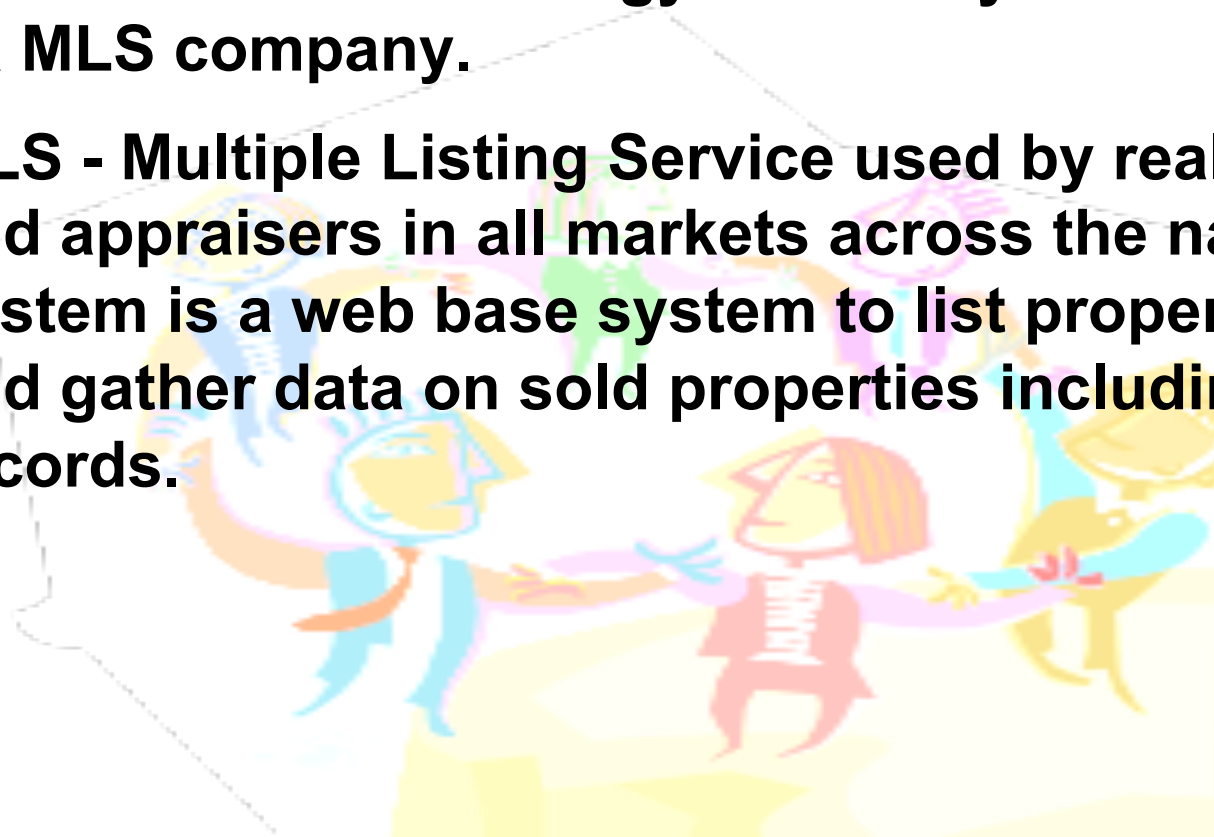


Appraisal, Value and “Greening” the MLS

**Presented by
Elizabeth Million, AVP
Bank of America**

Governors Energy Office Retrofit Working Group - Appraisal/Greening the MLS

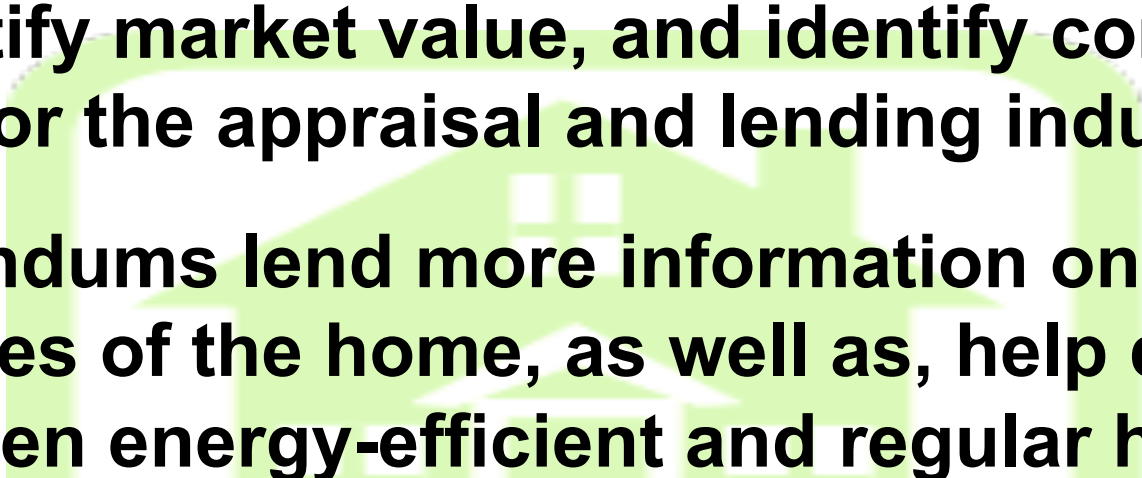
- **Determine new searchable fields for Colorado MLS systems; creating uniformity in “greening” our regional MLS’s.**
- **Real Estate Agents, Appraisers, Lenders, members of the Construction and Energy Efficiency Industries, and IRES - a MLS company.**
- **MLS - Multiple Listing Service used by real estate agents and appraisers in all markets across the nation. The MLS system is a web base system to list properties for sale and gather data on sold properties including assessor records.**



Why Is Greening MLS Important?

- **Enable Realtors to Search for Homes With Green Features**
- **Market Green Features and Third Party Verifications on the MLS**
- **Enable Appraisers to Identify Homes With Green Features to compare for market data or any possible value difference**

What are we trying to accomplish?

- **New MLS searchable fields are split into two categories, “Certifications” and “Features.”**
 - **It will provide the industry with necessary energy and “green” data points**
 - **Quantify market value, and identify comparison data for the appraisal and lending industries.**
 - **Addendums lend more information on the green features of the home, as well as, help decipher between energy-efficient and regular homes.**
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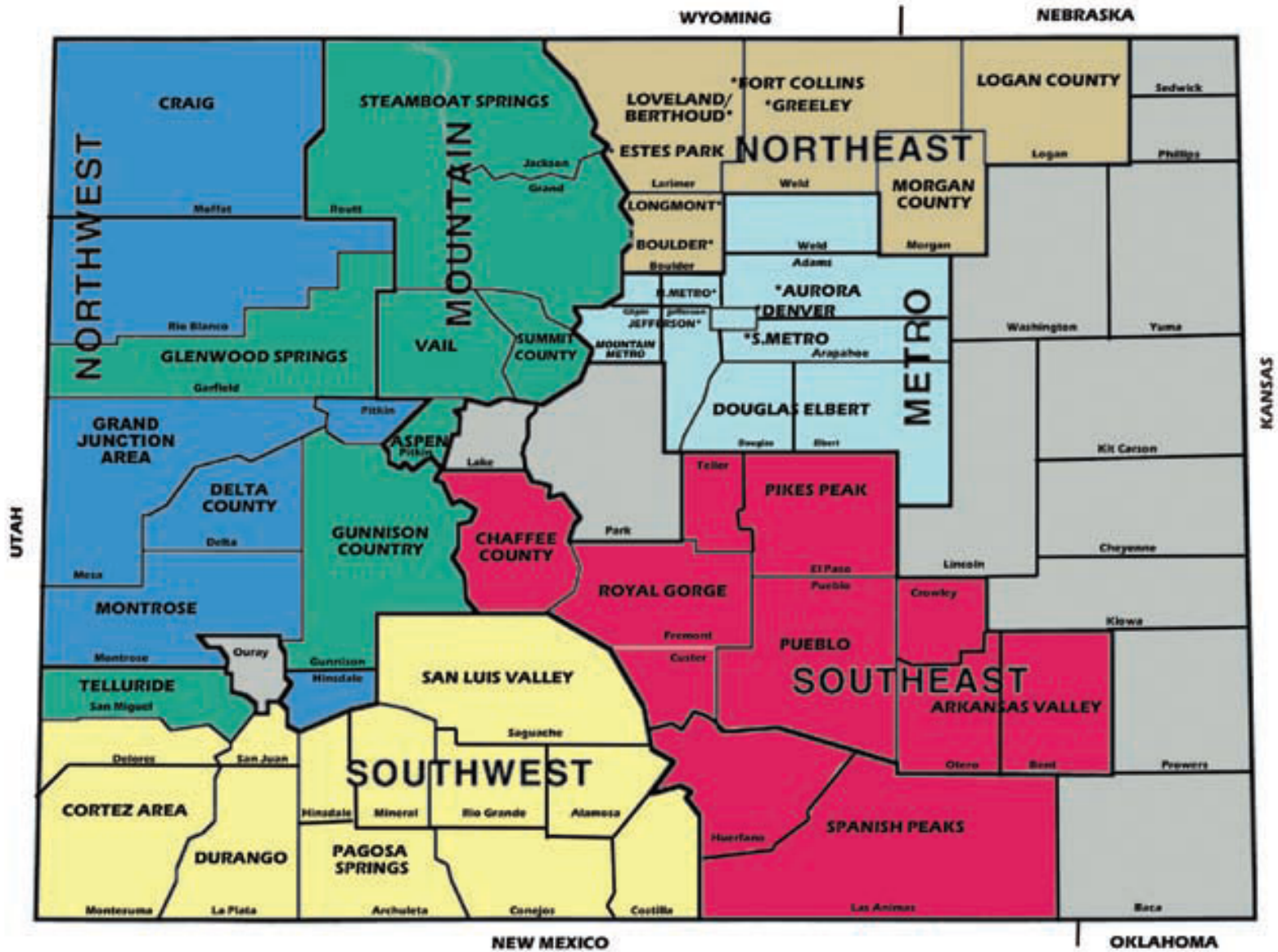
Features that will not have Data Points

- **Energy Efficiency & Cost Savings**
- **Interior Environment – Healthier and More Comfortable**
- **Water Conservation**
- **Global Environmental Benefits**

IRES Goes Green

- **First of Colorado's MLS listing services to Add Energy/Green Features to Property Listings**
- **Developed in Conjunction With the Governor's Energy Office and Local Real Estate organizations like BARA (Boulder Area Realtor Association), LAR (Longmont Association of Realtors)**
- **Special Thanks:**
 - **Lauren Emery, CEO of IRES**
 - **David Scott of The Scott Group, Landmark Realtor in Boulder**

COLORADO ASSOCIATION OF REALTORS®



What is IRES

- **IRES** (Information and Real Estate Service, LLC)
- **Formed in 1996 as a Regional Multiple Listing Service**
- **Provides a Database for Real Estate Professionals**
- **Coverage Area: N.E. Colorado** (Boulder, Fort Collins, Greeley, Longmont, Loveland/Berthoud, Estes Park, Morgan County and Logan County)
- **Servicing 4,823 Real Estate Agents**

IRES

Residential Input Form

ENERGY/GREEN FIELDS

Certifications

HERS Rating: Y / N

***Year Certified: _____ *Score: _____ (0-240)**

ENERGY STAR® Qualified New Home : Y / N

***Year Certified: _____**

LEED for Homes: Y / N

***Year Certified: _____**

NAHB/NGBS-ICC 700: Y / N

***Year Certified: _____**

Solar

Solar PV: Y / N

***Year Installed: _____ * Kilowatts _____**

Solar Thermal: Y / N

***Year Installed: _____ * Type _____
(e.g. "Water")**

Green Features Addendum

Uploaded? Y / N

Complete Green Features Addendum

1. Home Performance Programs:

Home Performance with ENERGY STAR

2. Construction

(check box for each type)

- SIPS**
- Improved Insulation**
- ICF**
- Straw Bale**
- Material Efficient Framing**
- Earthen Built / Rammed Earth**
- Other:**

3. Heating, Cooling and Ventilation:

(check box for each type)

- Ground Source Heat Pump**
- Tankless / on Demand Water Heater**
- Evaporative Cooling**
- High SEER A/C (eg. ≥ 13 SEER?) Seer Rating ___**
- High Efficiency Furnace / Boiler (eg. $\geq 90\%$ AFUE)**
- Whole House Fan**
- Ceiling Fans**
- Insulation Air Sealing Upgrades Completed**
- Home Orientation (South Facing Overhangs**

4. Water Efficient Features

(check box for each type)

- Low Flow Toilets**
- Low-water Sod (Certificate of Installation)**
- Xeriscaping**
- Low Flow Fixtures / Shower Heads**
- Hot Water Recirculation Pump /Structured Plumbing**
- Greywater System**

5. Indoor Air Quality:

(check box for each type)

- Indoor Air Quality Plus by ENERGY STAR**
- Heat Recovery Ventilator / Fresh Air System**
- Green Guard Certified carpet / Flooring**
(documentation required)
- No formaldehyde Certified cabinetry**
(documentation required)
- No or Low VOC Paint**
- Radon Mitigation System**

6. Sustainable Materials:

(check box for each type)

- FSC Certified Lumber**
- Reclaimed Flooring**
- FSC Certified Cabinets**
- Sustainable Flooring**
- Recycled Content**
- Regionally Harvested**

7. Energy Features:

(check box for each type)

- ENERGY STAR / Low E Windows
(documentation required)**
- Orientation / Passive Solar Design**
- ENERGY STAR Rated Roof (documentation
required)**
- Automated Lighting Controls**
- High Efficiency Lighting (CFLs, LED)**
- Programmable Thermostat**

8. ENERGY STAR Appliances:

- Refrigerator
- Range / Oven
- Dishwasher
- Clothes Washer

Additional Comments:

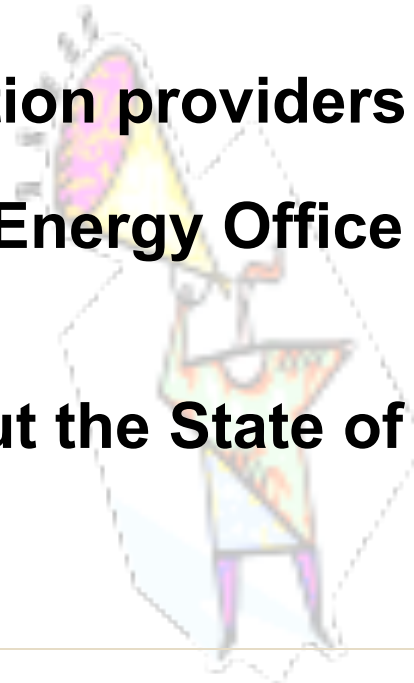
Outreach Strategy to the Real Estate Community

- ❖ **MLS companies/providers**
- ❖ **Partners (ESNH, USGBC, Xcel, EcoBroker, BGBG)**
- ❖ **Homebuilders**
- ❖ **Real Estate Agent professionals**
- ❖ **Appraisers**
- ❖ **Banks and Financial Institutions**

Getting the Information Out

Training the Real Estate Community

- Homebuilders and contractors via local and State of Colorado HBA
- Real Estate Agents and any support staff via local boards, CAR Colorado Association of Realtors
- Appraisers via local Realtor Boards, Appraisal Institute, and other local Appraisal organizations.
- Inspectors, raters, 3rd party verification providers
- Recharge Colorado aka Governors Energy Office as hub for information and web sites.
- On site training/webinars throughout the State of Colorado



Training, Education, and Knowledge

1. Understanding energy / green field improvements to MLS
 - A. Definitions of fields – what is energy efficient/green
 - B. How to properly gather and enter data
 - C. How to utilize the energy / green features addendum
2. How to search the new MLS for real estate professionals and appraisers
3. Trainings focus on tools for real estate professionals equipping them with valuable information on opportunities for their clients to make improvements to the home they are buying or selling.

Who will assist with training? BGBG, EcoBroker, the National Association of State Energy Officials (NASEO) and the Governor's Energy Office (GEO), are currently partnering on developing trainings

The age old question of what comes first.....?

The “Green/Sustainable/Energy Efficient Chicken
.....or the Golden Green/Sustainable Egg??



“Retrofit“
Green/Sustainable/Energy
Efficient Chicken

OR



Demand for Green/Sustainable/
Energy Efficient Homes



This is the million dollar question?

“Green Value Chain”

Value Challenges with Green, Sustainable, Energy Efficient Homes

1. Seller – document all green, sustainable, energy efficient features of the home
2. Real Estate Agent – list green, sustainable, energy efficient features or certifications in the MLS
3. Buyer – “purchase power” decision and willingness to pay for green, sustainable, energy efficient features of a home
4. Appraiser - **most important link in the value chain.** Must have the market data to determine if there is value add to green, sustainable, energy efficient homes.
5. Lender/Underwriter – decision maker for accepting appraised value and information provided by appraiser. Very important to provide quantifiable green data within the appraisal.

**AND NOW FOR THE REST OF THE
SUSTAINABLE AND GREEN VALUE
STORY.....**



This is the story of a very green home.....



“GREEN HOME”

Retrofit /New Construction home ready for sale!!



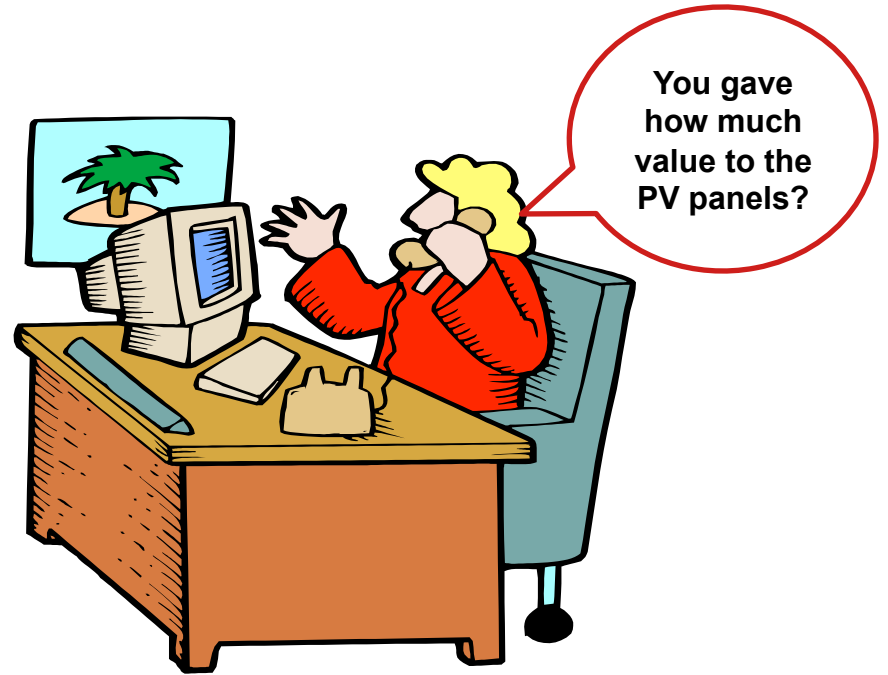
Knowledgeable Green Real Estate Agent list on MLS . The MLS must have Green Data Points!



Buyer makes application with lender for a green loan. Appraisal is ordered for the green home.



Knowledgeable Green Buyer Broker Real Estate agent finds a buyer who says “I want to buy a green house” – now the green home is under contract



Appraiser inspects the green home for green features & certifications – uses MLS to compare to other homes that may or may not have green features.

Lender/underwriter reviews the appraisal



Lender/underwriter approves the loan!!



Green Home is Sold!!

**And they lived sustainably ever
after.....**



Green/sustainable/energy efficient fairy