TRUE COST OF THE

2012 INTERNATIONAL ENERGY CONSERVATION CODE

Upgrading new homes in Arizona’s Climate Zone 2 to the 2012 International Energy Conservation Code (IECC) will reduce out-of-pocket expenses for homeowners – paying off their initial investment in a matter of months.

For the average new home, the 2012 IECC will only increase construction costs by a total of $798. When this amount is rolled into the average mortgage, real costs to homebuyers will mean a down payment increase of only $160, and $3 extra on monthly mortgage bills.

The added mortgage costs will be offset by monthly energy savings of $29, helping homebuyers pay off their initial investment in only seven months. After breaking even during this time, the home will return buyers a profit of at least $26 per month—for a total return of $312 every year. This return on investment is shown in balance sheet below.

For additional Incremental Cost Analysis, please visit energycodesocean.org.

ENERGY CODE PAYBACK FOR ARIZONA SINGLE FAMILY HOMES

<table>
<thead>
<tr>
<th>Month</th>
<th>Mortgage Increase</th>
<th>Monthly Energy Savings</th>
<th>Cumulative Cost/Benefit</th>
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<tr>
<td>1</td>
<td>$159.64</td>
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This model assumes a 2,400 square foot home. The mortgage is conservatively set at 30 years, with 20% down and the current average nationwide interest rate of 4.03%. With a lower down payment—such as 10% down—consumers will break even on their investment even sooner.
Homes are the biggest investment we make—and everyone deserves a home that meets national minimum energy efficiency standards. While it’s true that homeowners can always improve the efficiency of their homes, it is far more cost-effective to upgrade building components during construction, putting in better windows or swapping out one grade of insulation for a better one. Here's what buyers get with the 2012 IECC:

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Additional Upgrades:
- Improved Bathroom Ventilation: $180
- Sealed & Insulated Attic Hatch: $100
- HVAC System Savings: +$815

Homes built to the 2012 IECC could yield a $26 profit every month and $9,200 over 30 years.