



Energy Cost Disclosure in Residential Listings in Chicago: A Preliminary Snapshot

On July 1, 2013, the City of Chicago became the first municipality in the United States to disclose residential energy costs (gas and electric) when a single family or two to four unit home was listed for sale via a multiple listing service (MLS). The achievement was the result of collaboration between the City of Chicago Office of the Mayor; [Midwest Real Estate Data \(MRED\)](#), the MLS serving Chicago; and [Elevate Energy](#). Now, when a home is listed for sale, Realtors can access an energy cost disclosure (ECD) report for a property in near real-time, which they in turn are required to provide to home purchasers pursuant to the [City of Chicago ordinance](#).

Elevate Energy has reviewed the first seven months of MRED data to provide a snapshot of how energy cost disclosure has performed in the real estate marketplace since the ordinance went into effect. This preliminary snapshot describes Elevate Energy's early findings. It pertains only to single family homes that were listed between July 1, 2013 and February 19, 2014. Homes with two to four units listed during this time period were excluded from the analysis. The findings presented here describe attributes of the homes that disclosed energy costs (ECD homes) and those that did not disclose energy costs (non-ECD homes). The findings do not imply causation.

Traits of Listed Homes that Disclosed Energy Costs and Homes that Did Not

This analysis includes a total of 18,605 single family homes. Of the total homes listed, 10 percent (1,869) disclosed energy costs and 90 percent (16,736) did not. Of the homes that disclosed energy costs, 67 percent were attached (i.e. condominium or townhome), and 33 percent were detached. Of the homes that did not disclose energy costs, 56 percent were attached homes and 44 percent were detached homes.

Of the 18,605 homes listed during the time frame of the analysis, 66 percent of the ECD homes sold, while 53 percent of non-ECD homes sold. Fifty percent of attached ECD homes sold compared to 34 percent of attached non-ECD homes. In aggregate, the difference between the sale of ECD homes and non-ECD homes is not statistically significant, but it becomes significant in some neighborhoods.

Neighborhood Analysis

In an attempt to compare similar homes to each other, Elevate Energy analyzed a Chicago Community Area that had a large number of listings for homes that did and did not disclose energy use. The Near North Side had 166 ECD homes and 1,609 homes that did not disclose energy costs. In this neighborhood, homes that disclosed energy costs spent a median of 55 days on the market compared to a median of 61 days on the market for non-ECD homes. This finding is not statistically significant.

However, in Lakeview, another Chicago Community Area that had a large number of listings for both types of homes, there is a statistically significant amount of time spent on the market between the two types of single family homes. In Lakeview, ECD homes spent a median of 43 days on the market compared to 63 days on market for homes that did not disclose energy costs.