



Energy-Efficient Housing Report

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Why are energy-efficient homes so important?

Until recently, there was no requirement for new homes to be built to minimum energy-efficient standards in Australia. This means that most of Australia's existing properties were not designed for energy efficiency.

In 2003, minimum requirements for energy efficiency were incorporated into the Building Code of Australia; initially just for new houses, with units later included in 2010.

There are several benefits of having a highly energy-efficient home. Firstly, it saves money on energy bills.

Generating electricity from solar panels rather than relying on taking energy from the grid can save considerable amounts.

Features such as double-glazed windows and good insulation can help retain more warmth, reducing the need to rely on heating appliances.





Additionally, moving to renewable energy sources and equipping houses with more energy-efficient appliances reduces carbon emissions.

Residential buildings are responsible for around 24% of overall electricity use and more than 10% of total carbon emissions in Australia, according to [energy.gov.au](https://www.energy.gov.au), so improving the energy efficiency of new and existing properties could reduce the country's emissions.

The annual PropTrack Energy-Efficient Housing Report looks at consumer sentiment regarding the importance of energy-efficient homes and what features are most in demand with property seekers on [realestate.com.au](https://www.realestate.com.au).

Property seekers take energy efficiency seriously

Australians are increasingly interested in improving the energy efficiency of their homes as the higher cost of energy usage and concerns about climate change weigh on their minds.

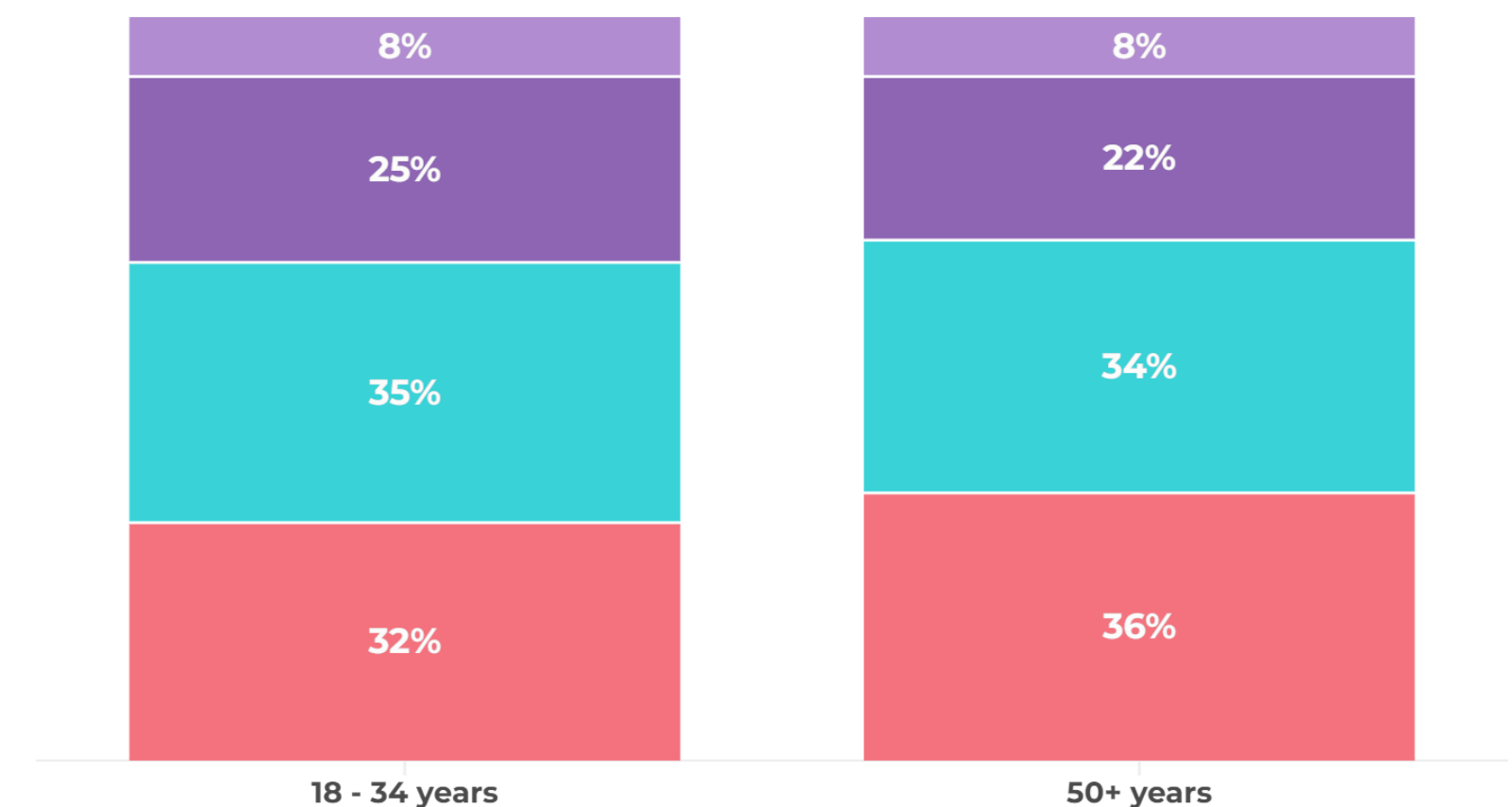
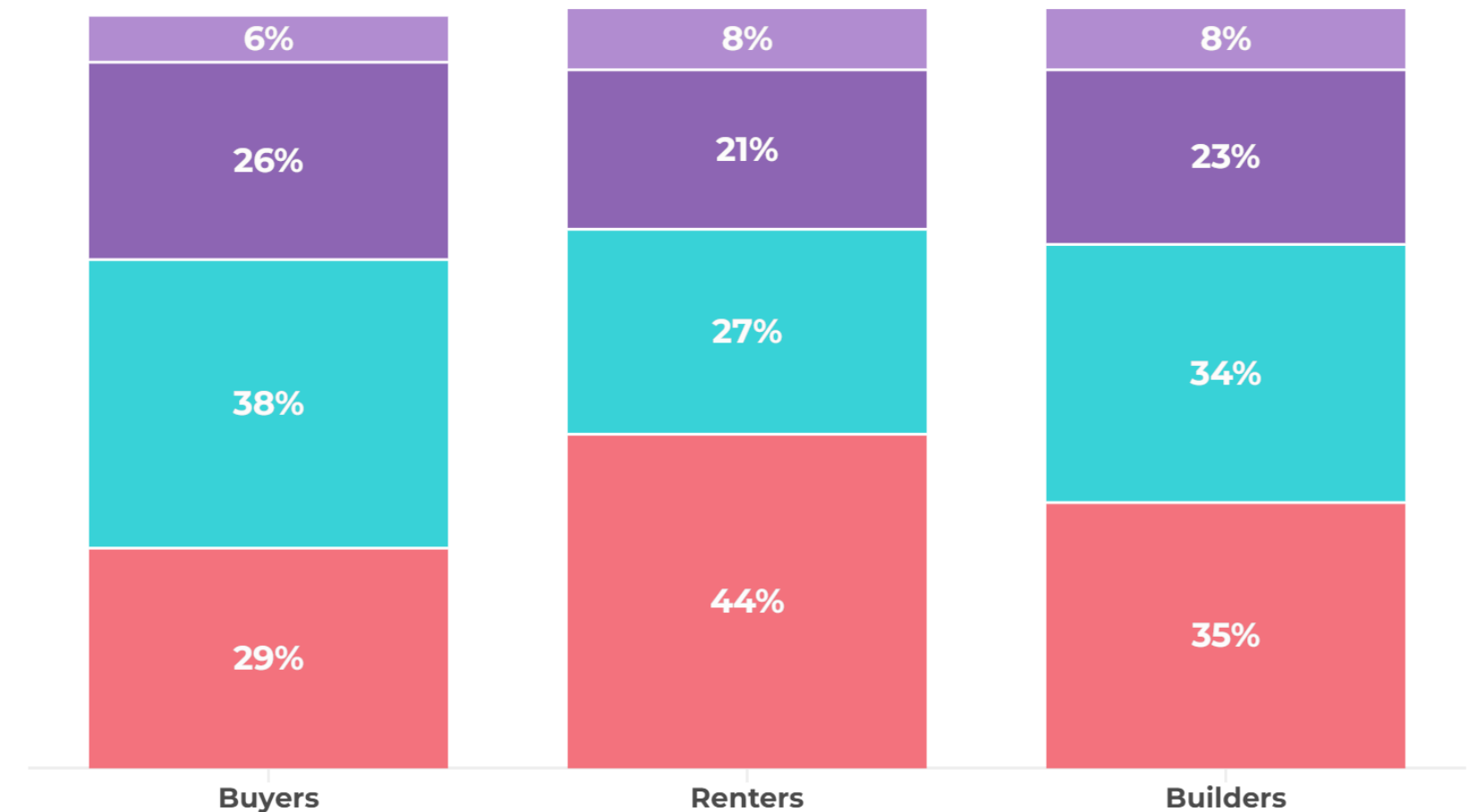
According to the realestate.com.au September 2023 Residential Audience Pulse Survey, 68% of consumers said energy efficiency ratings were important when buying, renting, or building a property.

Around a third (34%) considered energy efficiency ratings extremely important, 6% higher than last year.

Surprisingly, renters thought it was more important than those who were buying or building a house. Close to half (44%) of renters thought ratings were extremely important, compared to 29% of buyers and 35% of those building their own homes.

Older respondents, specifically those aged 50 years and above, were more concerned with energy efficiency than those aged 18-34.

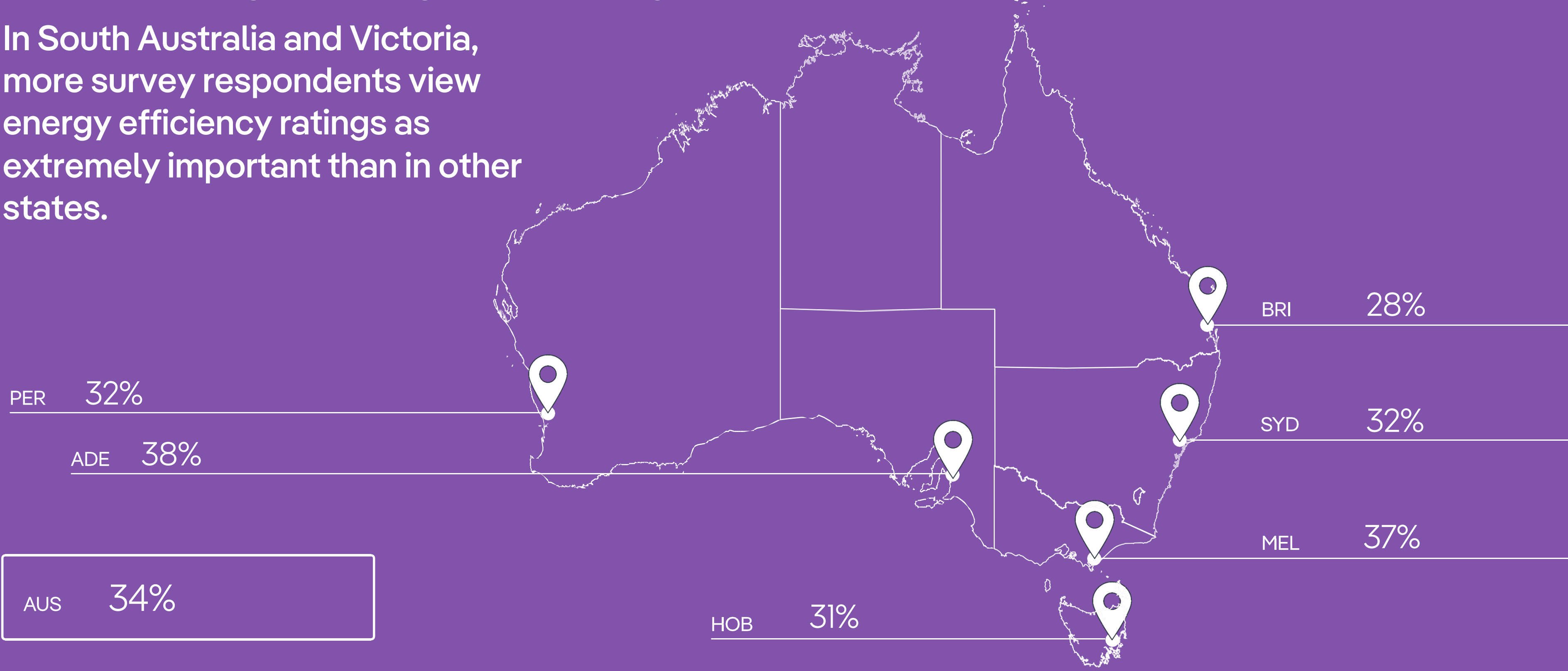
How important are energy efficiency ratings in your decision-making when buying / renting / building?



Extremely important Important Slightly important Not important at all

Importance of energy efficiency scores when buying, renting or building

In South Australia and Victoria, more survey respondents view energy efficiency ratings as extremely important than in other states.



% of customers that said energy efficiency scores were extremely important

Importance of energy efficiency varies across the states

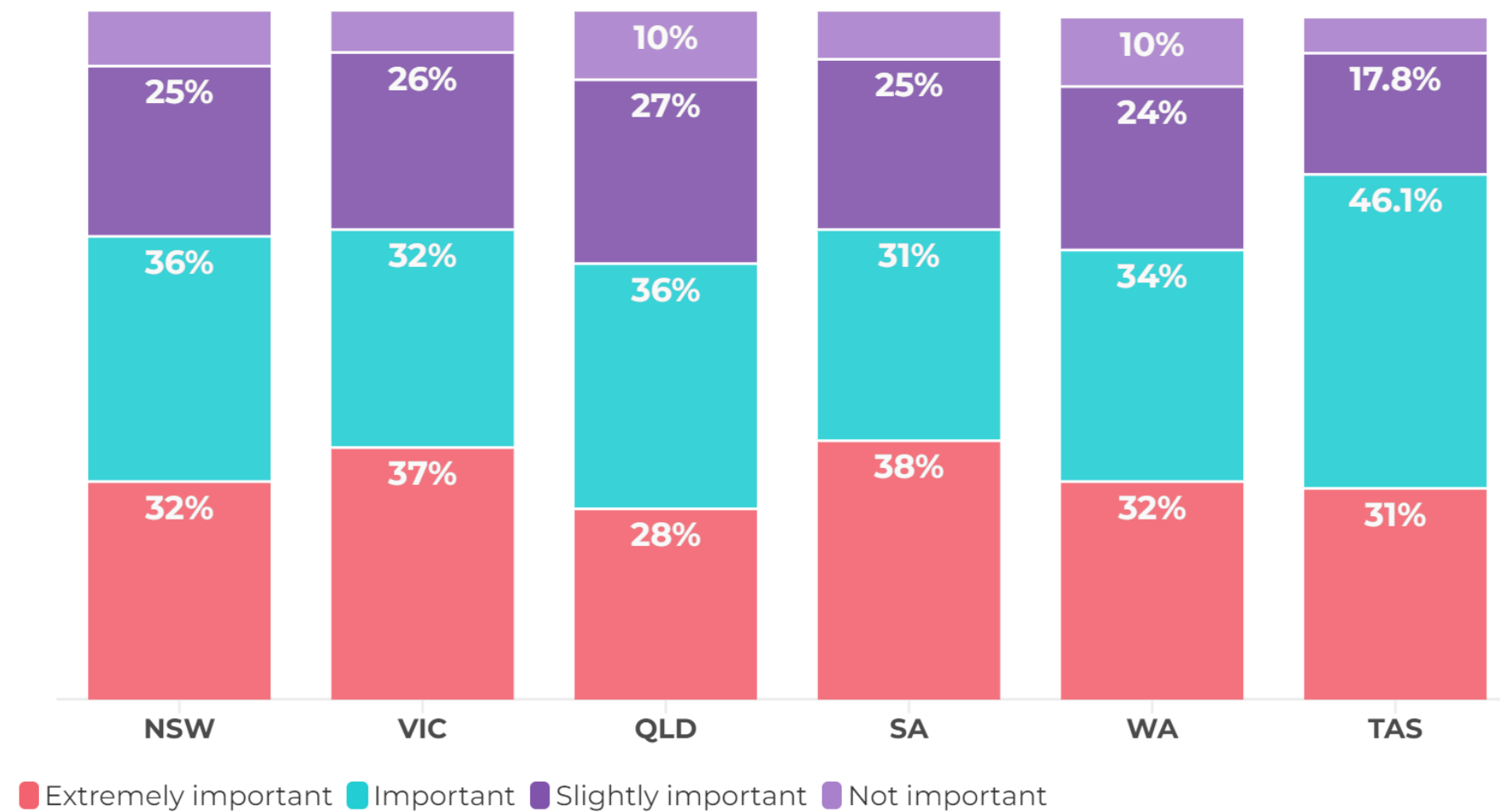
More people take energy efficiency seriously

How important are energy efficiency ratings in your decision-making when buying / renting / building?

In South Australia and Victoria, more survey respondents thought that energy efficiency ratings were extremely important than in other states.

Queensland had the lowest percentage of people who viewed ratings as extremely important at just 28%.

In Tasmania, 77% of respondents viewed ratings as important or extremely important.



Why are energy efficiency ratings important?

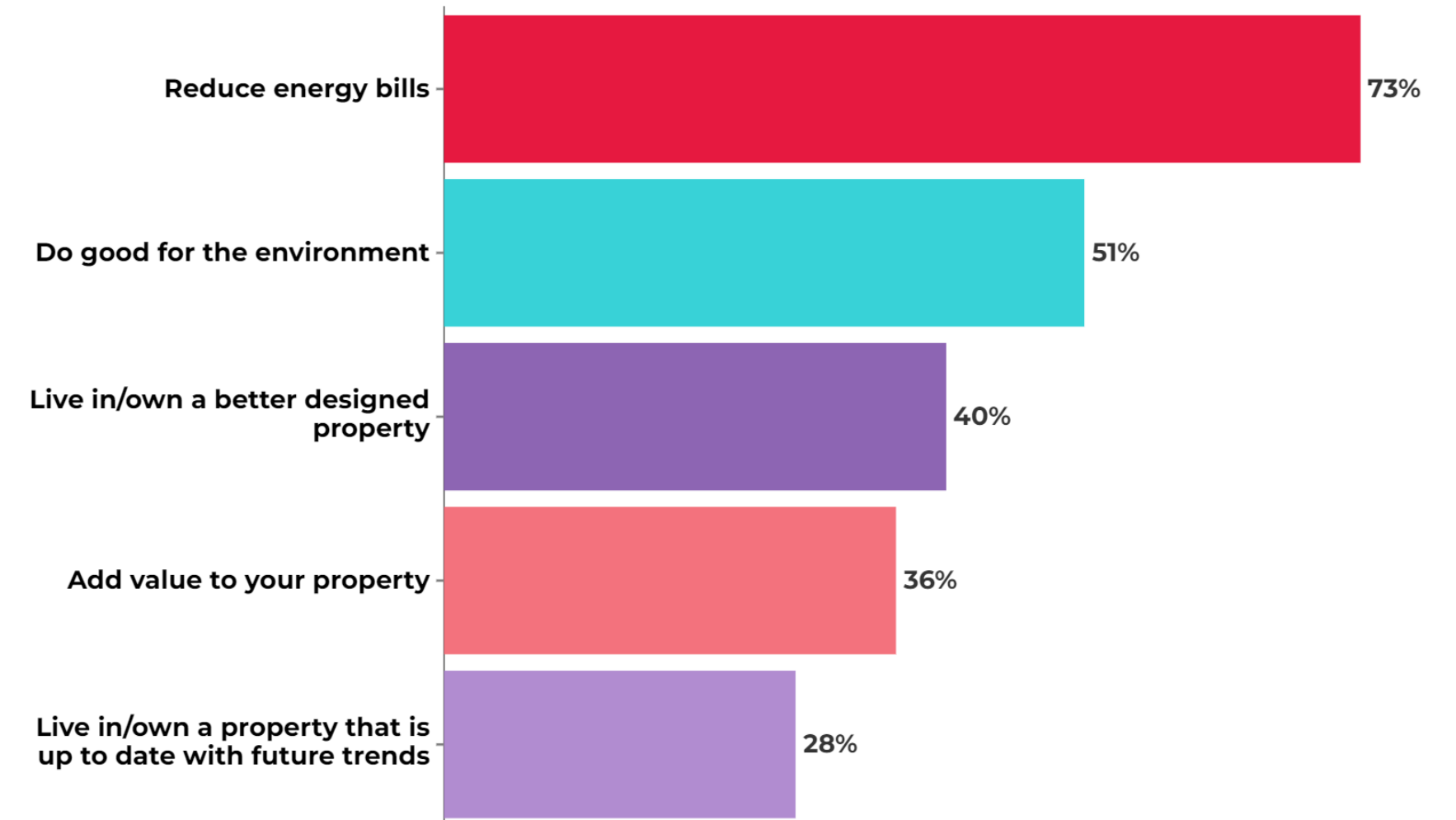
Financial concerns are the main reason that respondents view energy efficiency ratings as so important.

Reducing the cost of regular bills was the most common reason buyers and renters viewed an energy-efficient home as important.

Impacts on the environment were also important to property seekers, with half of respondents citing 'doing good for the environment' as an important reason to have an energy-efficient home.

The younger age group (18 – 34 year olds) were more concerned with environmental impacts than the 50 years and above group, who were primarily concerned with reducing energy bills.

Why are energy efficiency ratings important to you?



Which state is most concerned about saving money?



Which state is most concerned about environmental impact?



Reasons for being concerned about energy efficiency differ from state to state.

Over 70% of respondents in each state were concerned with reducing regular energy bills, but Tasmania and South Australia topped them at 83%.

Respondents from New South Wales had the least concern at 70%, although this is still very high.

Tasmanians were also concerned with their environmental impact, with 60% of respondents wanting to be more environmentally conscious.

South Australia and New South Wales were the least concerned about environmental impacts.

Australia is fortunate enough to have plenty of year-round sunshine, so, unsurprisingly, solar panels are of most interest to property seekers.

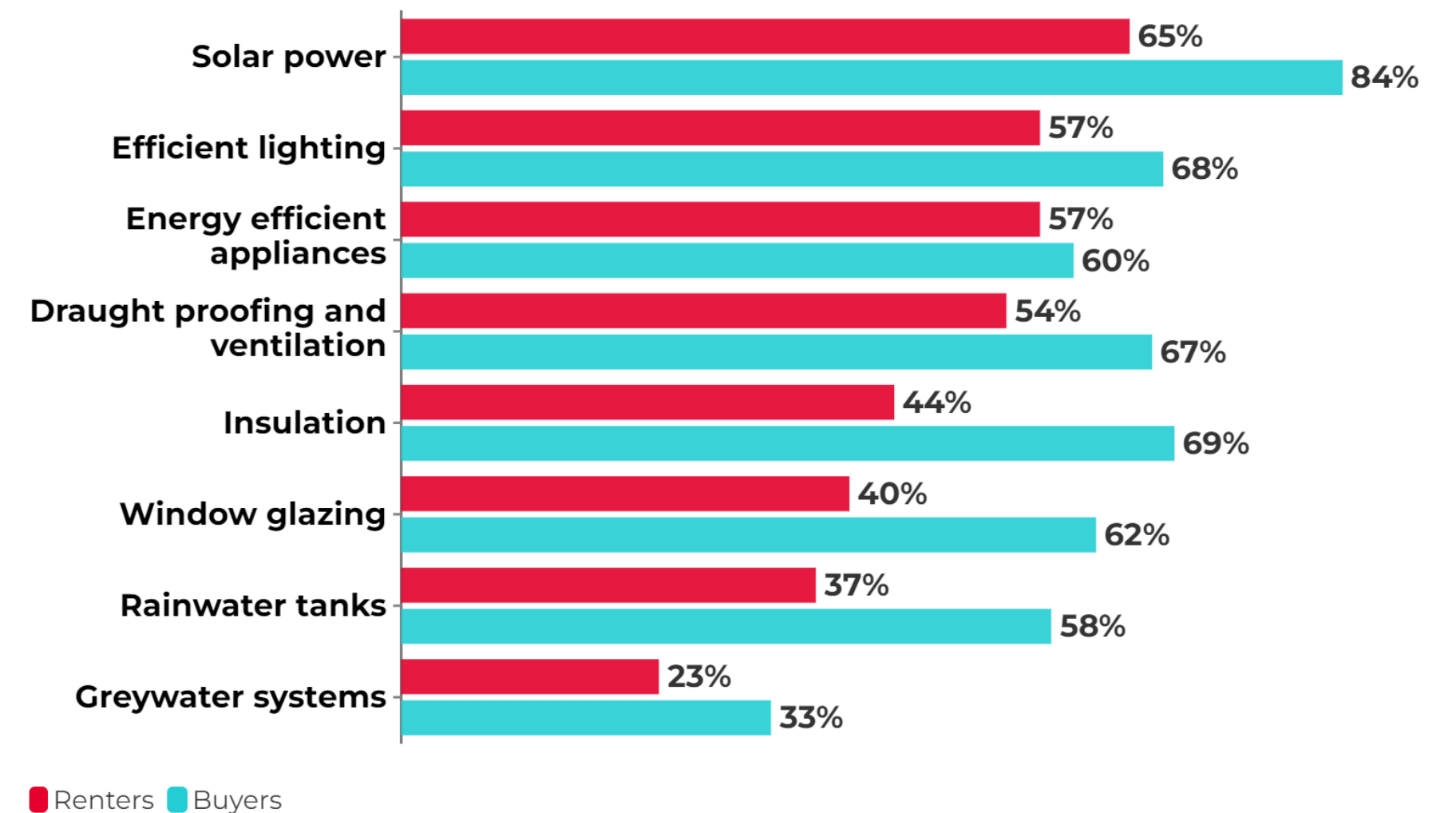
84% of buyers and 65% of renters were interested in solar.

There are significant cost savings to be made by installing solar panels. Additionally, unused energy can be stored or sold back to the grid.

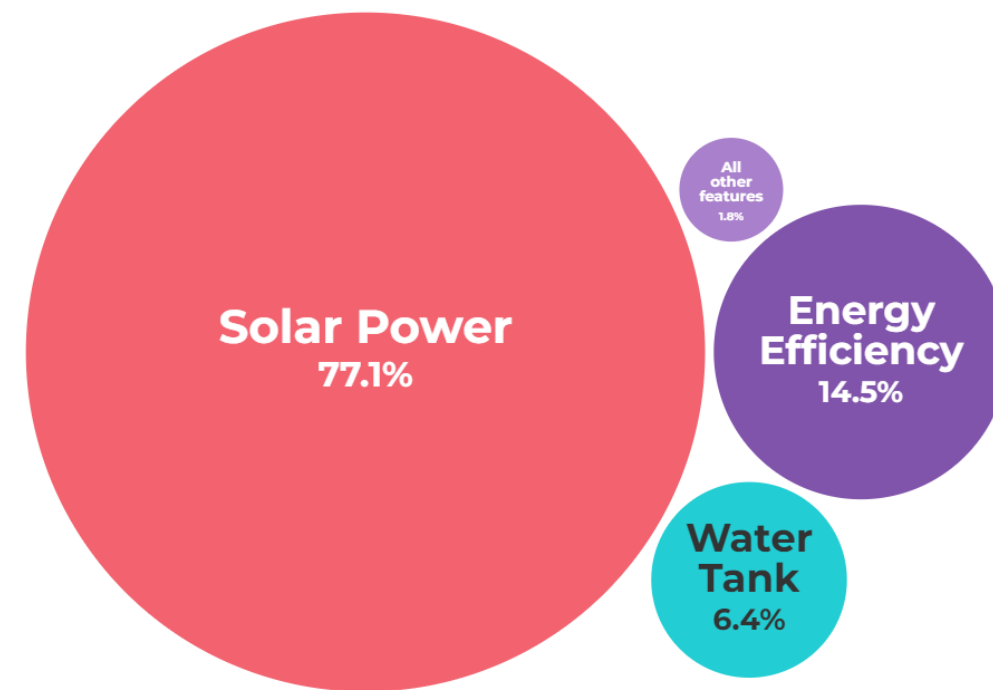
While more renters viewed energy efficiency ratings as important, buyers had greater interest in all energy-efficient features compared to renters. This is likely because buyers are more invested in their homes and are more willing to make improvements to their properties than renters.

Respondents in all states were most interested in solar panels, except for Tasmania, where there is less sunshine. Instead, draught proofing and ventilation were of most importance.

What energy-efficient features are property seekers most interested in?



Most searched energy efficiency keywords on realestate.com.au



What energy-efficient features do property seekers look for most?

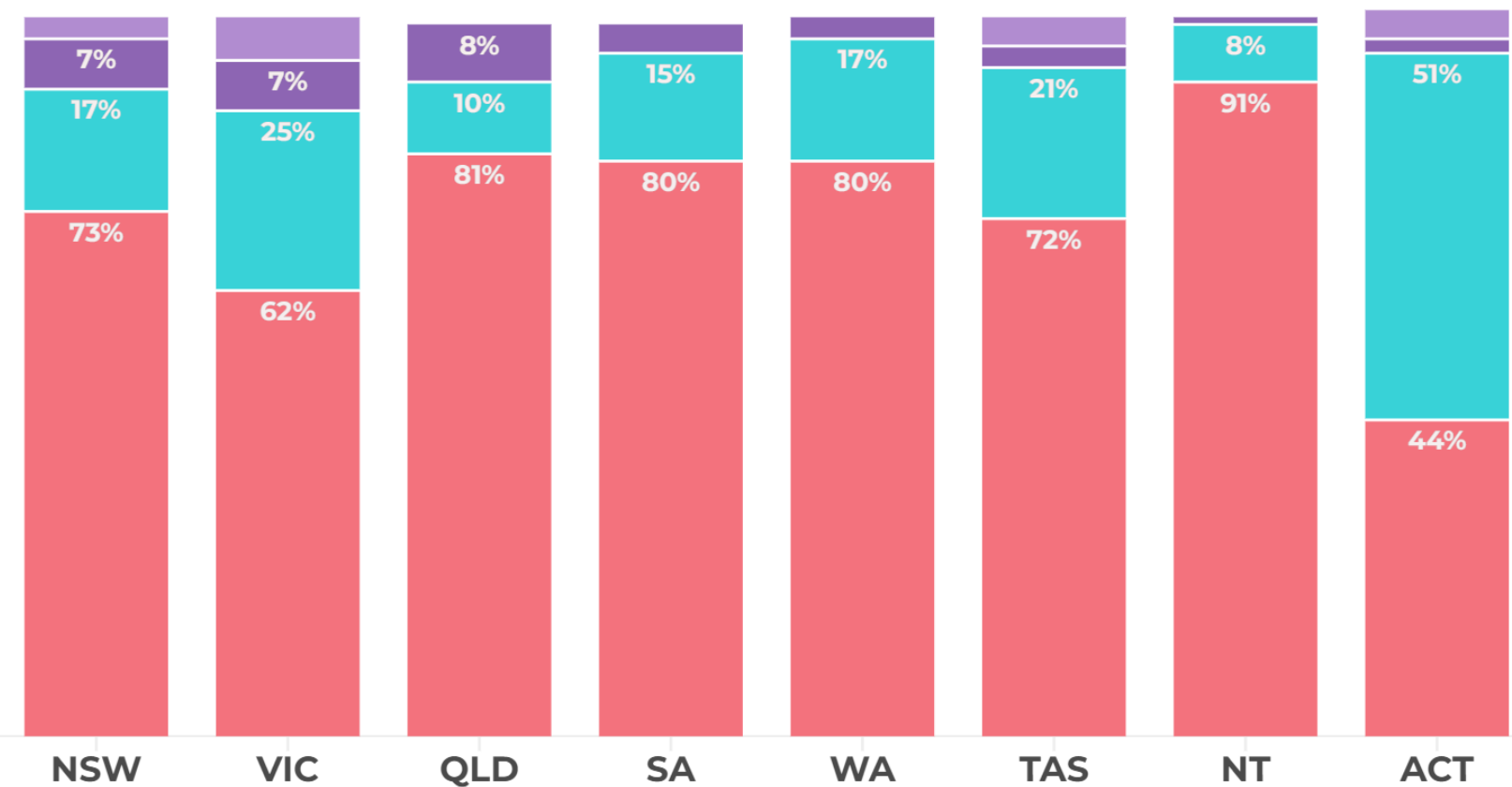
Based on search data from realestate.com.au, it is possible to see which energy-efficient features are most important to property seekers.

In the past 12 months, 77% of property seekers looking for a property with energy-efficient features searched for solar panels.

Many searchers (15%) looked for 'energy efficiency' in a listing, suggesting they are open to homes with energy-efficient features.

Nine out of ten (91%) searchers looking for homes with energy-efficient features in the Northern Territory were looking for solar power, whereas Victoria and the Australian Capital Territory had the lowest proportion of searches for this feature.

In the ACT, 51% of energy-efficient searches were for homes with 'energy efficiency' in the listing description.



Legend: Solar power (red), Energy efficiency (teal), Water tank (purple), All other features (light purple)

The difference between new and established homes

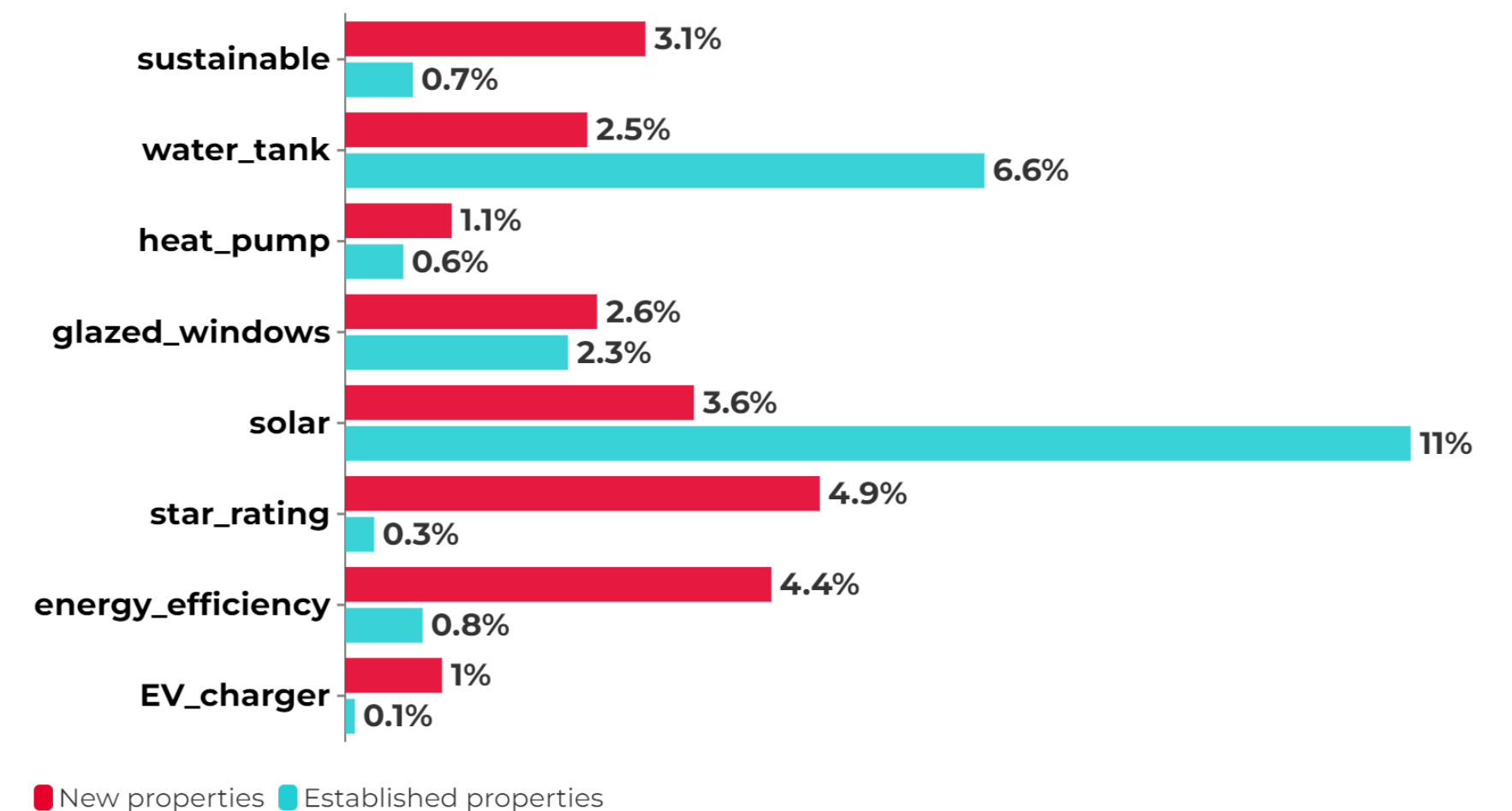
While new builds must have a higher energy efficiency rating, they are less likely to have features such as solar panels, water tanks and batteries for storing energy.

These are more common amongst established properties as often homeowners install them.

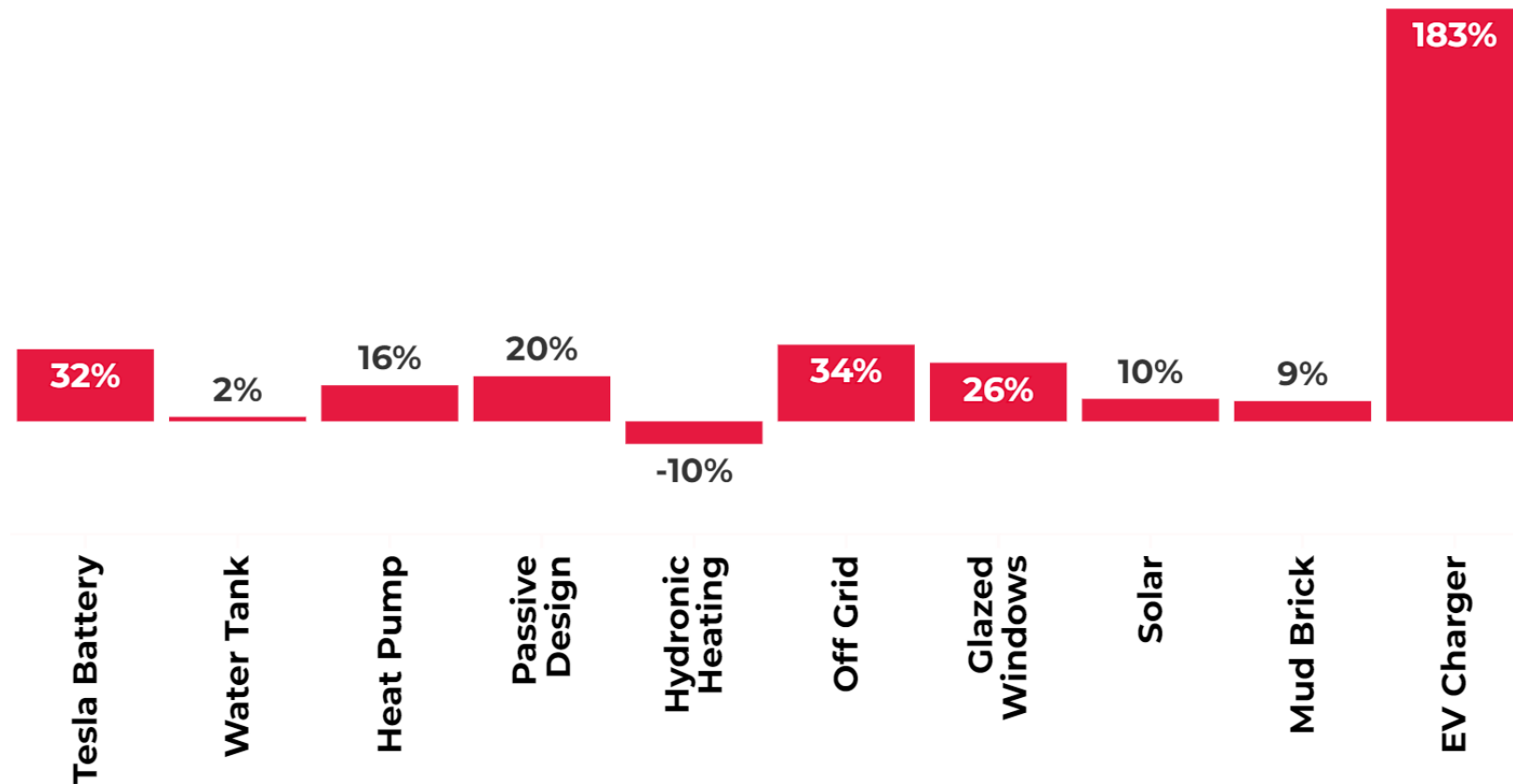
However, new builds have more electric vehicle (EV) chargers and a higher energy efficiency rating than established properties.

11% of established property listings on realestate.com.au in the past 12 months had solar panels, whereas only 3.6% of new builds had solar.

Percentage of energy-efficient keywords displayed in new and established home listings on realestate.com.au



Year-on-year growth in energy-efficient features in listings on realestate.com.au



Features that have increased in popularity

Property seekers take energy efficiency seriously

EV chargers and Tesla batteries for storing solar-generated energy are becoming more popular and have increased in listing mentions by 183% and 32% in the past 12 months, respectively.

According to Origin Energy, the uptake for batteries is still slow compared to solar panels.

In 2020, there were 378,451 rooftop solar installations, compared to around 23,786 home battery installations.

The main barrier to installing a home battery is price, but the cost should decrease as technologies improve and demand increases.

Suburbs with the most energy-efficient listings

The suburbs that have the largest number of listings on realestate.com.au with energy-efficient features are, unsurprisingly, suburbs with many new developments.

Glen Iris, where there have been several new apartment developments, is top of the list for suburbs with the most energy-efficient features in new builds.

Nine out of 10 of the top suburbs for new builds are in Victoria and one is in NSW.

For established properties, Melbourne takes the top spot due to the significant number of apartment buildings that have gone up in the past five to 10 years.

Port Macquarie and Orange in NSW and Buderim in Queensland also feature.

Suburbs with the most listings with energy-efficient features

Rank	Construction Type	Suburb
1	New	Glen Iris VIC
2	New	Edithvale VIC
3	New	Richmond VIC
4	New	Carlton VIC
5	New	Austral NSW
6	New	Clyde North VIC
7	New	Preston VIC
8	New	Tarneit VIC
9	New	Balwyn VIC
10	New	Kew VIC

Rank	Construction Type	Suburb
1	Established	Melbourne VIC
2	Established	Kew VIC
3	Established	Port Macquarie NSW
4	Established	Berwick VIC
5	Established	Southbank VIC
6	Established	Hawthorn VIC
7	Established	Buderim QLD
8	Established	Glen Iris VIC
9	Established	Torquay VIC
10	Established	Orange NSW



The future of energy-efficient housing

Several government initiatives have recently been launched to improve the energy efficiency of homes in Australia.

As part of a plan to ease the cost of living, the Australian Government pledged \$1.3 billion to pay for energy-saving upgrades for homes, businesses and social housing.

This investment will help people with older homes and appliances that don't meet modern energy standards to upgrade and save money on energy bills.

Recently, the Nationwide House Energy Rating Scheme (NatHERS) was expanded to provide a 'Whole of Home' energy performance rating, which predicts a home's annual energy use, including major fixed appliances, solar and batteries.

Additionally, new homes now must achieve a 7-star NatHERS rating and meet an annual energy use budget for the whole home, including major fixed appliances, solar and batteries.

These changes, which began in October 2023, are reducing energy demand, emissions and bills and are estimated to save an average of \$183 annually on new homes' power bills.

These initiatives improve the energy efficiency of Australia's homes, helping property seekers save money and meet the Government's 2030 and 2050 carbon emission reduction targets.

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