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Energy Efficiency in Real Estate Listings/A Controlled Experiment: American Council for an Energy-Efficient Economy Report

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The American Council for an Energy-Efficient Economy (“ACEEE”) issued an August 2020 report titled:

Energy Efficiency in Real Estate Listings: A Controlled Experiment (“Report”)

The *Report* is co-authored by:

- Reuven Sussman
- Christine Kormos
- Celine Park
- Emma Cooper

ACEEE describes the *Report* as a first-of-its-kind study indicating that energy efficiency scores in online real estate listings can encourage buyers to choose more efficient homes.

The organization states that the *Report* indicates that state or local policies that ensure home energy information is available to buyers would influence their choices and:

- Incentivize sellers to make home efficiency upgrades
- Incentivize builders to construct more efficient new homes

Key “takeaways” described by the *Report* include:

- Energy efficiency information encouraged home buyers to avoid the least efficient homes and choose more efficient homes in a simplified simulation of a real estate website.
- Presenting efficiency information for only the most efficient homes did not encourage home buyers to choose more efficient homes in our simulation. This suggests that a voluntary labeling policy might be less effective than a mandatory labeling policy in which all home listings must include energy efficiency information.
- Energy efficiency information was most valued (in terms of willingness to pay) by relatively wealthy and educated home buyers who planned to spend the most to buy their next homes.
- Home buyers valued efficiency most when it was presented as an image depicting the home’s efficiency score along a continuum (a line) from inefficient to efficient.

Recommendations for “policymakers” include:

- Include efficiency information in real estate website listings because home buyers value it.

- Ensure that listings include efficiency information for all homes, not just the most efficient homes.
- Use an intuitive energy scoring system to present energy information.
- Research and develop complementary policies.

A copy of the *Report* can be downloaded [here](#).