



NATIONAL ASSOCIATION OF REALTORS®

The Voice For Real Estate®

500 New Jersey Avenue, N.W.
Washington, DC 20001-2020
202.383.1194 Fax 202.383.7580
www.realtors.org/governmentaffairs

Charles McMillan
CIPS, GRI
President

Dale A. Stinton
CAE, CPA, CMA, RCE
EVP/CEO

GOVERNMENT AFFAIRS
Jerry Giovaniello, Senior Vice President
Gary Weaver, Vice President
Joe Ventrone, Vice President
Jamie Gregory, Deputy Chief Lobbyist

The Honorable Henry Waxman
U.S. House of Representatives
2204 Rayburn House Office Building
Washington, DC 20515

Chairman Waxman:

The Energy and Commerce Committee is scheduled to consider the “American Clean Energy and Security Act.” The National Association of Realtors® supports efforts to inform property buying decisions, but is concerned with the provisions that develop a system of energy ratings and labeling for real estate. We support an amendment by Rep. Cliff Stearns to strike the labels and ratings system, and urge you to vote in favor of this amendment.

Labeling every home or building will not itself save energy. Consumers must read, understand, and act on the information and upgrade the property’s energy features such as the heating and cooling system, windows or insulation. A poor score on an energy label, however, will only give savvy home shoppers another bargaining chip to negotiate lower selling prices. In the end, there are no assurances that the buyers will spend the negotiated savings on upgrading energy features in homes or buildings.

The energy performance of a property depends upon many variables including the number and preferences of occupants. It cannot be easily reduced to a number. If we provide consumers with unreliable or inaccurate information about the nation’s diverse housing stock, it could distort markets, especially in older communities hardest hit by the tsunami of foreclosures and a U.S. economy in recession.

If the goal is energy efficient real estate, the most effective approach would be to provide owners with the financial incentives such as grants, low interest loans or tax credits to make needed energy-related improvements. There are separate provisions in the bill to provide matching grants for energy retrofits. We strongly support these provisions, and believe that they will do more to produce needed energy savings than any label.

The 1.2 million members of NAR urge a “yes” vote on the Stearns amendment to strike energy ratings and labeling that will only distort real estate markets without improving building energy efficiency.

Sincerely,

Charles McMillan, CIPS, GRI
2009 President, National Association of REALTORS®