

## Policy Statements – Point of Sale Retrofits

### Issue: Point of Sale Retrofits

What Sacramento Association of REALTORS® Says:

Sacramento Association of REALTORS® is opposed to point of sale retrofits; they add an additional hurdle for home sales transactions and are highly inefficient at implementing new standards.

#### Background:

A point of sale retrofit is a requirement that something in a home be changed or upgraded before it can be sold. California has tried measures before for such items as sidewalk repair, replacement of non-releasing windows, water and energy conversion, and various home safety and environmental improvements. Point of sale retrofit mandates are an inefficient way of achieving a policy goal because it can take fifteen to twenty years for the majority of homes in a community to change hands. If a regulatory body determines a policy is important enough to impose, it should be placed on everyone, not just those who wish to sell a home.

Retrofitting mandates add new constraints on buyers and sellers. They add another financial constraint, and can increase the price of a home sale. The required home audit alone can cost up to \$400, which does not include any of the upgrades which may be required. This added burden could make an individual unable to purchase a home, especially in the Sacramento region where prices have historically been high, and homeownership is difficult for many families. Additionally, the escrow process is time sensitive, and retrofit requirements add another step and possible delays in an already stressful time for the buyer and seller.

Point of sale retrofits have the potential to drive up the cost of housing near an individual's place of employment, forcing them to drive longer distances, releasing more CO<sub>2</sub> in the atmosphere.

Mandatory retrofits force REALTORS® into code enforcement, an activity for which they may not be trained. Various retrofitting mandates require the agent's signature for the completion certificate to be validated; this should be left up to local government inspectors who are trained for this activity.

There are many alternatives to mandated point of sale retrofits. Developing a program to educate homeowners on the importance and benefits of the retrofit will allow them to make improvements on a voluntary basis. Offering incentives, rather than creating mandates, will encourage great participation among homeowners. For example, the city of Lompoc provides \$80 towards the purchase of a low flush toilet, and \$50 to assist with installation cost.