



The Australian Home Energy Report

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Foreword

Australia's energy industry is undergoing a period of rapid change, as we collectively strive towards reaching net zero as a nation by 2050.

In this report, we explore attitudes towards energy within Australian homes, alongside the understanding and appetite for embracing the energy transition.

Understanding energy, and the future of energy, for Australians has never been more important, especially at a time when cost of living pressure is having a real impact.

Each household's energy needs, and the solutions that will work for them, vary significantly based on a range of factors. Whether it's understanding energy usage, renewable energy technologies or just how to minimise energy bills.

Powering a home used to just involve a connection to electricity and natural gas. Now there is much more to consider, from solar panels and batteries to electric vehicles, home electrification and emerging technology such as virtual power plants.

For homeowners and renters, the energy transition presents different opportunities and challenges. For example, the majority of renters surveyed for this report place an importance on energy efficiency ratings, with a desire to reduce bills.

Among those interested in energy efficiency, solar is by far the most popular feature to help generate savings. Many Australians also believe solar and batteries add value to a property.

However, solar is not the only solution. Energy-efficient appliances and lighting sit among a range of impactful options when it comes to environmental and economic value.

It is essential that all Australians, regardless of their situation, have access to the understanding and benefits of energy efficiency in their homes.

As Australia progresses towards a cleaner and smarter energy future, our role and that of our industry is incredibly important in providing the education and tailored solutions people need on their energy journeys, and to ensure no one is left behind.



A handwritten signature in black ink, appearing to read 'Jon Briskin'.

Jon Briskin
Executive General Manager, Retail
Origin Energy

The economics and ecology of energy-efficient housing

Energy-efficient homes are no longer just for the environmentally-conscious, with the latest research showing the significant value Australians place on sustainable properties.

The impact of this growing demand will reshape the market in years to come, with both buyers and renters searching (and paying) for energy-efficient features like solar panels and window glazing. This will impact how we value properties.

The majority of people now believe energy-efficient features add value to the price of a property, and about three quarters of people would pay more for a home with solar panels.

That's just one insight from the most recent Residential Audience Pulse Survey from realestate.com.au, which delves into how buyers, renters, and home builders feel and think about energy-efficient housing.

Research shows residential buildings are responsible for about a quarter of overall electricity use and more than 10% of total carbon emissions in Australia.

That means energy-efficient housing has a pivotal role to play in both cutting carbon emissions and reducing the cost of energy bills for homeowners and renters.

Sustainable housing can be a wise financial investment for homeowners, with the long-term savings outweighing the initial costs of incorporating energy-efficient features.

With the current cost of living stretching household budgets for buyers and renters, incorporating energy-efficient features and appliances into homes can lead to substantially lower utility bills over time.

This report reveals the motivations driving the installation of energy-efficient features, and sheds light on the obstacles hindering the adoption of energy-efficient features in homes.



Karen Dellow
Senior Analyst, Content & Growth
PropTrack

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Australians are embracing the power of energy-efficient homes

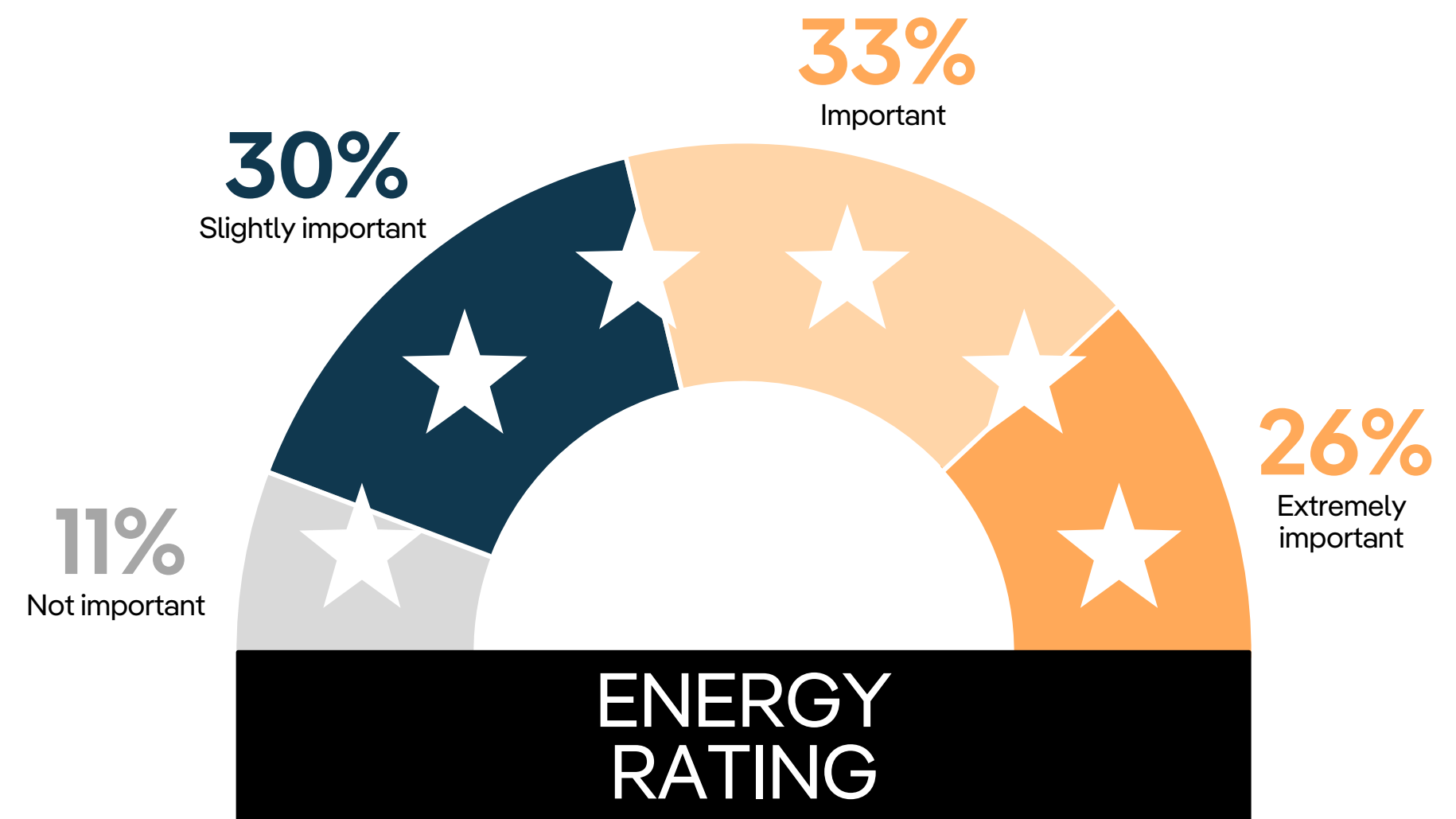
Most respondents (59%) of the realestate.com.au Residential Audience Pulse Survey said they considered energy efficiency ratings important or extremely important when buying, renting, or building a home, driven by a desire to cut bills and lessen their environmental impact.

Among those who didn't value energy efficiency, a third saw it as non-essential, while others cited distrust in ratings and concerns about added costs.

Renters, facing rising rental costs, showed greater interest in energy efficiency compared to buyers, primarily seeking bill reduction.

Amid the rising cost of living, both homeowners and renters are actively seeking ways to minimise expenses, making homes with higher energy efficiency ratings an appealing solution for reducing energy bills.

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



Importance of energy efficiency scores varies from state to state

More than half of respondents in each state considered energy efficiency important or extremely important, with Tasmanians being the most concerned, followed by Victorians and South Australians.

In all states except Queensland, more respondents in regional areas placed more importance on energy efficiency.



PERTH 57%
REG. WA 58%

BRISBANE 57%
REG. QLD 50%

SYDNEY 57%
REG. NSW 62%

MELBOURNE 59%
REG. VIC 72%

HOBART 62%
REG. TAS 80%

ADELAIDE 62%
REG. SA 65%

AUS 59%

% - Customers that said energy efficiency scores were important or extremely important

What part does age play in the importance of energy-efficient homes?

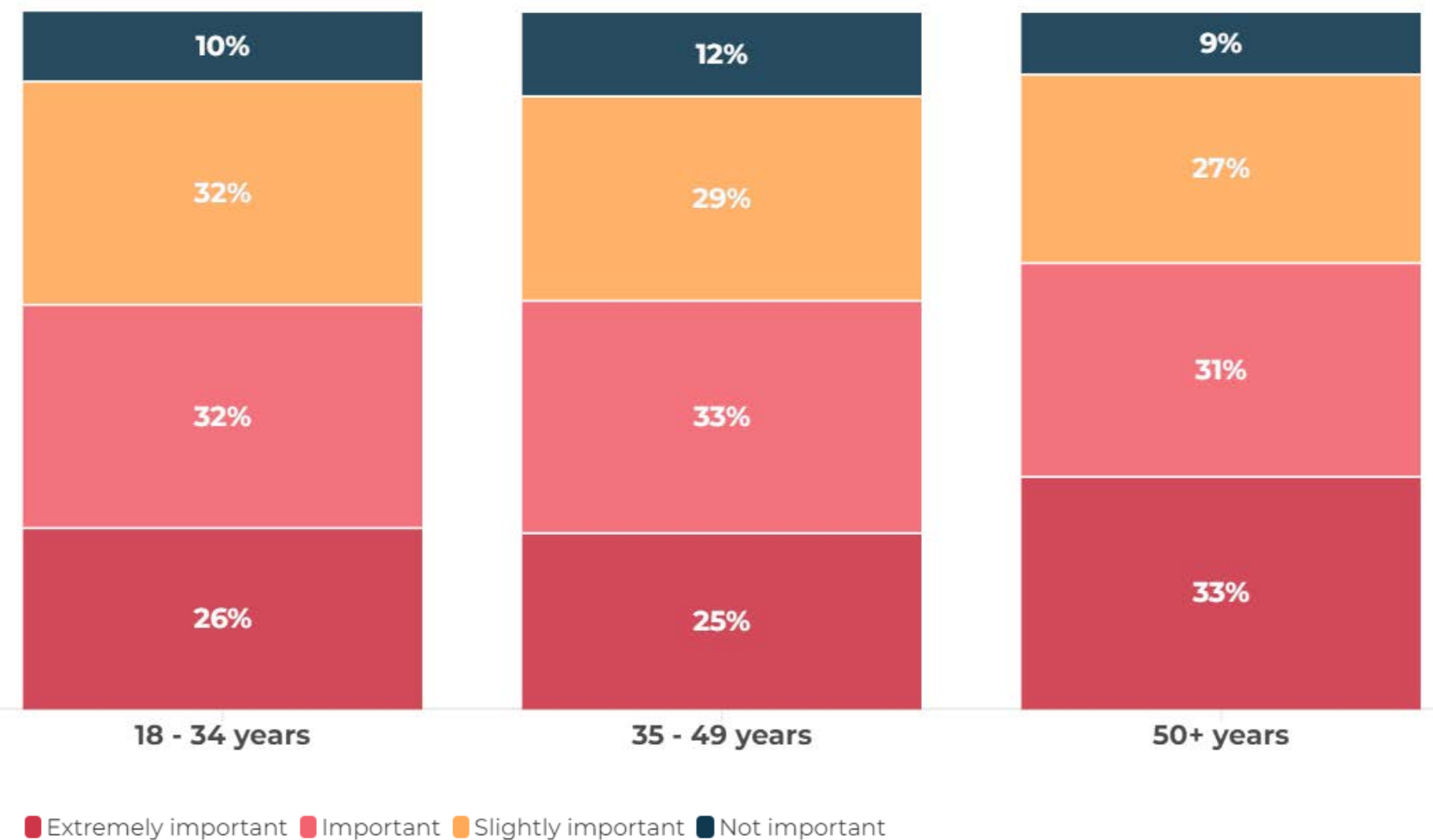
People aged 50 and above value energy efficiency more than younger age groups, primarily aiming to reduce regular energy bills.

All age groups valued bill reduction, but those between 18 and 34 were particularly concerned about minimising bill shock.

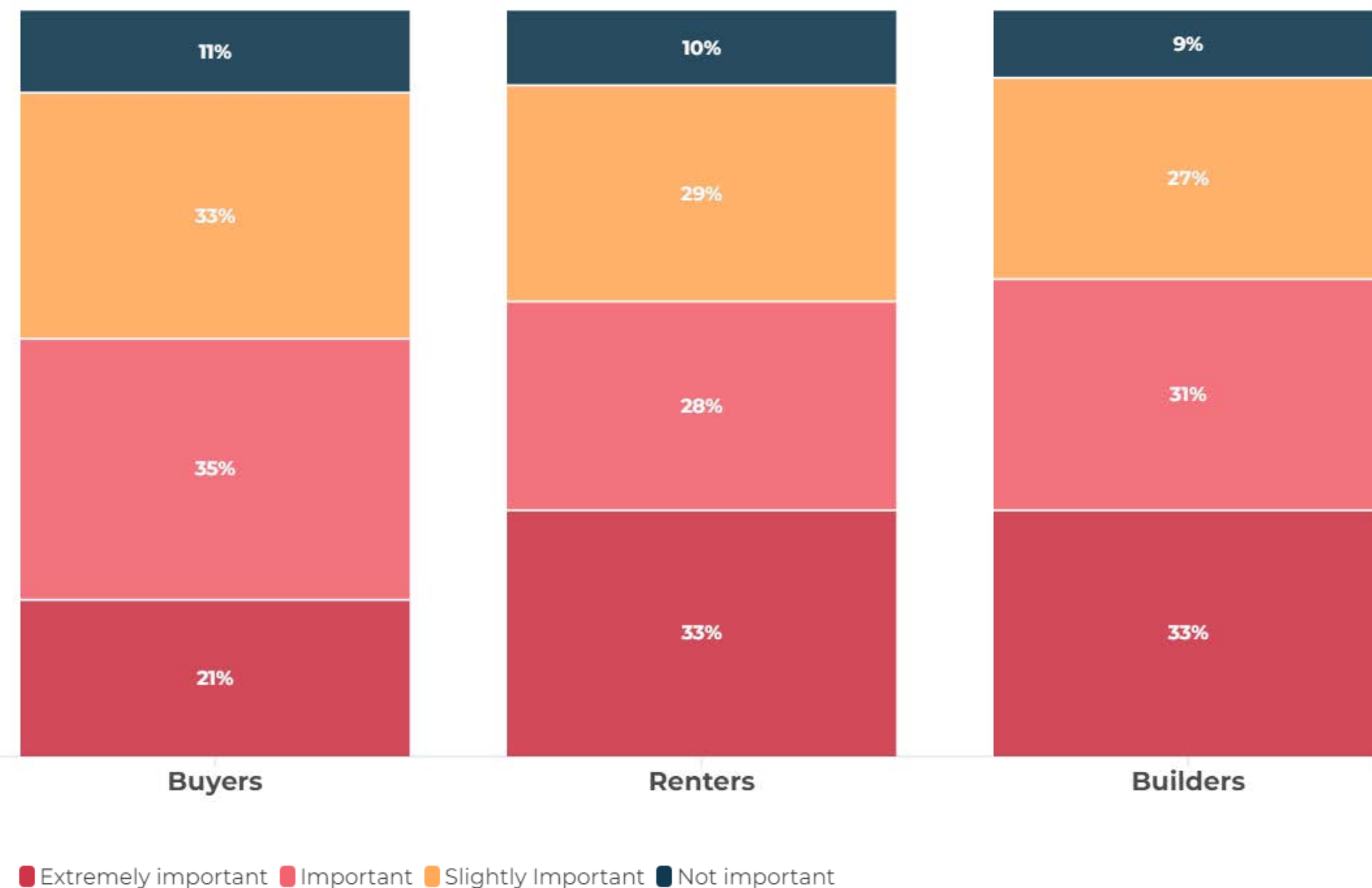
Other age brackets value reducing environmental impact as the second most crucial factor.

Notably, 40% of respondents aged 18-34 expressed disinterest in energy efficiency, largely influenced by their renting status (46%), limiting their ability to add energy-efficient features to their rental properties.

How important are energy efficiency ratings by age group



How important are energy efficiency ratings by property journey



Renters are significantly more interested in energy efficiency than buyers

More than 30% of Australians are renters, and intriguingly, they tend to value energy efficiency more than buyers, according to the realestate.com.au Residential Audience Pulse Survey data.

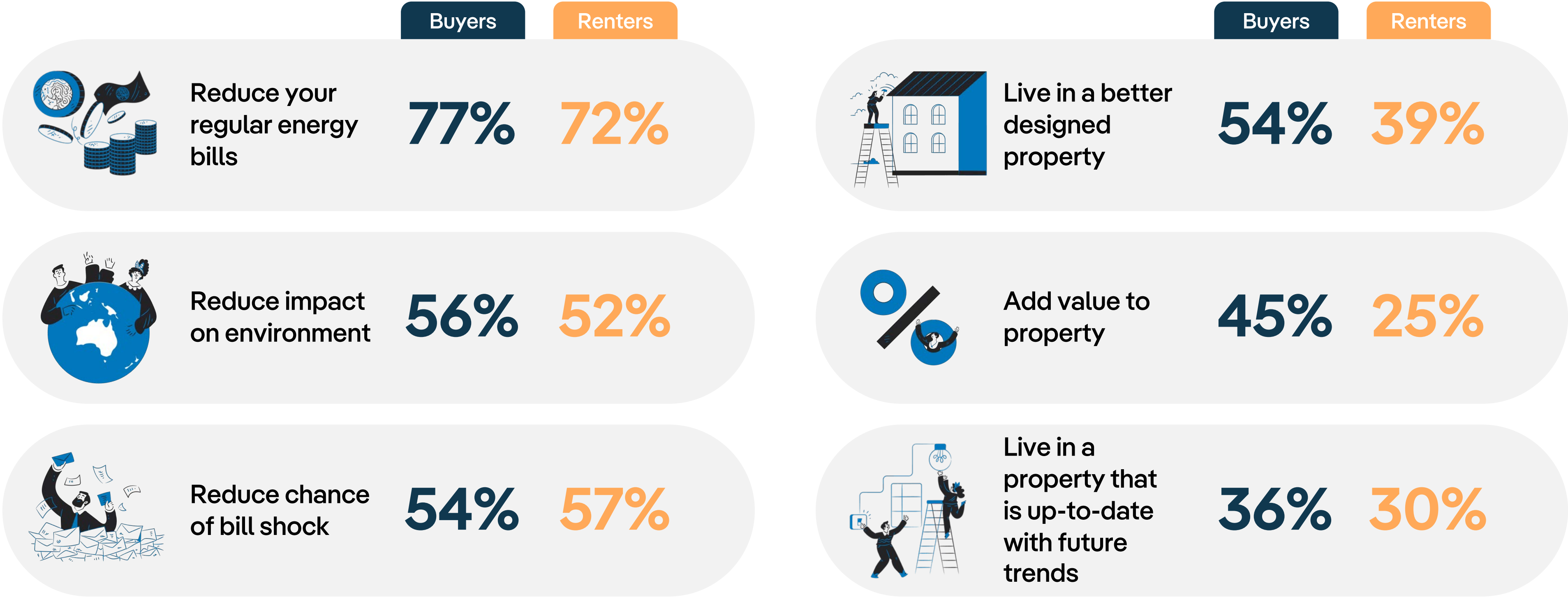
A notable 33% of renters deem energy efficiency extremely important, in contrast to just 21% of buyers.

This heightened focus among renters can be attributed to their acute concern for reducing energy bills.

With weekly median rents currently at record highs, renters are actively seeking additional avenues to save money.

Their heightened sensitivity to the possibility of sudden spikes in bills surpasses that of buyers, showcasing a pronounced emphasis on financial efficiency in their housing decisions.

Why are energy efficiency ratings important to buyers and renters?



Australian's most preferred energy-efficient features

Solar power stands out as the preferred energy-efficient feature for both buyers and renters.

According to the realestate.com.au Residential Audience Pulse Survey, a substantial 85% of buyers and 67% of renters expressed a keen interest in having solar panels installed.

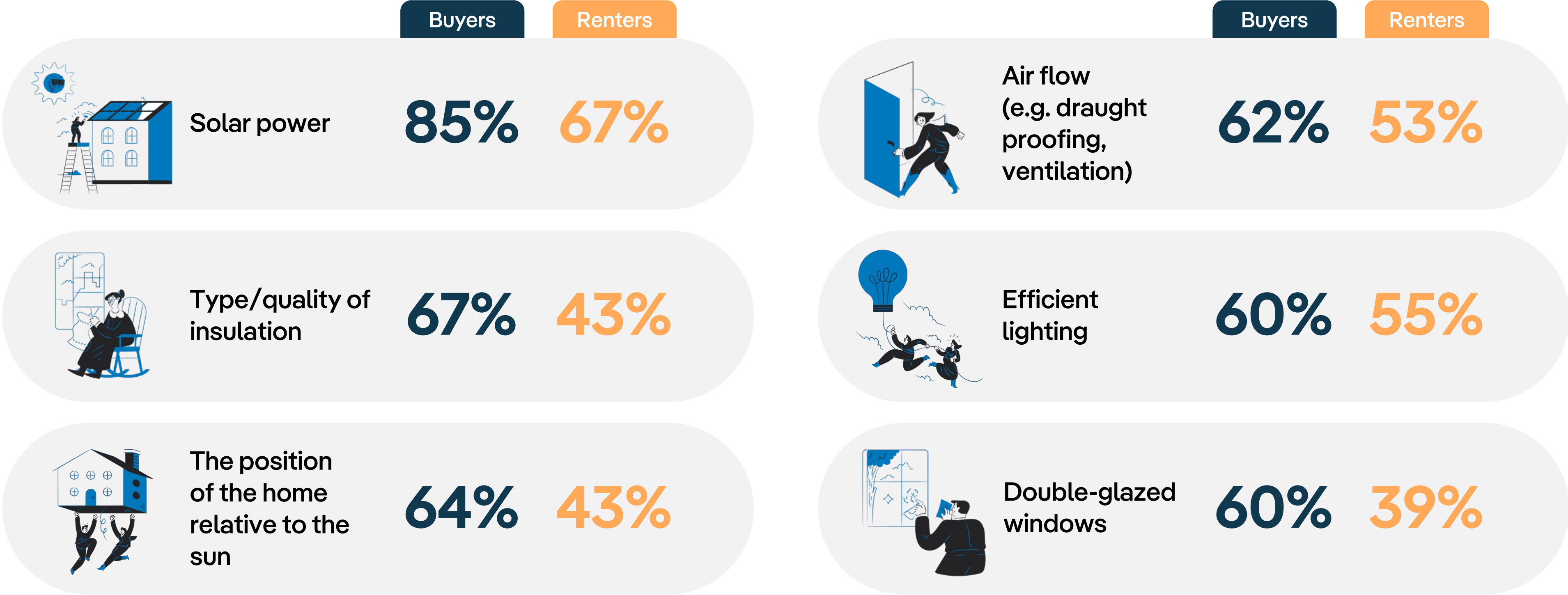
This inclination towards solar power aligns with findings from the Origin Energy Customer Survey, January 2024, indicating that 59% of homeowners already have solar panels, a stark contrast to the 12% of renters living in homes with solar power.

Analysing the data further, Origin observes that older customers, particularly those aged 65 and above, are more likely to have solar power.

Geographic location plays a role as well, with rural customers showing a slightly higher propensity for solar panel installations.



Which energy-efficient features are consumers most interested in?



Features and appliances more popular with renters

While solar panels are the most desirable feature for renters, it's worth noting that renters need these to be installed by the owner of the property.

On the other hand, energy-efficient lighting and appliances hold immense importance for renters, offering an avenue for tenants to enhance energy efficiency at minimal expense.

Moreover, these upgrades are easily transferable to future rental properties.

Complementary customer data from the Origin customer survey indicates renters' interest in smart appliances, with one in four renters owning at least one.

Smart appliances, such as internet-connected refrigerators, ovens, and dishwashers that allow remote control, capture the attention of renters seeking both convenience and energy efficiency in their living spaces.



The value of an energy efficient home and the journey **from gas to electric**

Electrification is a long-term plan, not an immediate priority for many

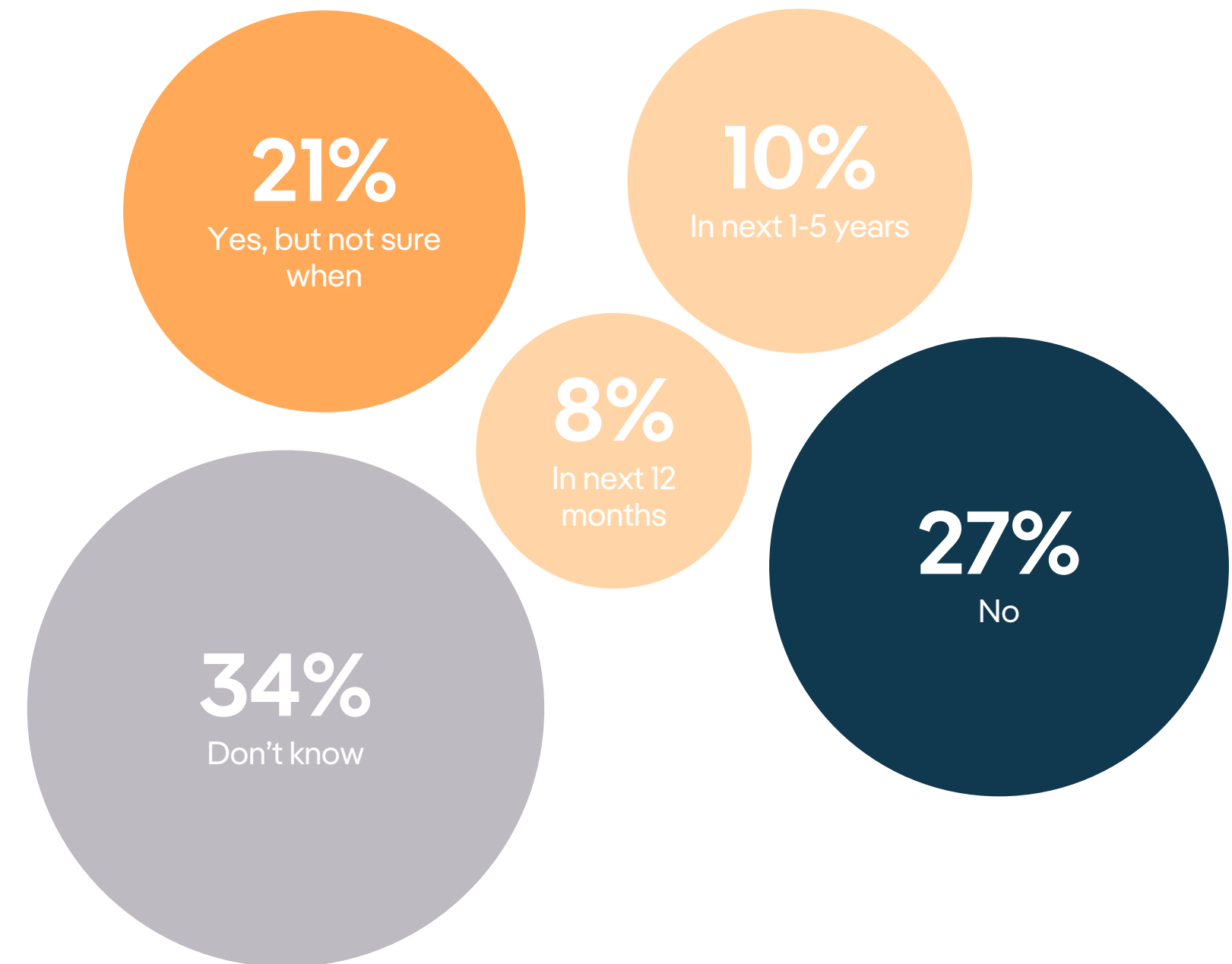
When questioned about the possibility of transitioning their homes to all-electric in the future, 40% of survey respondents expressed interest in such a conversion.

However, just 8% were actively considering this shift within the next 12 months, indicating that for many, it is a more long-term plan rather than an immediate priority.

Renters were also posed with the same query, and as expected, they displayed more uncertainty about adopting an all-electric setup due to their lack of property ownership.

A significant 66% of renters either responded negatively or remained uncertain about transitioning to an all-electric home in the future.

Would you consider converting your property to electricity-only in the future?



Main reasons for considering converting to all-electric power



Reduce your regular energy bills

63%



Reduce chance of bill shock

37%



Be more energy efficient

61%



Live in a property that is up-to-date with future trends

32%



Reduce impact on environment

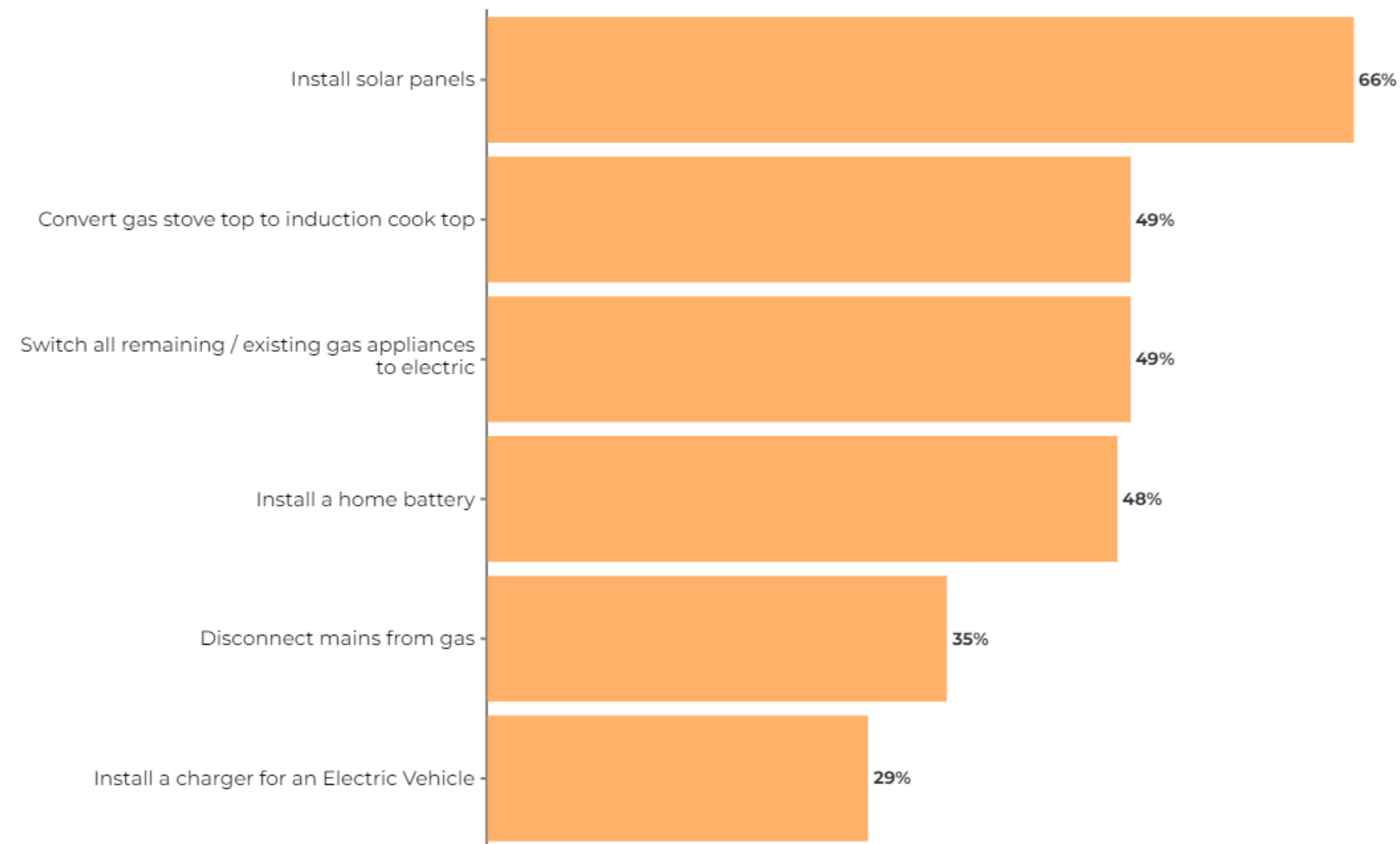
52%



Add value to property

30%

What changes would you be willing to make to convert your property to electricity?



Solar is the number one feature when converting to all-electric

In response to the realestate.com.au Residential Audience Pulse Survey, two-thirds of participants expressed a willingness to shift to solar power for their electricity needs, while half indicated a preference for replacing their gas stoves with induction cooktops.

Installing a home battery garnered popularity among 48% of respondents, even though the energy efficient feature hasn't seen widespread adoption among homeowners.

Origin's customer survey data reveals a limited uptake of home batteries to date, although slightly over half of homeowners and just under half of renters surveyed expressed interest in battery storage.

Ownership of batteries is highest in NSW and VIC, albeit at just 6%, followed by SA (5%) and QLD (4%).

Interestingly, only 29% of realestate.com.au consumers showed interest in installing a charger for electric vehicles.

Among Origin customers surveyed, a mere 2% currently owned electric vehicles, with the highest ownership found among those aged 65+, followed by individuals aged 35-44.

Overcoming and debunking barriers to electrification

The primary impediment to transitioning to an all-electric setup is the associated cost.

Almost half of the participants in the realestate.com.au Residential Audience Pulse Survey cited the expense as a significant hurdle, deeming it too costly to shift from gas and fully electrify their homes.

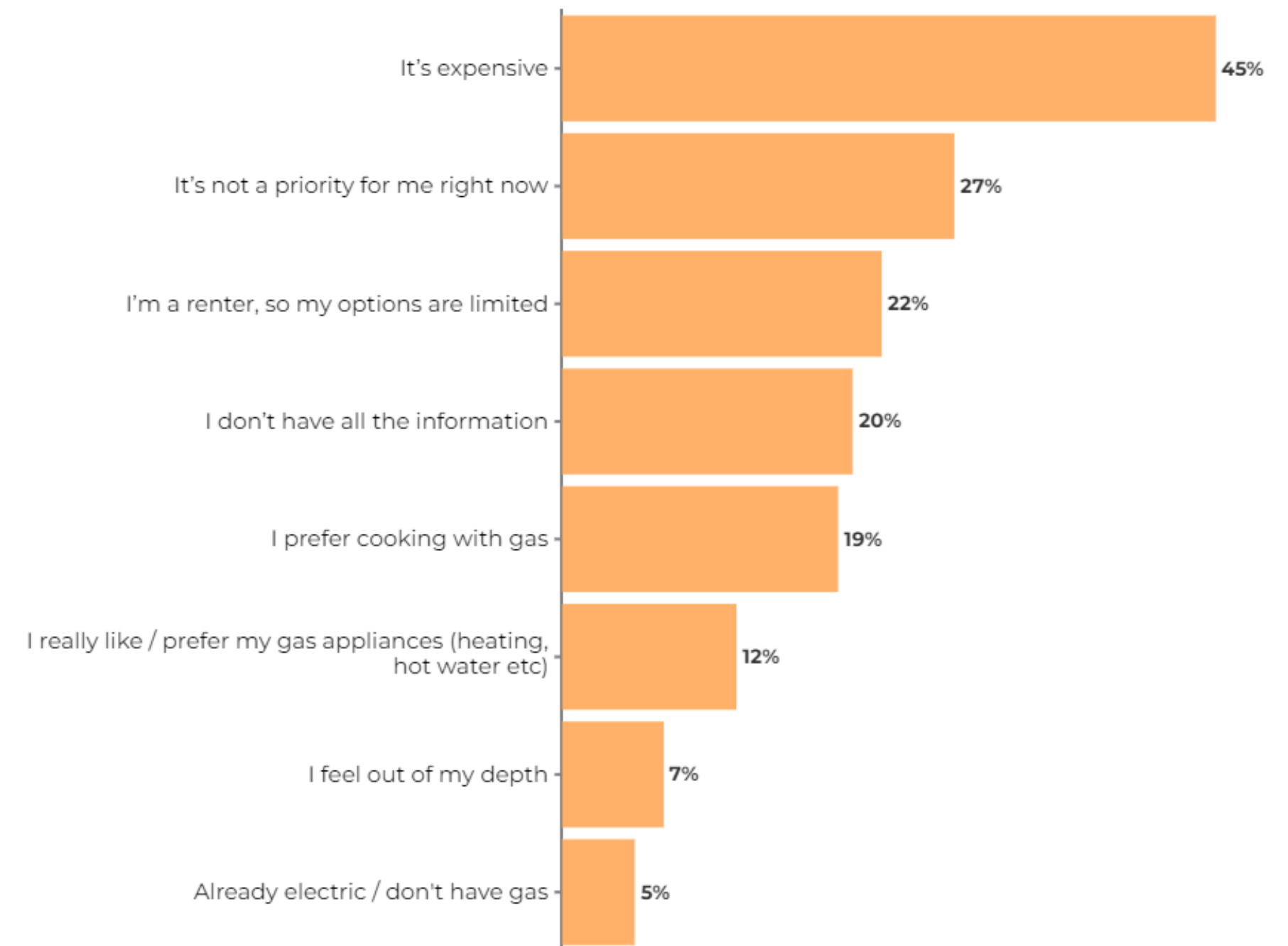
Additionally, 27% of respondents indicated that making this transition was not a current priority.

A lack of information about converting from gas to electric was a concern for 20% of respondents, suggesting more needs to be done to educate homeowners about the benefits of an all-electric property.

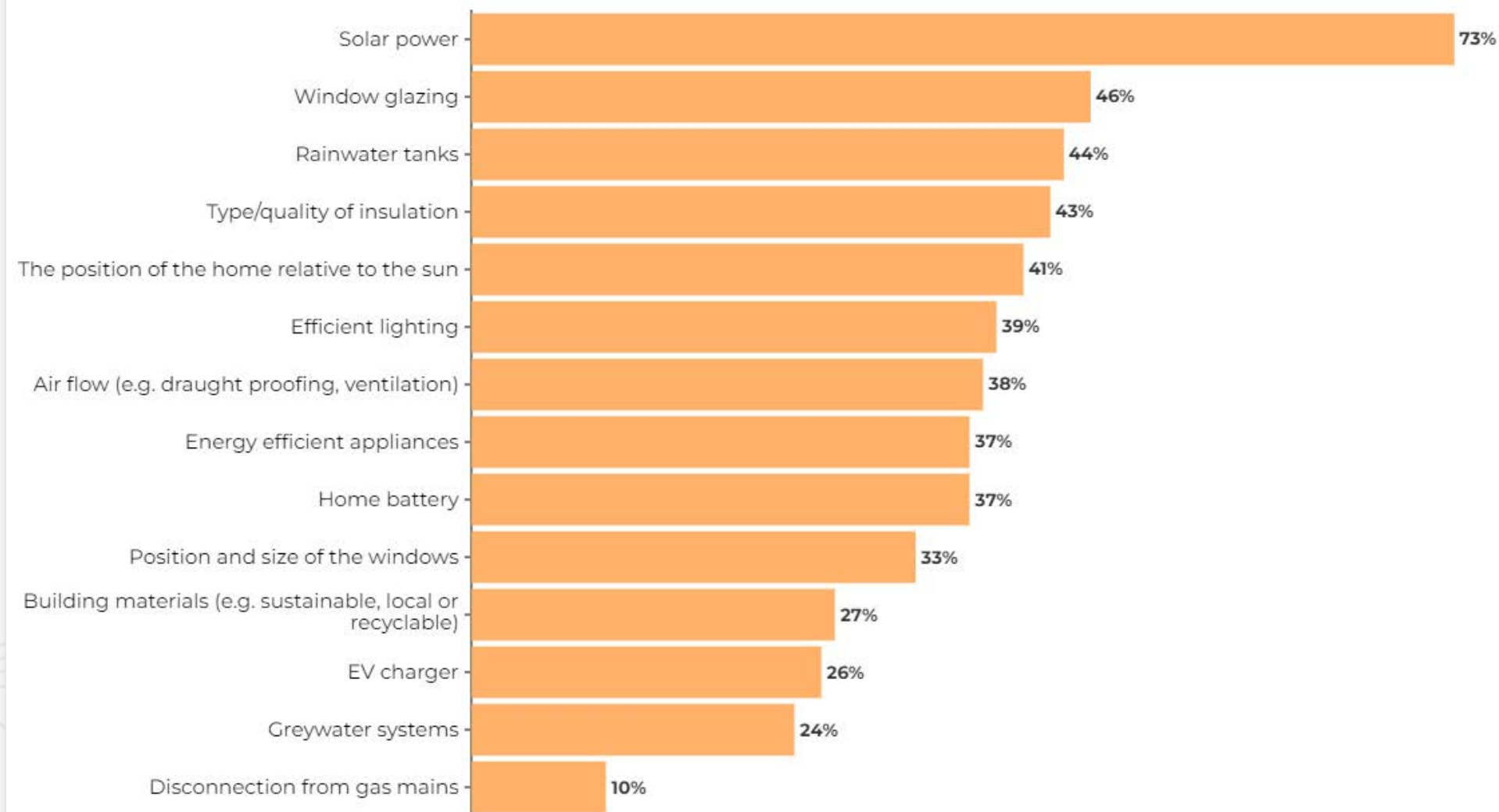
Notably, two out of ten respondents were renters, and their lack of control over property modifications served as a substantial deterrent to embracing an all-electric home.

Among all survey participants, just 5% reported that their properties were already fully electrified, emphasising the limited prevalence of this transition among homeowners.

Main reasons for not converting property to all-electric



What energy-efficient features do you think would add value to the price of a property?



The value of an energy-efficient home

Boosting a property's value emerges as a substantial incentive for homeowners to invest in energy-efficient features, with the perceived impact on property prices influencing the prevalence of installations.

Notably, 73% of respondents in the realestate.com.au Residential Audience Pulse Survey identified solar power as the feature that adds the most value to a property. Double-glazed windows were also deemed valuable by 46% of participants.

While solar panels were universally considered the most value-adding feature across all states, preferences for other energy-efficient additions varied regionally.

In Queensland, 50% of respondents believed rainwater tanks added significant value, while in Tasmania, where winters are cold, insulation took priority.

Respondents from the Australian Capital Territory, New South Wales, and the Northern Territory valued the house's orientation relative to the sun.

In South Australia, half of the respondents considered home batteries the second most valuable addition after solar panels.

This regional divergence underscores the diverse factors influencing homeowners' perceptions of the value of energy-efficient features.

Powering up property value – features that buyers would pay more for

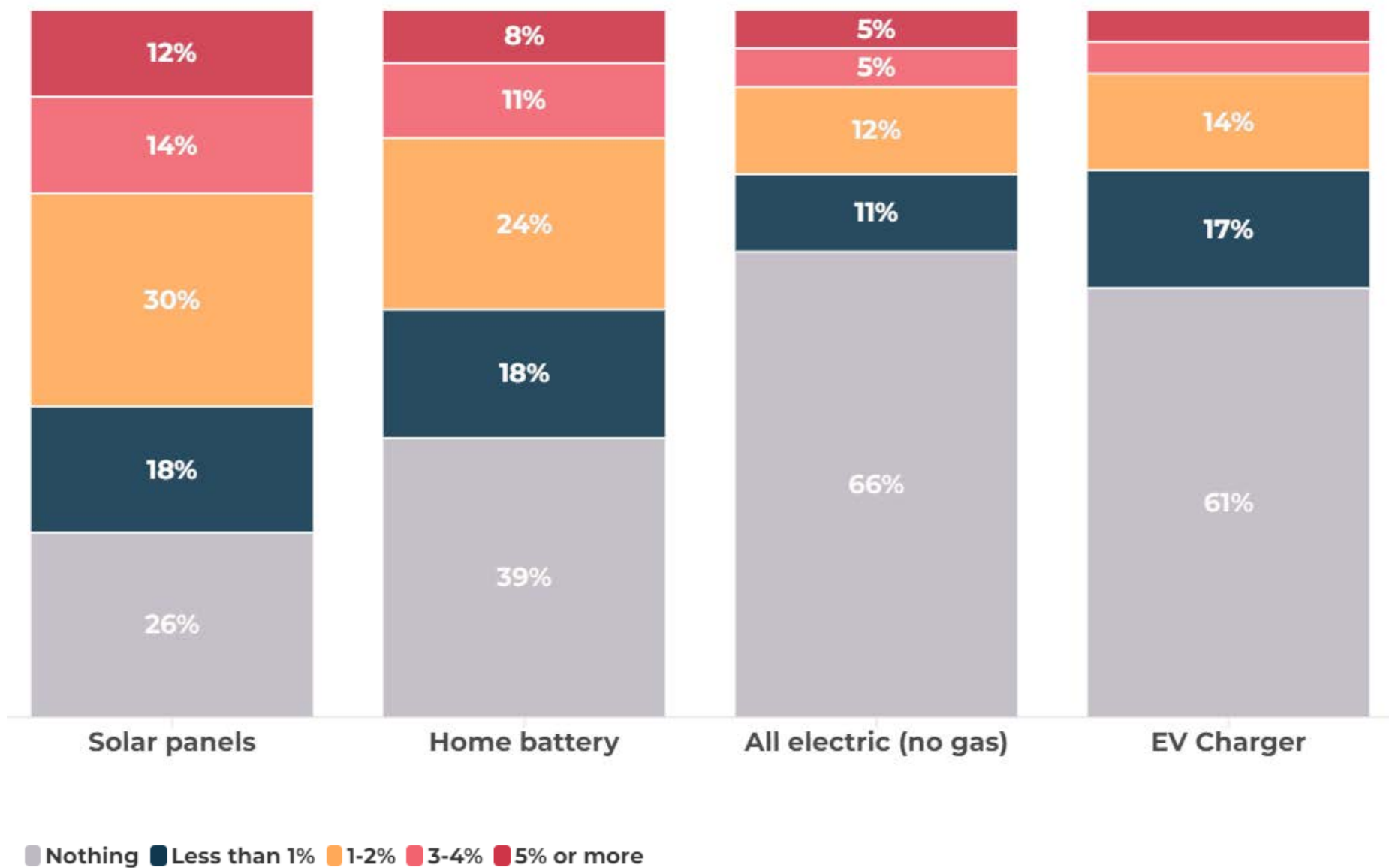
While survey respondents acknowledge the added value of energy-efficient features in a property, a significant portion appears reluctant to pay a substantial premium for a property already equipped with such features.

Interestingly, when it comes to solar panels, a relatively higher percentage (12%) of respondents expressed willingness to pay at least 5% more for a property with this specific feature.

However, for a fully electrified property, more than two-thirds of respondents indicated they wouldn't pay any extra.

Furthermore, 61% of respondents stated they would not be willing to pay an additional amount for a property with an electric vehicle charger, suggesting that the adoption of electric cars remains relatively low and has not yet significantly influenced property valuations in the respondents' considerations.

How much more would you be willing to pay for a property if it had the following feature?





Overcoming barriers: Cost and adoption of energy-efficient technologies

The data indicates a widespread embrace of energy-efficient features among Australians, driven by a collective goal to reduce bills and environmental impact.

More than 3 million homes currently have solar panels, a number that is steadily increasing.

While homeowners are already keen on insulation, double-glazed windows, and water tanks, there remains untapped potential for enhancing energy efficiency in both owned and rented properties.

The primary deterrent, cost, hinders the broader adoption of these features, but as solar, battery and electric vehicle prices decrease, a surge in adoption is anticipated.

Notably, the popularity of smart appliances has risen, particularly benefiting renters seeking energy efficiency in homes they don't own.

The next frontier in smart appliances involves home automation systems capable of monitoring and controlling various aspects, including lighting, climate, entertainment systems, appliances, and even home security features like access control and alarms.

This marks a promising evolution in the quest for more efficient and sustainable living.

The great Australian electric dream: Trending towards **electrifying homes** of the future

In a fast-evolving energy landscape, it's promising to see increasing interest in energy-efficient features in Australian homes.

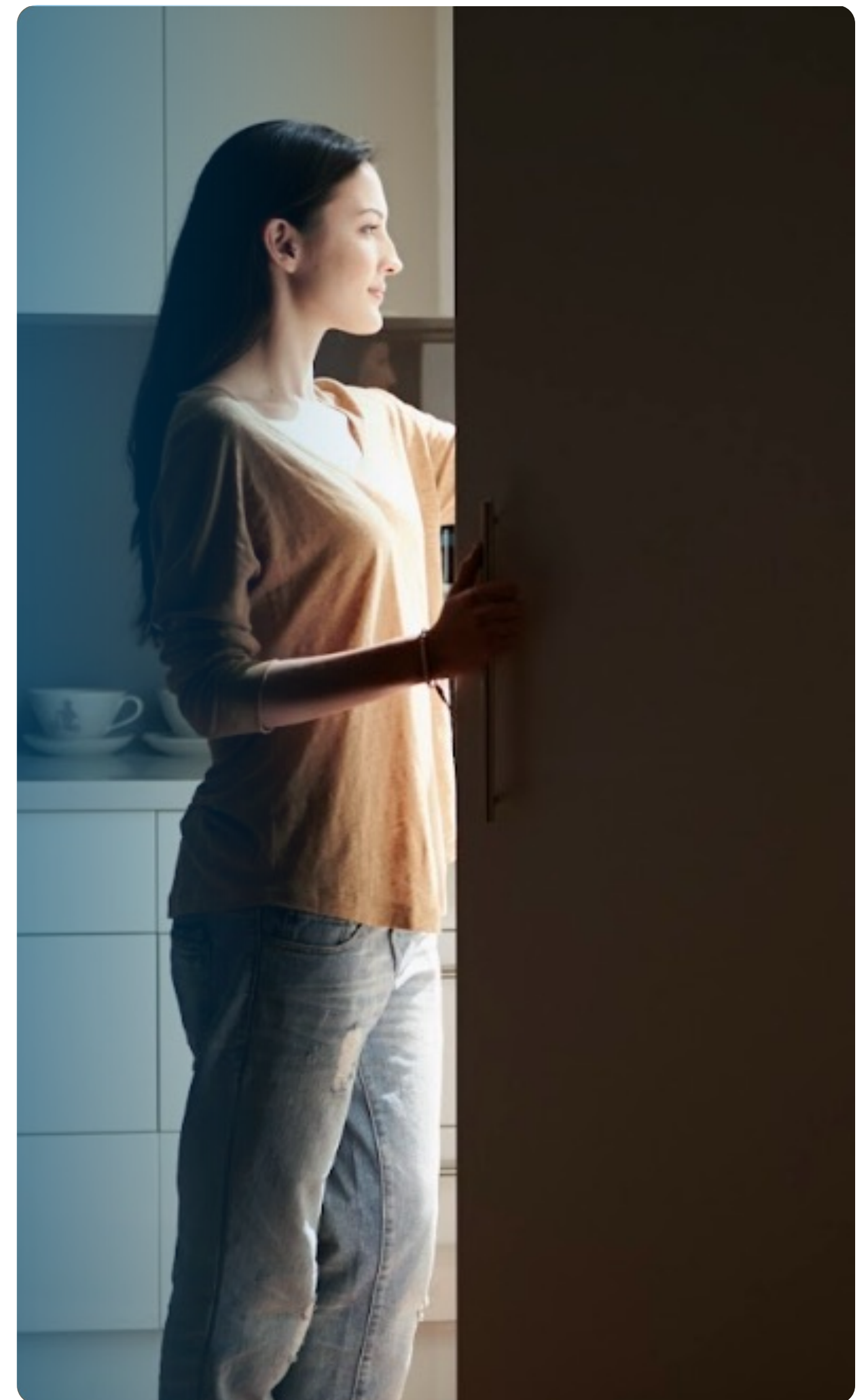
People are becoming more engaged in energy, which has set the stage for energy-efficient features to become more commonplace.

More homes in the future will be electrified - with solar on the roof, a home battery to store unused solar energy, and an EV in the garage that will also act as a battery on wheels.

Our homes will also have many more connected smart appliances that will be able to optimise when they are switched on so that they are using electricity when it is cleaner and more affordable.

Most of the technology that will enable this 'home of the future' is here already, and the opportunity is to make sure that all households have access to the information and support they need - and the right solutions - to help realise the benefits of this smarter energy future.

The role of Origin and the energy industry is to help make sure that no one is left behind in the energy transition, and to ensure all Australians can embrace cleaner, energy-efficient solutions now and into the future, and feel in control of their energy use.





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Disclaimer: This Report uses results from the Residential Audience Pulse Survey conducted by realestate.com.au ("REA") (4,615 REA consumers), and data collected from 1,497 Origin Energy Limited ("Origin") customers, in each case that is current as at the time of publication. This Report is summary information only. Neither REA or Origin make any representation whatsoever about the Report's completeness or accuracy. Neither REA or Origin is under any obligation to update or correct any of the data or to continue to make the Report available. REA and Origin recommend that any users of the Report exercise their own skill and care with respect to their use of the Report and that users carefully evaluate the accuracy, currency, completeness and relevance of the Report for their purposes. REA and Origin expressly bear no responsibility, and accept no liability, whatsoever for any reliance placed by you or others on the Report, or from any use of the Report by you or others. If you wish to cite or refer to this Report (or any findings or data contained in it in any publication, please refer to the Report as the 'PropTrack Origin Australian Home Energy Report'.