

**Real Estate Agent's
Guide to**

Selling Oil-Heated Homes



The more you know about oil, the more homes you'll sell

New advances raise efficiency and lower consumer costs

Over the years, real estate agents have been faced with many different questions from clients about oilheat.

With this guide to prepare you, you'll be able to serve your clients better. By eliminating unnecessary concerns for potential buyers of oil-heated homes, you'll be able to secure more listings and close more sales.

Oil dealers understand and respect how hard you work to support your clients. Please look to the oilheat dealers in your market area as a resource for information and help. It would be their pleasure to answer any questions you may have after reading this guide.

Fast facts about oilheat

1. There are approximately seven million oil-heated homes in the U.S.
2. The efficiency levels of oilheat systems can reach 95% (see page 3).
3. Advances in technology and with heating oil itself have made oilheat 95% cleaner than it was 40 years ago (see page 4).
4. The chances of an underground storage tank leak are extremely low and a modern tank has an even lower risk (see page 12).
5. For every gallon of oil burned, a whopping 138,000 Btu's are generated. The amount of heat a home receives depends on the efficiency of its heating system.
6. Oil companies received a rating of 94% for friendly and fast service (see page 14).

Q: Is oilheat an efficient way to heat a home?

A: Yes. Oilheat has always provided efficient and affordable warmth, and it's gotten even better in recent years. Many oil-fired systems now display the prestigious **Energy Star** label, which signifies that they are technologically advanced and clean-burning. Some oilheat systems have efficiency ratings that reach 95%.



Q: What's behind this success?

A: Technological advancements have produced dramatic improvements, with advances like high-static-pressure flame-retention burners, solid-state microprocessor electronic controls and cleaner burning fuel.

Higher efficiency = big savings

1,300 gallons

average annual fuel consumption in 1980



700 gallons

average annual fuel consumption today



Improved efficiencies in oilheat equipment have saved homeowners hundreds of dollars a year.

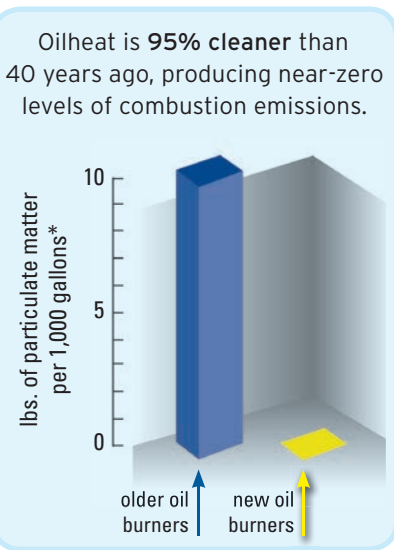
Cleaner than ever

Q: Some clients may be concerned that oilheat isn't clean. What's the truth?

A: Just like old cars, older heating systems produced undesirable levels of combustion emissions. But today's oilheat technology has been tested by the U.S. Department of Energy's Brookhaven National Laboratory, and it has been found to be virtually soot-free! This new technology has made oilheat 95% cleaner than just 40 years ago.

That's one reason oilheat emissions aren't even regulated by the Federal Clean Air Act.

For older systems, emissions can be substantially reduced with regular professional tune-ups.



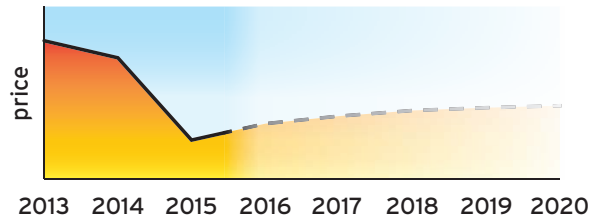
Sometimes people see dark spots or streaks on the walls of oil-heated homes and erroneously assume they are caused by soot from the heating system. These marks are typically created by common household dust that has been "baked on" walls and other surfaces near heating vents, radiators or baseboards. To prevent these streaks and spots, advise your client to dust around baseboards, vents or radiators, especially during the heating season.

Looking at fuel prices

Q: Is heating oil a good value?

A: Heating oil, like other forms of energy, is a commodity traded on the open market, so you can expect some ups and downs in its price. Recently, prices for other energy sources spiked while heating oil prices fell. And the long-term projections for heating oil suggest that prices will stay lower for years to come.

Wholesale oil prices



Source: IMF Commodity Price Forecast

Q: How is the price of heating oil determined?

A: Many factors that are beyond the control of oil dealers influence the price consumers pay for fuel oil. They include crude oil prices, refining capacity, transportation costs and seasonal temperature levels. Despite that, competition among thousands of local oilheat companies plays an important role in ensuring value and service for heating oil customers.

At the dealer level, the price customers pay for fuel oil is determined in part by the level of service the dealer provides. Companies with service plans, 24-hour emergency service, payment plans and equipment financing typically command a higher fuel price than companies that only deliver oil. Many companies offer several price options so customers can choose one that meets their needs.

Abundant supplies

Q: Are there adequate supplies of heating oil?

A: Yes. It has been decades since there was a significant problem with heating oil supplies. In fact, over the last five years, production of heating oil in the U.S. has nearly doubled, reducing our dependence on foreign oil and ensuring that oilheat homeowners will always have enough oil to heat their homes. In addition, the United States has established a one-million-barrel heating oil reserve for added insurance.



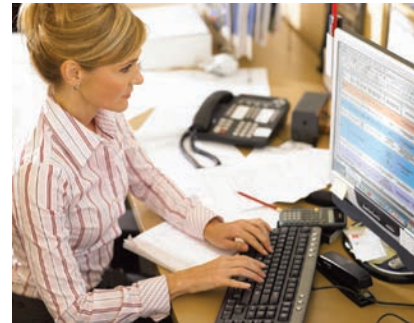
Selling Points

- Heating oil represents only 3% of total petroleum consumption in the U.S.
- Approximately 85% of the heating oil used in the U.S. is refined domestically.
- More than 70% of the oil used in the U.S. comes from the U.S. This is the highest level since 1985.
- Studies show that there are as many as two trillion barrels of crude oil in the world still untapped, enough to last for nearly a century.

...and easy deliveries

Q: What's the easiest way for a homeowner to get a delivery?

A: The easiest way to get heating oil is through automatic deliveries of fuel by the homeowner's oil company. The company normally counts "degree-days" to keep track of how cold the weather has been and calculates an individual burn rate for each customer. This way it knows just when a customer needs a delivery, often before most people would know it themselves. Automatic delivery does not mean more fuel is burned. It provides peace of mind because the homeowner doesn't have to think twice about how much fuel is in the tank.



Bioheat: The Fuel of the Future



Bioheat is a blend of home heating oil and biodiesel, which is made domestically from soy, vegetables and other natural sources. Bioheat is even cleaner, more environmentally friendly, and leads to greater system efficiency. Bioheat has become the norm, so that customers can receive the cleanest and greenest heating oil possible.

How oilheat systems work

The heat produced by an oilheat system is distributed through a home in one of three ways: warm air (registers or vents), hot water (baseboard, radiators or radiant) or steam.

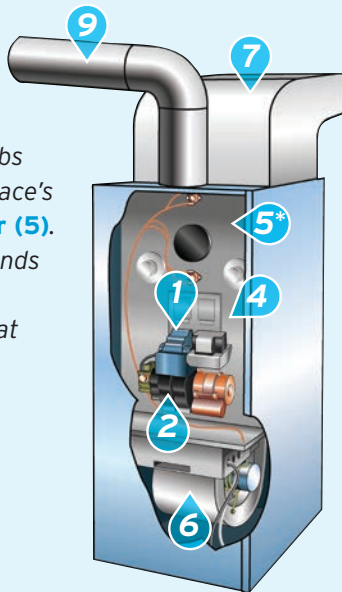
While the system in the home you're showing

The thermostat has a sensor that measures room temperature. When the temperature drops below your thermostat setting (or when the setting is raised), the thermostat sends a signal to the **controls (1)** on the **burner (2)** to go into action.

A **fuel pump (3)** draws oil through a filter to the burner. The nozzle on the burner turns this oil into a fine spray, mixes it with air and ignites it in the **combustion chamber (4)**, causing the chamber to get very hot.

What happens next depends on the type of heating system.

→ In a **warm air system** (diagram at right), air absorbs heat in the furnace's **heat exchanger (5)**. A **blower (6)** sends this air through **ducts (7)** to heat the home.



*not visible

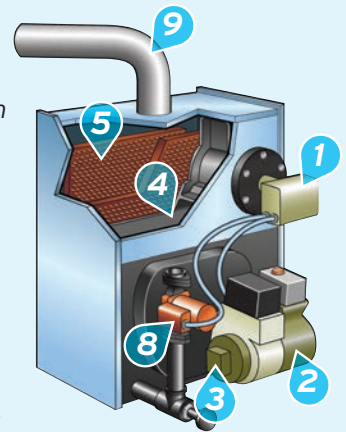
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may look a bit different from those in the diagrams below, it operates on the same principles.

Whatever the system, any emissions are safely vented to the outside and never mix with the indoor air.

→ In a **hot water, or hydronic, system** (diagram below), water circulates around the **combustion chamber (4)** of the boiler. Heated water goes through a system of pipes to radiators or baseboards, and eventually returns to the heating unit with the aid of a **circulator pump (8)**, and the cycle starts again. An expansion tank adjusts the system for varying water pressures.

→ **Steam systems** are similar to hot water systems except that steam, not hot water, is generated. Steam rises to radiators or baseboards so no circulator is needed. A low-water cutoff shuts down the boiler if water levels drop, preventing boiler damage.



In all systems, combustion emissions go up the **flue (9)**, never mixing with the air, water or steam distributed through the home.

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Upgrading to a lean, clean, modern machine

Q: What if a buyer is considering a home with an older heating system?

A: Older systems can generate higher than necessary fuel bills, but these systems can easily be replaced with equipment that incorporates new oilheat technology. The nonprofit **Consumer Energy Council of America** has concluded that changing fuel sources does not make “economic sense” and the best bet is to upgrade to new equipment in order to improve efficiency.



Upgrading to a new oilheat system pays

Q: How does a homeowner know if a system should be replaced?

A: Oilheat systems typically last 30 years and longer. However, the older the system, the greater the gain in efficiency and cleanliness through upgrading. If an oilheat system is more than 20 years old, upgrading to a new heating oil system could save hundreds of dollars a year.

The greater the efficiency, the **MORE** you SAVE!

Current system efficiency

Annual fuel savings (per \$2,000 of fuel)

65% \$460

60% \$580

55% \$700

50% \$820

This chart shows average savings from **upgrading** to a new system with **85% efficiency**.

Source: American Council for an Energy-Efficient Economy. Average savings vary, depending on square footage of home, number in household, insulation quality and other factors.

Size Matters

Modern oilheat systems are smaller, cleaner and more efficient than ever.

Q: Besides total replacement, are there low-cost ways to improve an oilheat system's efficiency?

A: Yes. A professional tune-up can increase efficiency by up to 5%. Homeowners can also improve efficiency — by as much as 25% — if they replace an old burner with a modern, flame-retention burner rather than replacing the entire furnace or boiler. Purchasing a new burner is a modest investment with a rapid payback. It is estimated that flame-retention burners have saved homeowners billions of dollars in fuel costs and have conserved more than six billion gallons of oil.

Oilheat gives you all the hot water you need

Oilheat is a great way to heat water. This is a strong selling point for buyers with large families whose dishwashers, washing machines and showers always seem to be running. With the rapid “recovery” rates of oil-fired water heaters, it's unlikely that homeowners will run out of hot water — and they'll save money, too! Homeowners should contact a local heating oil company to find out which water heating option is best for them.



The truth about tanks

Customized storage solutions

“I love the house, but what about the oil tank?”



There are many misconceptions about oil tanks, but here are the facts.

- Tanks can last for decades with no need for replacement. When the time comes for replacing an older tank, there are several options a homeowner can choose from (see page 13).
- With an oil storage tank on the property, the homeowner always has a supply of fuel on hand.
- With a tank, homeowners pay for the fuel that's actually delivered — no estimates, no questions.
- The chance of a leak from an underground heating oil tank is extremely low. That's why there are no state or federal regulations requiring residential underground heating oil tanks to be removed if there is no leak.
- Advances in technology have resulted in tanks made from corrosion-resistant materials such as fiberglass. Properly installed and maintained, today's oil tanks can last indefinitely.

If you or your client have more questions, call a local oil company that can address your concerns.

Good options for oil tanks are available today for homeowners who either need to replace a tank or plan to renovate and want to save space.



- Today's above-ground tanks are relatively small (275 gallons) and they can be customized for hard-to-fit places. For example, a vertical tank can be installed in small or unusually shaped spaces in a basement or garage. Tanks can also be installed outside the home and hidden in a tank enclosure, like the one pictured above.
- A homeowner can replace an old buried tank with a modern one. New underground tanks are guaranteed to be corrosion resistant. If your client plans to replace an underground tank, a local oil dealer should be contacted to explain the options, because regulations regarding tank abandonment can be confusing.

Selling Point

An oil tank on the property puts your clients in control of their comfort. The storage tank allows the oilheat user to have an adequate supply of heating oil ready for use with the arrival of cold weather. Many oil dealers offer the option of automatic delivery. By tracking the weather and each customer's fuel consumption, they can refill the tank before the fuel level gets too low. The customer never needs to think about it.

Two easy sells: service and safety

Oilheat companies pride themselves on delivering peace of mind and responsive service. Remind your clients about these two points:

- In a recent national survey, **oilheat users gave their oil companies an average rating of 94% for friendly and fast service.**
- **Oilheat companies range from companies servicing several hundred accounts to those serving thousands of customers,** so homeowners can choose a company that best suits their needs and personalities. Most oil dealers are locally owned and operated, and have deep roots in their communities.



Heating a home with oil is safe. Were you aware of these two facts?

- **Heating oil does not explode.** If you dropped a lit match into a barrel of oil, the match would go out as if you dropped it in water. Oil must be turned into a fine-particle mist before it will ignite and burn, typically at a temperature of 130°-140°.
- **Oilheat poses an extraordinarily low risk for carbon monoxide poisoning.**

Tips for your clients

- Advise your client not to wait until it's cold out before arranging for service from an oil company. Additionally, the oil tank should be kept full in the summer to prevent condensation.
- Encourage your client to take advantage of oilheat's **versatility.** Heating oil is used in radiant floor heating systems, for warming swimming pools and spas, and for melting snow on driveways.
- If your client plans to renovate or add a room to their new home, they should contact their local oil company that may know about options that a typical contractor wouldn't be familiar with.
- Let your clients know that most heating oil companies offer monthly payment plans, which can make budgeting for heating expenses a snap.
- Recommend that your clients have their heating systems **serviced regularly** to conserve fuel and prevent breakdowns. Homeowners can get the most convenient appointments if they schedule service during the off-peak periods of spring and summer.



How oil companies can help you

Having a relationship with an oil company can help you in many ways. The right dealer will:

- *offer training and information on heating systems and regulations*
- *help you solve problems that could delay a closing*
- *service real-estate owned (REO) properties*
- *provide tips to help you list and sell oil-heated homes*
- *analyze a home's oil bills and its consumption history*
- *provide a statement of condition on a home's heating system and an analysis of its service history*
- *measure the oil level in the storage tank*
- *transfer service agreements on a home's heating equipment and fuel tank to the new owner at closing*
- *clean and tune up the heating system before the home is shown, often at little cost*

Reach out and work with oil dealers as partners. You will be surprised at how accommodating they can be.

For more information:

Contact the **National Oilheat Research Alliance (NORA)**.

NORA works in conjunction with the U.S. Department of Energy on research to improve heating oil and oilheat equipment. Its core mission also includes consumer education and technical training for those in the industry.

OilheatAmerica.com

