Empowering Buyers with Home Affordability Intelligence

Total Cost of Ownership to Empower Informed Home-Buying Decisions

BECC Conference
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David Becker, Operations Manager
Why Affordability: Lessons Learned from the Foreclosure Crisis

– Homeowners want to understand how much homes cost to operate
– More to affordability that just the mortgage
– REALTORs are home ownership advocates
– REALTORs need access to tools that inform the home-buying decision process
Buyers want to better understand all the costs in owning a home

Homebuyer Efficiency Preferences
- % Saying Important or Very Important -

Source: NAR Profile of Home Buyers and Sellers. Used with permission of NAR Research.
True home affordability considers **Total Cost of Ownership**

**Traditional Affordability**
- PITI
  - Principal
  - Interest
  - Taxes
  - Insurance

**Total Cost of Ownership**
- PITI+
- Transportation
- Energy
- Maintenance

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**Average U.S. Homeowner Costs 2008**

- **Energy**
  - $2,278
  - 46%
- **Property Tax**
  - $1,897
  - 37%
- **Homeowners Insurance**
  - $791
  - 16%
Realtors 2011 Advocacy Campaign: “Future Generations”
Today’s Realtor tools help consumers assess purchase costs

Traditional Affordability

- Principal
- Interest
- Taxes
- Insurance

This data is for informational purposes only and accuracy of the figures hereinafter set forth is not guaranteed. The actual costs with respect to each transaction will vary depending upon the circumstances.
Total Cost of Ownership fields would advance home-buying choices

Total Cost of Ownership

- PITI+
- Transportation
- Energy
- Maintenance
Reducing Household Energy Costs

ENERGY IMPACT ILLINOIS
We Make It Easy And Affordable To Take Energy Efficient Action.

What Kind Of Property Are You Trying To Make More Efficient?

- My Home or Apartment »
- My Multi-Family Building »
- My Business »
- My Government or Non-Profit Property »

None of the Above. I'm a Contractor »
MyHomeEQ – Making Energy Costs Transparent

Your Home EQ

3061 W Belden Ave, Chicago IL 60647
Home Type: Bungalow | Size: 3,016 sq ft | Year Built: 1901 | # of Occupants: 7

YOUR HOME EQ SCORE

$2,695
You spend this much on energy annually

24%
This is how much more energy efficient your home is when compared to similar homes.

FOR BETTER RECOMMENDATIONS
Update Home Details

IMPROVEMENTS TO USE LESS ENERGY, MORE SAVINGS

$1,103
Potential Annual Energy Savings

<table>
<thead>
<tr>
<th>Improvement</th>
<th>Annual Savings</th>
<th>Approx. Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjust Your Thermostat Based on Outside Temperatures</td>
<td>$135</td>
<td>$0</td>
</tr>
<tr>
<td>Upgrade to Energy Efficient Lighting</td>
<td>$23</td>
<td>$45</td>
</tr>
<tr>
<td>Use and Turn Off Power Strips</td>
<td>$46</td>
<td>$75</td>
</tr>
<tr>
<td>Air-Seal around Windows, Doors, and other penetrations</td>
<td>$280</td>
<td>$1,500</td>
</tr>
<tr>
<td>Air Seal and Insulate the Basement</td>
<td>$159</td>
<td>$1,500</td>
</tr>
<tr>
<td>Air Seal and Insulate Your Attic</td>
<td>$130</td>
<td>$2,100</td>
</tr>
<tr>
<td>Boiler Replacement</td>
<td>$330</td>
<td>$6,250</td>
</tr>
</tbody>
</table>

Estimated payback period: 10 years

Review more improvements that can reduce your energy costs

DETAILS ABOUT YOUR ENERGY USE

Annual Gas Use

Annual Electricity Use

Provide your ComEd Account Number

How does MyHomeEQ work? | Stuck? Click here to let us know
Abogo – Making Transportation Costs Transparent

What is Abogo?
Abogo is a tool that lets you discover how transportation impacts the affordability and sustainability of where you live.

Sign up for Updates

Blog
Abogo at Inman Real Estate Connect
I had the pleasure of presenting Abogo at the 15th Annual Inman Real Estate Connect conference session on "the coolest new real estate apps" for 2011. Check out the video here.
It was a great meeting with the innovators in the real estate industry and talk about how they can use transportation costs to help their clients […]

Santa’s Transportation Costs
Visiting all the world’s girls and boys in one night is one heck of a commute, especially with tons and tons of presents loading the vats for delivery. Now you can see how much it costs! CLICK HERE.}

Enter an address to find out what a typical household would spend on transportation.

Current Address: 2125 W North Ave, Chicago, IL 60647, USA

Transportation Cost for an average household
$643/month
Regional average: $821

Transportation CO₂ Impact for an average household
0.33 metric tons/month
Regional average: 0.62 metric tons
H & T Affordability Index
Sacramento, CA

**Housing Costs - % Income**

- Data Not Available
- Less than 30%
- 30% and Greater

**Housing and Transportation Costs - % Income**

- Data Not Available
- Less than 45%
- 45% and Greater

H & T has been developed as a more complete measure of affordability beyond the standard method of assessing only Housing Costs. By taking into account both the cost of housing as well as the cost of transportation associated with the location of the home, H & T provides a more complete understanding of affordability. Dividing these costs by Representative Regional Incomes illustrates the

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[Map Image]
Total Cost of Ownership Tools Would Support Future Home Owners

- Multiple Listing Service Operators evaluating “green” fields
- Tools quickly evolving to make energy and transportation costs transparent on listing sheets
- Reduces foreclosure concerns
  - Brings major, variable home ownership costs into the decision process
  - Enables consumers to make informed choices
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