alternative. To really achieve the goals of California's statewide and national energy and environmental policies and commitments, the C.A.R. suggests that AB 2678 be amended to reach all California homes through a comprehensive, phased in, statewide approach that does not burden homeownership at its most vulnerable point - when it se

Here's how you can help. Contact your Assembly member today by calling **800-961-3302** and entering your **NRDS ID**. When you are connected to his or her office, ask that they **OPPOSE AB 2678** unless the point-of-sale requirement is removed.

FOR MORE INFORMATION

Please contact DeAnn Kerr at deannk@car.org or at 1-800-337-9285.

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