Relevance of the Energy Performance Certificate for Purchasing Decisions  ✍  Hermann Amecke
Climate Policy Initiative (CPI)

- CPI assesses, diagnoses, and supports efforts to achieve low carbon growth
- Focus is on implemented policy rather than policy design
- International organisation: German office in Berlin at DIW
- CPI is an independent, not-for-profit organization with long-term funding from George Soros
Topic and Methodology
Energy Performance Certificate (EPC)

• Comparison label – semi mandatory for existing buildings

• Aim: Bridge information gap
  ➢ influence purchasing decisions
  ➢ influence renovation decisions

• Relevant policy design
  • does it work?

(Source: Dena/BMVBS)
Focus of Study

• **Current Knowledge:** Little knowledge about impact of EPC, esp. on purchasing decision

• **Study Focus:** Private purchasing decisions of residential dwellings in Germany

• **How:** Survey among private purchasers of dwellings since January 2009
Methodology

60,000 e-mails to former Immobilienscout24 customer in July 2010

• Lower response because of selecting question in mail
• Avoidance of self-selection bias → e.g. neutral framing of survey
Study Results
• High awareness of EPC among purchasers
• High understanding what EPC is
• Most respondents indicated that they used certificate at some point during search
Results: Impact

- EPC: positive but minor role (mean: 4.35 / rank: 7 of 8)
- Moderate absolute and low relative impact of EPC confirmed by other indicators in study
Explanations
Explanations (1)

- Why do purchaser pay attention to energy efficiency (if they do)?
Explanations (1)

- Purchasers found EPC less useful for financial information (mean: 4.19 / rank 6 of 6)
  - Preference for energy bills
  - How to improve?
Explanations (2)

- Energy efficiency was minor purchasing criterion
- EPC can only be as important as criterion which it informs
- How to improve?

### Importance of dwelling criteria for purchasing decision (scale 1-7)

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Importance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>6.7</td>
</tr>
<tr>
<td>Price</td>
<td>6.9</td>
</tr>
<tr>
<td>Balcony/Terasse/Garden</td>
<td>6.2</td>
</tr>
<tr>
<td>Condition of Building</td>
<td>6.0</td>
</tr>
<tr>
<td>Size</td>
<td>5.5</td>
</tr>
<tr>
<td>Cut of Dwelling</td>
<td>4.0</td>
</tr>
<tr>
<td>Construction Method</td>
<td>3.0</td>
</tr>
<tr>
<td>Parking Spaces</td>
<td>3.0</td>
</tr>
<tr>
<td>Energy Efficiency</td>
<td>2.7</td>
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<tr>
<td>Building Style</td>
<td>2.6</td>
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<tr>
<td>Basement</td>
<td>2.4</td>
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<tr>
<td>Internet type</td>
<td>2.4</td>
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<tr>
<td>Number of Plugs</td>
<td>2.4</td>
</tr>
</tbody>
</table>
• EPC has moderate impact in Germany
• Impact of EPC inhibited
  • due to design aspects → understanding financial implications
  • due to relative unimportance of energy efficiency
  • due to legal status/low spread of EPC
• Policy implications: design, policy mix, outlook
• Research implications: cross-country effectiveness study. Which design works best?
Thank you for your attention!

For a more detailed report visit

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