



Better Buildings Neighborhood Program Workforce Peer Exchange Call: *Working with the Real Estate Sector*

Call Slides and Discussion Summary

March 1, 2012

- Call Logistics and Attendance
 - How are you working with the real estate sector (or thinking about doing so)?
- Program Experience and Lessons:
 - Chicago: Laura Stukel, CNT Energy
 - Charlottesville: Annie Suttle, LEAP
- Discussion:
 - What are key interaction points with the real estate sector? (e.g., MLS, broker education, home inspections)
 - What do we know about the value of energy efficiency in residential real estate sales?
 - What are some key strategies or challenges working with this sector?
 - What resources are most useful to programs thinking about engaging the real estate sector?

Participating Programs and Organizations



- Austin, TX
- Boulder County, CO
- California Center for Sustainable Energy
- Charlottesville, VA
- Chicago, IL
- Energy Efficiency Management
- Jacksonville, FL
- Missouri
- National Association of State Energy Officials
- Nevada
- New Hampshire
- New York
- San Antonio, TX
- Washington

Working with Real Estate

Better Buildings Neighborhood Program
Peer Exchange Call
March 1, 2012

Laura Stukel – CNT Energy

Agenda

- Best Practices
- How Does It Really Work?
- Leading Examples
- Recommendations for Next Steps

Best Practices

- Better Buildings Neighborhood Programs sitting on a real estate gold mine!
- Make performance improvement visible to the market
- What's wrong with this picture?

Adds Value

- Certification/Rating
- Low Utility Bills
- Energy Star HVAC
- Windows

Doesn't Add Value

- Duct Sealing
- Air Sealing

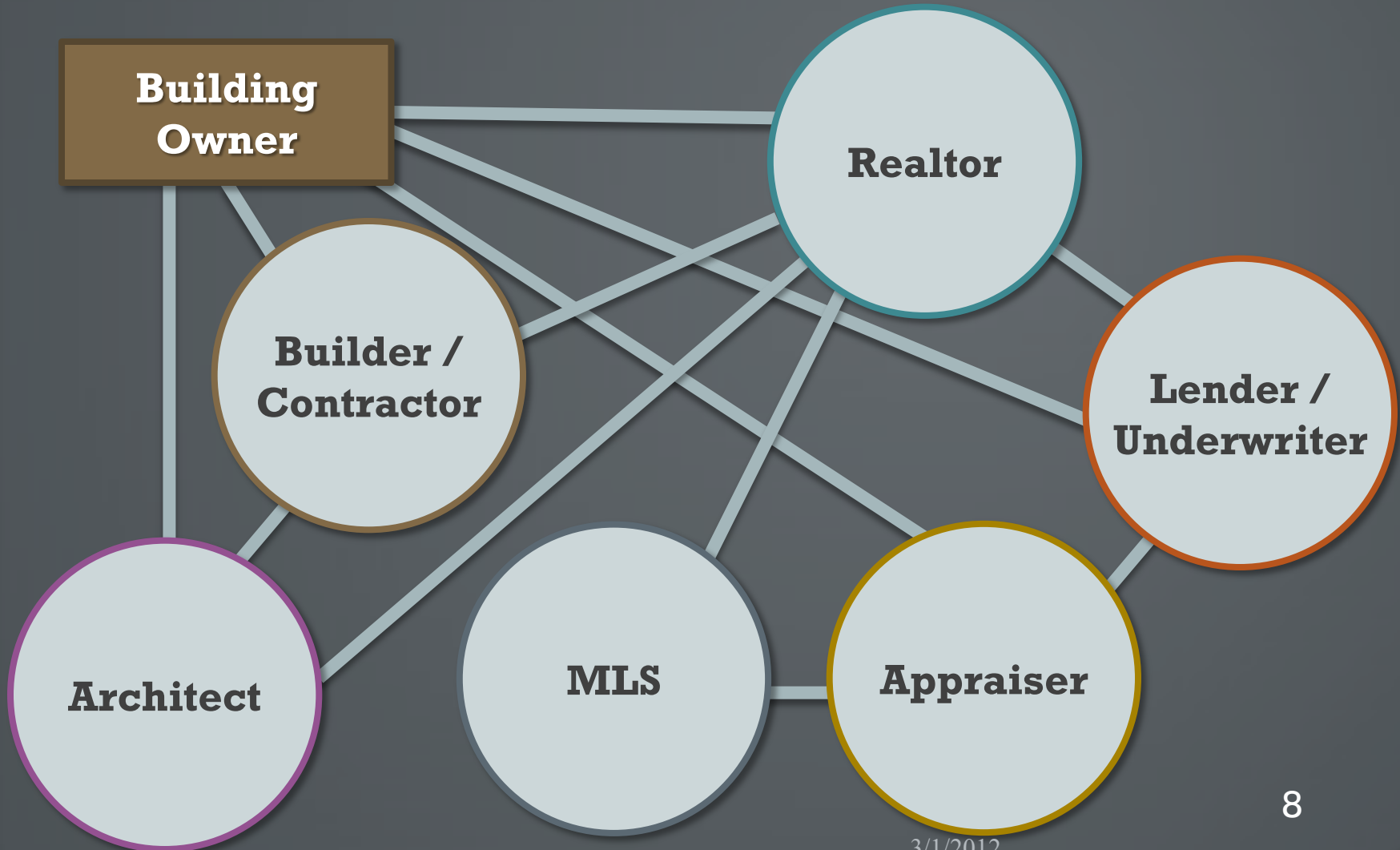
Best Practices

VALUE FOR GREEN HOMES

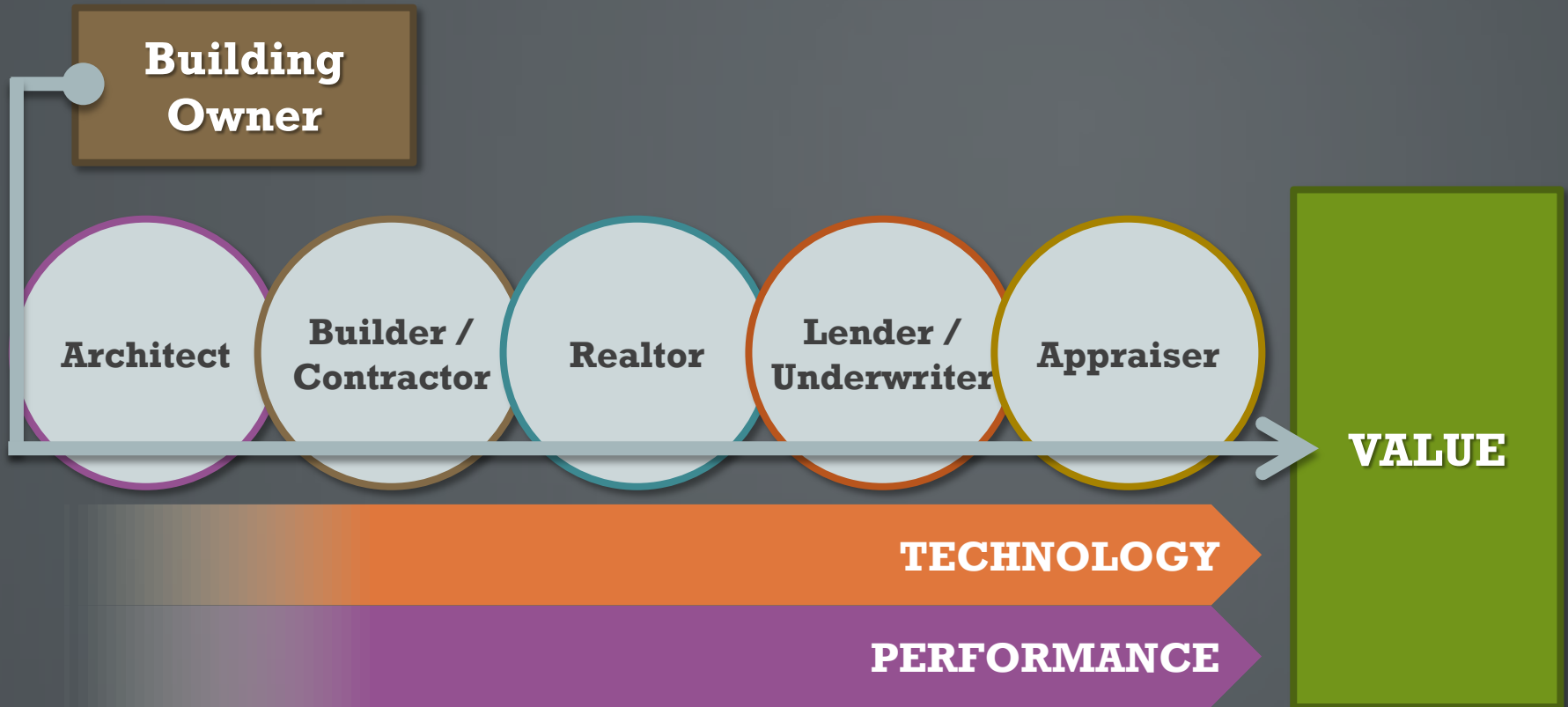


www.GreenTheMLS.org

How Does It Really Work?



Vision for Working Together



How Does It Really Work?

Why no national MLS?



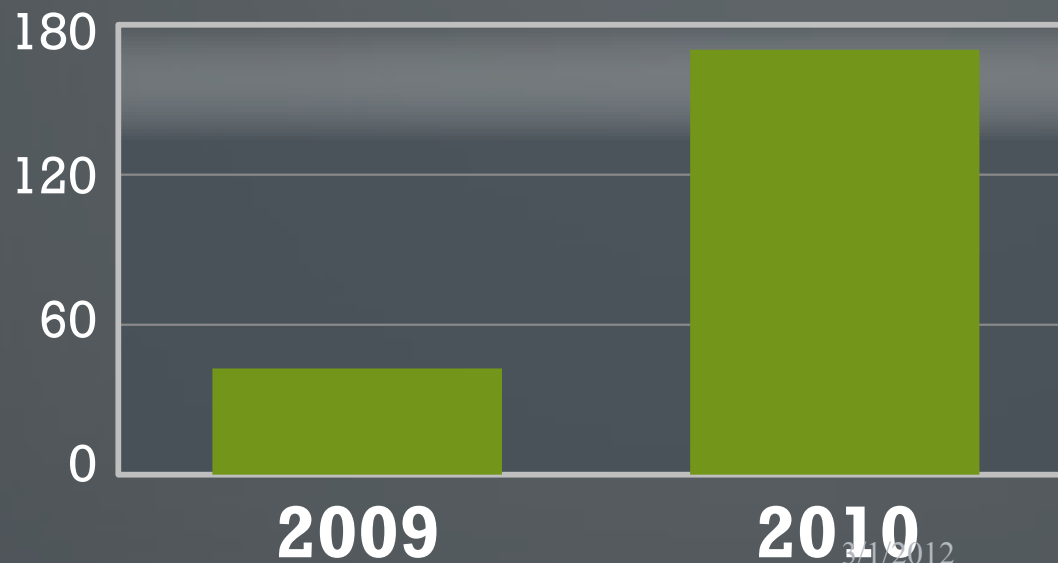
Local Board of REALTORS



850+ Nationally	1600+ Nationally	1.2 Million Members
Independently operated	Independently operated	National organization
MLS data hosting Training Compliance	Dues collection Code of Ethics Training Grievance process	Legal guidance to MLS staff

How Does It Really Work?

- 2009: 5% out of 850 MLS planned/offered GreenMLS
- 2010: 20% planned/offered GreenMLS
- 2010: Additional 14% were evaluating



Leading Examples - Performance Visible through Technology



ENERGY IMPACT ILLINOIS

Parking Spaces: _____

Master Bedroom Bath: _____

Basement: _____

Address: _____

Months Back: _____

List Office ID: _____

Attached Disclosures: _____

HERS Index Score: _____ min _____ max

Green Features: _____

Select All

H IL Home Performance w/E...

I Historic Chicago Bungal...

J HERS Index Score

K MyHome EQ Report

L 12 Month Utility History

M Air/Duct Leakage Test

N Combustion Safety Test

3/1/2012

Leading Examples - Performance Visible through Technology



Silver Certificate of Completion

Home address:

100 N Comfort Dr
Chicago, IL 60606

Work performed by:

Green Energy Improvement

Work verified by:

Energy Impact Illinois

Home Energy Upgrade Improvements

- Air sealing performed in attic and basement reducing total air leakage rate by 26%
- R-38 insulation added to entire attic floor and installed an insulated attic hatch
- R-11+ wall cavity insulation installed in conditioned basement
- Vented existing bath fan to the outside
- Sealed exposed exterior cinder block and caulked where block meets foundation

Jonathan Feipel, Deputy Director
Illinois Energy Office

Savings

35 %

estimated total
energy use reduction

\$442 /year

estimated energy
bill reduction

Leading Examples - Performance Visible through Technology

Property Details



City
Township
NBRD
80
Taxcode
17007
Class
3-11

11191150150000 04/17/2007

Assessed Valuation

	2010 First Pass Assessment	2009 Board of Review Certified
Land Assessed Value	95,187	95,391
Building Assessed Value	45,490	51,898
Total Assessed Value	140,677	147,289

Property Characteristics

Estimated 2010 Market Value	146,770
Estimated 2009 Market Value	122,800
Description	Two to Six Apartments, Over 62 Years
Residence Type	Two Story
Use	Multi-Family
Apartments	Two
Exterior Construction	Frame
Full Baths	2
Half Baths	0
Basement ¹	Full and Unfinished
Attic	Full and Unfinished
Central Air	No
Number of Fireplaces	0
Garage Size/Type ²	2 Car Detached
Age:	125
Land Square Footage	8,150
Building Square Footage	2,816
Assessment Date	Four Years



EQ





137 EUI

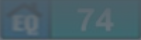
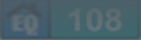
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My Home EQ

Leading Examples - Performance Visible through Technology

	SUBJECT PROPERTY	COMP#1 adjustment
		
List Price:	\$199,000	\$199,900
Approx Sq. Ft:	1050	1044 (<input style="width: 50px; border: 1px solid black;" type="text" value="1044"/>)
Energy Rating:		

Energy Rating:		
# Bedrooms:	3	3
# Full Baths:		
Air Conditioning:	Central Air	Central Air
Heat / Fuel:	Gas, Forced Air	Gas, Forced Air
Approx Year Built:	1979	1972
<input type="button" value="Add More Adjustments"/>		<input type="button" value="Calculate"/>
Total Adjustments:		\$ <input style="width: 50px; border: 1px solid black;" type="text" value="\$0"/>
Adjusted Price:		<input style="width: 100px; border: 1px solid black;" type="text" value="\$199,900"/>

Leading Examples - Performance Visible through Technology

Vermont Green Home Alliance



- Efficiency Vermont provides monthly spreadsheet
 - All Energy Star and HERS-rated homes
- Accessible through NNEREN (local MLS) to members
 - Vermont Association of Relators
 - Vermont Chapter, Appraisal Institute can access

www.VermontGreenHomeAlliance.org

www.VTRealtor.com www.VermontMBA.org www.AI-VT.org

Recommendations for Next Steps

- Get to know your local and state Realtor associations

What is the REALTOR®'S Energy Audit Program (R.E.A.P.)?

California REALTOR®'S Energy Audit Program provides up to a \$250 rebate on a Home Energy Rating System (HERS) home energy audit conducted by a certified HERS rater. A home energy audit helps you identify improvements that you can make to your home to reduce your monthly utility bills. Improving the energy efficiency of your new home is a great way to counter rising energy costs and make your home more affordable.

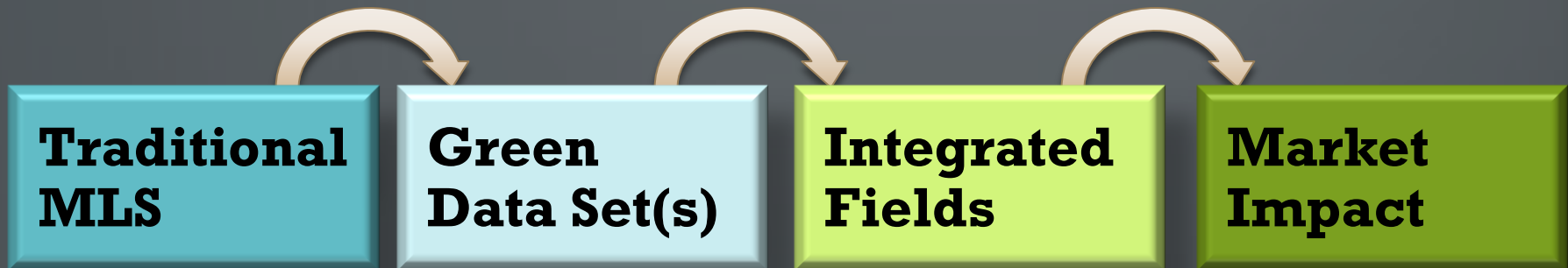
Participating in the REALTOR®'S Energy Audit Program not only makes good financial sense, it makes good green sense, too.

CAR's Housing Affordability Fund is dedicating \$250,000 towards this effort to help California homebuyers REAP great rewards!

Recommendations for Next Steps

○ Learn about Green MLS

- Green MLS Toolkit – www.greenthemls.org
- USGBC GreenMLS Advocacy - www.usgbc.org/ShowFile.aspx?DocumentID=10917
- Green MLS/Better Buildings Roundtable – www.cntenergy.org (Search “green mls”)



Recommendations for Next Steps

- How will you make improved performance visible?
 - BPI Working Group – Home Performance Completion Certificate Standard
 - Appraisal Institute Green & Energy Efficiency Addendum

ENERGY EFFICIENT ITEMS	
The following items are considered within the appraised value of the subject property:	
Insulation	<input type="checkbox"/> Fiberglass Blown-In <input checked="" type="checkbox"/> Foam Insulation <input type="checkbox"/> Cellulose <input type="checkbox"/> Fiberglass Batt Insulation R-Value:
	<input checked="" type="checkbox"/> Other (Describe): Icynene Sprayed Soy Based Insulated Foam <input checked="" type="checkbox"/> Walls R-13
	<input type="checkbox"/> Basement Insulation (Describe): <input checked="" type="checkbox"/> Ceiling R-40
	<input type="checkbox"/> Floor Insulation (Describe): <input type="checkbox"/> Floor

www.AppraisalInstitute.org/education

www.encyfirst.org/login/?next=/webinars/#Addendum

Recommendations for Next Steps

- Real estate business models – Coming Soon!
- Efficiency First Real Estate Working Group
- www.efficiencyfirst.org/take-action/best-practices



- Home
- Green Basics
- Blogs
- Green Homes
- Product Guide
- Strategies & Details
- Q&A

SIGN UP FOR

Loan Modifications Lower your Payment - Save your Home Get Pre-Approved in minutes! www.ModificationR.com

7 homes under \$60,000 Over 50 Plans And The Best Value Homes For Every Budget www.RealityHomesInc.com

Green Homes Prefabricated in our factories. Assembled anywhere in the US bensonwood.com/

A Step Toward Fairer Green Home Valuations


A new appraisal form aims to standardize the valuation of energy-efficiency features included in green homes

Helpful?
1
Sign in to vote

POSTED ON OCT 21 2011 BY **RICHARD DEFENDORF**

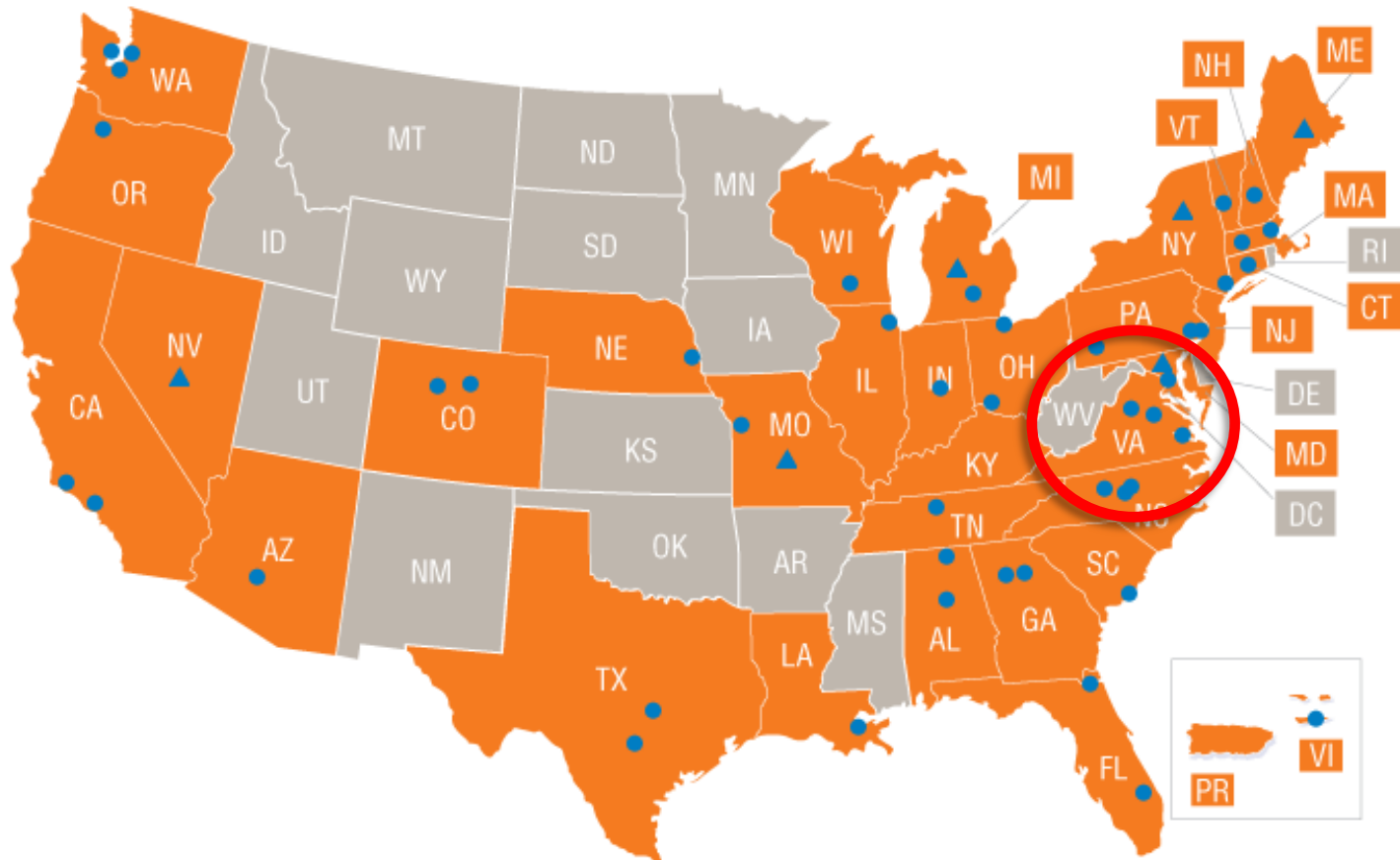
To say this is an era of heightened scrutiny of the appraisal industry is an understatement. Flat-lining home sales and prices have sellers – including homebuilders – sharply focused on **the fairness of lender valuations**, especially those in markets afflicted by foreclosures.

Another factor complicating appraisals: the green home, whose energy-saving features have so far been ignored in most valuations. That's partly because **green homes** are still relatively new to the market and suitable comparables difficult to find. It's also because

		Client File #		Appraisal File #	
		Residential Green and Energy Efficient Addendum			
Date: Subject Property: City:		State:		Zip:	
Additional resources to aid in the valuation of green properties and the completion of this form can be found at http://www.appraisalintegrity.org/education/green_works_addendum.aspx					
ENERGY EFFICIENT ITEMS					
The following items are considered within the appraised value of the subject property.					
Insulation	<input type="checkbox"/> Fiberglass Blown-In <input type="checkbox"/> Other (Describe): <input type="checkbox"/> Basement Insulation (Describe): <input type="checkbox"/> Floor Insulation (Describe):	<input type="checkbox"/> Foam Insulation <input type="checkbox"/> Cellulose <input type="checkbox"/> Fiberglass Batt Insulation	R-Value: <input type="checkbox"/> Walls <input type="checkbox"/> Ceiling <input type="checkbox"/> Floor		
Water Efficiency	<input type="checkbox"/> Rain Barrels <input type="checkbox"/> Low Flow Toilets <input type="checkbox"/> Shower Heads <input type="checkbox"/> Faucets <input type="checkbox"/> Dishwashers <input type="checkbox"/> Water Heaters	<input type="checkbox"/> Low Flow Showerheads <input type="checkbox"/> High Impact <input type="checkbox"/> Storm <input type="checkbox"/> Double Flush Toilets <input type="checkbox"/> Triple Flush Toilets <input type="checkbox"/> Other (Describe):	<input type="checkbox"/> Cisterns <input type="checkbox"/> Cans <input type="checkbox"/> Gaskets <input type="checkbox"/> Location:		
Windows	<input type="checkbox"/> Single Pane <input type="checkbox"/> Double Pane <input type="checkbox"/> Triple Pane <input type="checkbox"/> Other (Describe):	<input type="checkbox"/> Low E <input type="checkbox"/> High Impact <input type="checkbox"/> Storm <input type="checkbox"/> Double Pane <input type="checkbox"/> Triple Pane <input type="checkbox"/> Other (Describe):	<input type="checkbox"/> Apn Barrels <input type="checkbox"/> Double Pane <input type="checkbox"/> Triple Pane <input type="checkbox"/> Other (Describe):		
Day Lighting	<input type="checkbox"/> Skylights <input type="checkbox"/> Other (Describe):	<input type="checkbox"/> Skylights <input type="checkbox"/> Other (Describe):			
Appliances	<input type="checkbox"/> ENERGY STAR Appliances <input type="checkbox"/> Range/Top <input type="checkbox"/> Refrigerator <input type="checkbox"/> Other (Describe):	<input type="checkbox"/> Dishwasher <input type="checkbox"/> Other (Describe):	<input type="checkbox"/> Water Heaters <input type="checkbox"/> Solar <input type="checkbox"/> Tankless (On-Demand) <input type="checkbox"/> Other (Describe):	<input type="checkbox"/> Insulation Energy Source <input type="checkbox"/> Fireplace <input type="checkbox"/> Electric <input type="checkbox"/> Natural Gas <input type="checkbox"/> Other (Describe):	
HVAC (Describe in Comments Area)	<input type="checkbox"/> High Efficiency HVAC - SEER <input type="checkbox"/> Programmable Thermostat <input type="checkbox"/> Other (Describe):	<input type="checkbox"/> Heat Pump <input type="checkbox"/> Other (Describe):	<input type="checkbox"/> Thermostat Controls <input type="checkbox"/> Radiant Floor Heat <input type="checkbox"/> Other (Describe):	<input type="checkbox"/> Passive Solar <input type="checkbox"/> Other (Describe):	
Energy Rating	<input type="checkbox"/> ENERGY STAR Home <input type="checkbox"/> HERS Index Performance with ENERGY STAR <input type="checkbox"/> Other (Describe):	<input type="checkbox"/> Other (Describe):	<input type="checkbox"/> Indoor Air Plus Package <input type="checkbox"/> Energy Recovery Ventilator Unit <input type="checkbox"/> Certification (Specify):		
HERS Information	Rating:	Date Rated:	Monthly Energy Savings on Rating 1:		
Utility Costs	Average Utility Cost: \$	per month based on:	\$ (Specify) - #		



Local Energy Alliance Program (Charlottesville)



Engaging the Central Virginia Real Estate Community in Advancing Home Energy Efficiency



Establish Relationships

- Identify key players
- Cultivate champions
- Work within pre-established channels (i.e. realtors associations, Twitter, radio shows)



Training + Engagement

- Lunch/Panel Discussion
 - Realtor, LEAP, DOE, financial institution, appraiser, contractor
- Incentives
- Trainings
- Research, case studies (summer intern)



Discussion Highlights and Lessons

- The key for the real estate sector is to “make the invisible visible.” Things such as air sealing that add efficiency to a home are invisible during the real estate transaction unless they are captured through information in the MLS, certificates, signs, etc. (see some examples at the end of this summary).
- One way to demonstrate how one home performs differently than another home is through fields for energy savings/efficiency in the local MLS. All MLS’s are local, and some now include energy efficiency fields (see resources at the end of this summary for examples).
- Good data is vital to making the value of energy savings transparent and part of the real estate transaction.
 - Note that everything that potentially influences price/value has to be very well documented due to potential litigation in the sector.
- Things consumers understand and recognize (e.g. comfort, cost-savings, etc.) are what add value to the market. Although these often don’t “close the deal,” they factor into consumer’s comparison and selection among homes.
- Energy upgrades can help older homes compete with new homes, which tend to be more comfortable and energy efficient

- Conduct environmental literacy training for realtors, which includes understandable ways for them to explain and pass on information about energy efficiency to their clients.
- Key leverage points for engaging the real estate sector (including attracting real estate professionals to training opportunities) are:
 - Key influencers (including realtors working 100% off of referrals - leverage their networking and sphere of influence).
 - State associations (specifically associations involved in training) to get connected regionally and locally.
 - The state licensing board; offering Continuing Education (CE) credits as part of a training program is a big incentive.
- Engage home inspectors as a means of identifying energy efficiency opportunities and communicating about programs and incentives.

Examples of How Programs are “Making the Invisible Visible”



WELCOME
TO THE MOST
COMFORTABLE
HOME ON THE BLOCK



ENERGYWORKSNOW.COM
215-609-1052



Window Cling

Yard Sign

Real Estate Event Flyer Example

BABY IT'S GOLD INSIDE!

Home Energy Efficiency and the REALTOR®

**Thursday, February 23, 2012
11:30am to 1:30pm at CAAR**

There is a tremendous amount of information flowing on the local, state, and national level regarding energy efficiency and the residential real estate market. We've assembled a panel of speakers representing the key components of this conversation to discuss where we are and where we are going. We need more REALTORS® in this conversation. Come by for lunch and learn more about ...

- How to help homeowners interested in this topic.
- How we are going to deal with energy efficiency features and our MLS.
- How we are going to help appraisers assign value to these features.
- How you can learn more about your own home and potentially win a free comprehensive energy audit.

Speakers:

Joan Glickman, US Dept of Energy - Home Energy Score Program
Cynthia Adams, LEAP-VA
Jim Shelley, Pape and Company
Laura Fiori, Key Green Energy Solutions
Rebecca Cardwell, UVA Community Credit Union
Greg Slater, Nest Realty & Co-Chair Home Performance Project Team

All that and a box o' lunch!

Make your reservation now. Space is limited.

Name _____
Company _____
Email _____
Phone _____

CAAR
CHARLOTTESVILLE AREA
ASSOCIATION OF REALTORS®

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550 Hillsdale Drive • Charlottesville 22901

Resource Links

Real Estate/Efficiency Examples

- <http://www.illinoishomeperformance.org/what-expect/certificate>
- www.MyHomeEQ.com
- www.VermontGreenHomeAlliance.org
- www.CAR.org

Efficiency/Home Affordability/Buyer Interests

- Trend summary - NAR Study: Homebuyers Consistently Seek Efficiency
<http://www.notyetgreen.com/?p=1655>
- NAR 2011 Home Buyer/Seller Profile summary -
http://www.realtor.org/wps/wcm/connect/52b55f004912cf3fa0cbec2e39654e23/Highlights_HBS_2011.pdf?MOD=AJPERES&CACHEID=52b55f004912cf3fa0cbec2e39654e23

Learn about Green MLS

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- Green MLS/Better Buildings Roundtable – www.cntenergy.org (Search “green mls”)
- Listed Green: <http://www.listedgreen.com/index.cfm>

Learn about Appraisal Institute Green & Energy Efficiency Addendum

- www.AppraisalInstitute.org/education
- www.encyfirst.org/login/?next=/webinars/#Addendum

Potential Future Call Topics

- Mentoring and Job Training in the Field
- Streamlining Service Delivery
- 3rd Party vs. Contractor Audits—What is the Right Approach?
- Designing Contractor-Friendly Programs
- Engaging and Growing Small Contractor Businesses
- Strategies for Aligning Program Demand with Contractor's Seasonal Fluctuations
- Engaging Local Efficiency First chapters
- Contractor Pricing

Additional Ideas Shared on Call:

- Business Training for Newly Trained Contractors
- Strategies for Attracting Business Owners to Trainings