

Can You Afford Your New Home's Energy Bills?

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Thermal image of an old home.

When you are consumed by the details of finding and buying a house it's easy to overlook another long-term expenditure that could make or break your finances over the course of your homeownership: energy bills.

That affordable mortgage payment could quickly tip into the pain point if your new home comes with a monthly utility outlay you weren't expecting.

How to do that math:

Energy Audits

You might want to hire a professional to determine the home's overall energy costs before committing to a down payment.

Energy audits cost a few hundred dollars but could save you from countless headaches (and costs) down the line. Not only will they give you a good idea of what's in store, they will also point you toward fixes you can install so you're not facing the same bills as the previous owner. The federal government's [Energy.gov](#) site has guidelines for home energy audits, and tips for a [DIY version](#).

If you don't want to go that far, here's some specifics to consider:

Heating and Cooling Systems

Heating and cooling can consume 45% of a house's energy use. The layout of the house will be a factor in energy costs. Vents located under windows are inefficient, and some rooms may not even have vents. In colder climates, remember that heat rises. High ceilings can result in wasted energy and added heating costs every winter. In tri-level houses, the upper floors will be warmer while the ground floor will be colder.

Consider how much alterations might cost. In-floor heating can save you up to 40% of energy costs, depending on the system. To have a professional install a hot water radiant floor heating system would cost about \$6 to \$15 per square foot.

Get all the information available on the house's furnace and air conditioner. Find out the seasonal energy efficiency rating (SEER) for the house's air conditioning system. For gas furnaces, you need to know the Annual Fuel Utilization Ratio (AFUE). If the house's heating and cooling systems are 10 to 15 years old, or have a SEER of less than eight, it may be necessary to replace them.

Appliances

Did the former owner of the house throw in some appliances as part of the package? Although this gesture may save you money in the short run, be aware that older appliances can be much less energy efficient than new ones. Inefficient appliances eat up energy and can cost you hundreds of dollars over time.

Research the make and model of any used appliances and assess whether they will incur higher energy costs than if you bought new ones.

Tax Credits

State and federal programs might offer [tax credits](#) or other deals, such as grants or discounts, if you replace older appliances or heating or cooling systems, like an aged boiler, with newer, more energy-efficient versions. Some localities offer free energy audits, too. It might be worth asking about such programs if you are looking at an older house. Maybe the efficiency ratings are low, but if you love the house, and there's enough deals available that you could upgrade relatively painlessly, it might still be worth purchase. The key here is knowing the facts so you can judge what your bank account can handle.

Infrastructure

Check features such as windows, doors, insulation and siding for efficient energy usage. You can hire a professional to use a thermal camera to see where heat escapes, or conduct a blower-door test to identify air leaks by using a large fan with an airtight skirt that blows air out the door, although those tests could prove expensive.

Insulation in the attic should be thick enough to hide all of the studs. Weathering and material aging can cause problems with siding, such as cracking, rotting or cupping, so check its condition too.

Leaky windows glazed with putty can be reglazed, or consider buying [double-pane windows](#). These will run you about \$600 for moderate quality or up to \$800 for high quality.

Architectural Features

Big homes mean bigger energy bills too, so consider size in relation to your ongoing energy bills when you look at homes. A big stairway in the entryway means a lot of wasted heat each time the front door opens. Beautiful cathedral ceilings can bump up energy bills too. Walls of windows can afford a lovely view, but the added sunlight can strain your air conditioning bills in the summer, while leaks will raise your heating costs in the winter.

An Informed Decision

Only you can decide whether a home's energy bills are worth the selling price. Your dream home may not be such an ideal if the energy bills sap your savings. But it could be worth investing some money in upgrading the house's systems and features.