

December 21, 2018

City of Minneapolis
350 S. 5th St.
Minneapolis, MN 55415

RE: Concerns about including Residential Energy Disclosure in Truth in Sale of Housing

Dear Mayor Frey and Members of the Minneapolis City Council,

My name is Roger Hankey; Certified Inspector in the American Society of Home Inspectors, Level II Certified Infrared Thermographer, and Minnesota Department of Health licensed Radon Measurement Provider. I have been active in the home inspection field since 1975, beginning in the first group of Minneapolis Truth in Sale of Housing evaluators. I also served as an energy auditor during the Minnesota Home Energy Disclosure program in the period 1980 to 1984.

Thank you for working on the issue of Minneapolis home energy disclosure. I agree with the city's stated goals of Affordable Housing, Carbon Emission Reduction, and Residential Energy Disclosure. However, I believe including a Residential Energy Disclosure requirement in the flawed and minimally effective Truth in Sale of Housing program is **not** likely to achieve the goals you have set. My view is based on thousands of interactions over 43 years with agents, buyers, sellers and home owners in all aspects of real estate inspections as well as energy efficiency and moisture damage consultations in Minneapolis and surrounding communities. I have owned and lived in two homes in Minneapolis including a 1908 built duplex in the Phillips neighborhood and a 1933 built house in Prospect Park.

The city currently funds and reduces the costs of home energy audits (Home Energy Squad) to zero for homes audited in Minneapolis. This fact leads me to suggest alternative measures to the current Truth in Sale of Housing (TISH) proposal.

The first alternative would be to have the city require a Home Energy Squad (HES) audit be done on every property listed for sale in Minneapolis. The cost burden would be borne by the City of Minneapolis, Xcel Energy, and Center Point Energy. The MN Center for Energy Environment can hire more HES auditors who will be trained by their current staff. The city could require the audit information be disclosed to purchasers once it is completed, but no later than at closing. This alternative could also require the energy audit report be disclosed to the property appraiser, since the current proposal suggests energy efficiency affects property value.

This alternative presents the energy efficiency information via the comprehensive Home Energy Squad report (instead of the TISH) and permits the home seller to benefit from the several services and products offered to home owners such as LED light bulbs, low flow shower heads, etc. Further, where the house is not energy efficient, the audit makes the seller's house eligible for other benefits through city and utility company energy efficiency programs. This helps shift the burden off the seller and keeps the TISH program focused on building health and safety concerns.

Many TISH evaluators have stated they do not want to be involved in the energy efficiency program and at this point many are not trained or qualified to use blower doors, IR cameras, etc. and are unwilling to purchase this equipment.

I am generally supportive of the Home Energy Squad audits as I had one done on my home a year or so ago. I've also reviewed other HES audits. The audit on my house, while not all encompassing, was far better than anything I would expect from what the city is proposing be done by TISH evaluators. The audit on my house cost \$100 me or so, and the two auditors worked for 2 hours including installing over a dozen LED bulbs and 4 low flow shower or sink faucet heads. The audit also identified an air leak into the attic which I was able to correct on my 1987 built current home.

If the city objects to the cost, the program could be limited to homes built before a certain year, say 1985 or whatever year the building code included the first version of the energy code.

A second alternative would more fully separate the audit from the real estate transaction but still require the audit be done. I suggest the city could require a home purchaser obtain the Home Energy Squad audit within a year of the date of closing of the real estate transaction. The city could fund a portion of the owner's expense of the audit depending on budget projections and the amount of incentive deemed appropriate to ensure compliance with the requirement to have the audit done. The key advantage of this option is that it presents the energy efficiency information at a time when the home owner is much more likely to understand the costs of home ownership and the benefits of improving home energy efficiency.

As this issue evolves and the details regarding implementation are discussed, I am willing to correspond with city officials to help develop a successful ordinance and process. I have experience in these matters, as I worked with Bloomington city officials in 1994 to help develop their Time of Sale home inspection report. I have also seen the defeat of a municipal real estate inspection program a few years ago which lacked the support of the community's home owners, real estate professionals, and inspection professionals.

Sincerely,

Roger Hankey, ASHI® Certified Inspector

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