



MLS Green Features Guide





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Common Mistakes When Selling a Green Home



Not highlighting features to prospective buyers:

If an agent has limited experience selling green features, or does not appreciate the value they can add to the home, they often do not promote them in listings. It makes sense to keep yourself up-to-date on the trends in green and sustainable home features so that you can sell them effectively to a potential buyer. For example:

- ❖ Energy efficiency features rank as two of the top three most wanted features in a home.
- ❖ Across the country green homes are selling faster and 3–9% above comparable conventional homes.
- ❖ Top ENERGY STAR® appliances are 40% more efficient than traditional appliances.
- ❖ Default risks are 32% lower in energy efficient homes.

Not knowing what a green home is or that these features can positively impact the selling price:

Since the high-performance home market is an emerging field, many realtors and appraisers are not aware of the value of these features in the marketplace. This means homeowners frequently miss out on an opportunity to recoup their investment in these upgrades.

Not asking the seller if the home has green or sustainable features:

Since green features can increase the listing price, make the home stand out in a competitive market place, and reduce the time the house sits on the market it makes sense to ask the resident if they have installed any green or sustainable home features. And since the homeowner may have forgotten an investment made a number of years ago, make sure you have your green home features check list so you can prompt the homeowner with the multitude of green home features that may impact the selling price of their home.

Not getting the correct documentation: There is a difference with an impact on the selling price between a home that has some green features like an ENERGY STAR® Appliance and a home that has an ENERGY STAR certification. It is important that agents include the certification documentation when listing a green/sustainable home. Examples of certifications include:*

- ❖ Home Energy Rating System (HERS)
- ❖ ENERGY STAR
- ❖ Home Energy Score
- ❖ Leadership in Energy and Environmental Design (LEED)
- ❖ National Green Building Standard

*For detailed descriptions and additional certification options see following pages

Key Tips for Agents and Appraisers



DO

Ask for the Appraisal Institute's "[Residential Green and Energy Efficient Addendum](#)" and for certificates from any high-performance program certifications.

DO

Inform the buyer that they are allowed to ask their lenders for appraisers that are competent in valuing high-performance homes.

DO

Attend a local training so that you are prepared for answering questions about high-performance homes.



DO

Complete a training to become a "competent" appraiser for this building type (high-performance).

DO NOT

Enter "none" in the "Energy Efficient Items" field on the appraisal without asking or looking.

DO

Become an Appraisal Institute member so you can have access to the [RESNET Appraisers HERS Index Portal](#).

Definitions of Certifications and Standards

HERS Index: The Home Energy Rating System (HERS) Index is the Industry Standard by which a home's energy efficiency is measured. It is also a nationally recognized system for inspecting and calculating a home's energy performance. This Index is assessed by a qualified third party certifier based on the physical characteristics of the house. The energy estimates from this assessment may vary depending on the lifestyle of the occupants, increasing utility expenses, and changes in the maintenance or characteristics of the energy features.

LEED: The Leadership in Energy and Environmental Design (LEED) rating system is redefining the way we think about the places where we live, work and learn. As an internationally recognized mark of excellence, LEED provides building owners and operators with a framework for identifying and implementing practical and measurable green building design, construction, operations and maintenance solutions. www.usgbc.org/

National Green Building Standard (NGBS) ICC-700: An ANSI-approved residential green building standard developed by the National Association of Home Builders (NAHB) and the International Code Council (ICC). It is applicable to single and multifamily projects, renovations and additions and residential land development. To comply, all buildings must incorporate sustainable lot development techniques and address energy, water and material resource efficiency and indoor environmental quality. Also, all owners must be educated about building operation and maintenance.

Certification to the NGBS is provided by the Home Innovation Research Labs. www.homeinnovation.com/

ENERGY STAR®: ENERGY STAR certified new homes must meet strict energy efficiency guidelines set by the U.S. Environmental Protection Agency. These homes are independently verified to be at least 15% more energy efficient than homes built to the 2009 International Energy Conservation Code, and feature additional measures that deliver a total energy efficiency improvement of up to 30 percent compared to typical new homes and even more compared to most resale homes. www.energystar.gov/new_homes

Home Energy Score (HES): The Home Energy Score is similar to a vehicle's mile-per-gallon rating. The Home Energy Score allows homeowners to compare the energy performance of their homes to other homes in the area. It also provides homeowners with suggestions for improving their home's efficiency. The process starts with a home energy assessor collecting energy information during a brief home walk-through. The assessor then scores the home on a scale of 1 to 10, with a score of 10 indicating that the home has excellent energy performance. In addition to providing the score, the home energy assessor provides the homeowner with a list of recommended energy improvements and the associated cost savings estimates. betterbuildings-solutioncenter.energy.gov/home-energy-score



Definitions of High-Performance Features

Building Envelope: The building envelope is everything that separates the building's interior from the exterior. This includes the foundation, exterior walls, roof, doors, and windows. A building's envelope is key to thermal comfort and efficiency.

Geothermal: A geothermal heat pump uses the constant below ground temperature of soil or water to heat and cool your home. energy.gov/energysaver/articles/geothermal-heat-pumps

Low-E: Low emittance indicates a coating is added to the glass surface. The coating allows visible light to pass through the glass while stopping the radiant heat energy from the sun and heat sources in the building from passing through the glass. Approximately 40% of the sun's harmful ultra violet rays are blocked by low-e coating.

Whole Building Ventilation System: A whole building ventilation system assists in a controlled movement of air in tight envelope construction and may include air-purifying systems. Whole building ventilation equipment is often a part of the forced air heating or cooling systems.

Energy or Heat Recovery Ventilation System: (ERV/HRV). These systems replenish the indoor air without wasting the energy already used to heat the air. In some climates, these systems are also used to handle water vapor.

Passive Solar: Passive solar technology uses sunlight to light and heat buildings with no circulating fluid or energy conversion system. nrel.gov/docs/fy01osti/27954.pdf

SEER: - The higher the Seasonal Energy Efficiency Ratio (SEER) rating, the more energy

efficient the equipment. A higher SEER rating typically results in lower energy costs. energystar.gov/index.cfm?c=tax_credits.tx_definitions&dts=ssps,mcs,seer,eer

WaterSense: WaterSense labeled products are backed by independent, third-party certification and meet U.S. Environmental Protection Agency's specifications for water efficiency and performance. When you use these water-saving products in your home or business, you can expect exceptional performance, savings on your water bills, and assurance that you are saving water for future generations. www.epa.gov/watersense/homes

Water Heaters: Solar, Heat Pump, Tankless On Demand or Tankless Coil water heaters are described at the following location: energy.gov/energysaver/articles/solar-water-heaters.

ENERGY STAR products: Behind each blue label is a product, building, or home that is independently certified to use less energy and cause fewer of the emissions that contribute to climate change. Today, ENERGY STAR is the most widely recognized symbol for energy efficiency in the world. www.energystar.gov/

Smart House: A smart house is a home that has highly advanced, automated systems to control and monitor any function of a house – lighting, temperature control, multi-media, security, window and door operations, air quality, or any other task of necessity or comfort performed by a home's resident.



Resources for Agents and Appraisers

Sign your organization up for a MLS Green Features Training Workshop. Local professionals will come to your office and do a free onsite CE credit training for your sales team to ensure they are up to date on the latest trends and procedures when it comes to getting the most value out of selling a green home. For information contact Madison Butcher at 513-381-1470 or [email](#).

Attend a 3-hour CE credit MLS Green Features Seminar that will help you stand out as a leader in the growing green/sustainable home market. These seminars will be held quarterly and will provide real estate professionals with everything they need to know to effectively sell a home with green features. For information contact Madison Butcher at 513-381-1470 or [email](#).

Appraised Value and Energy Efficiency: Getting it Right. [Download this document](#) for links to resources in understanding the secondary mortgage market and guidelines on appraisals of energy efficient and green features. The document includes tips for builders, home buyers, and lenders. You will also find a sample letter to give to the lender at the time of mortgage application alerting the lender to the special features that requires an appraiser with knowledge of the property type.

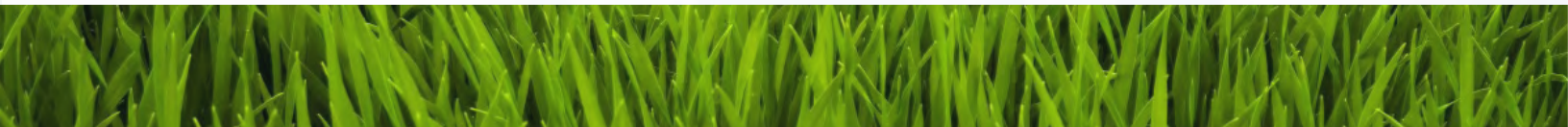
Need to help your lender find qualified appraisers for your high-performance home? Then [visit the online list of specially trained appraisers](#) in the Appraisal Institute's Valuation of Sustainable Buildings Professional Development Program Registry.

Are you an appraiser that would like to become qualified to assess high-performance homes?

To further help appraisers hone their skills, the Appraisal Institute offers professional development programs to real estate appraisers on cutting-edge, problematic, or advanced-level topics. Topics for professional development programs cover a body of knowledge in a specialty allowing participants to obtain educational competency in a property type or specialty area. Participants who are eligible and who successfully complete a program will be placed on the Program's Registry. [Visit website.](#)

Residential Green and Energy Efficient Addendum. The Appraisal Institute's Green Addendum is the first residential green and energy efficient appraisal report addendum developed by appraisers, for use by appraisers. The Appraisal Institute Green Addendum provides items of high-performance house features for consideration by appraisers. The Green Addendum will provide appraisers a tool for selecting comparable sales for the property they are appraising. If an appraiser had a completed Appraisal Institute Green Addendum on every high-performance house used as comparable sales, it would leave little question on the comparability of the data. It may also aid in a more accurate valuation of the property. [Download PDF](#)

PV Value® is a discounted cash flow (Income Capitalization Approach) to valuing energy produced. The solar PV system inputs on this form are necessary to use this program. [Visit website.](#)



Green Designations

[NAR - Green Designation](#)

The National Association of Realtor's Green Designation is the only NAR conferred real estate designation designed for agents looking to learn about issues of energy efficiency and sustainability in the various facets of real estate. As consumer demand for knowledge on these issues increase, so will your awareness of green issues.

[EcoBroker®](#)

EcoBroker is the premier green designation program for real estate professionals. Certified EcoBrokers serve residential and commercial property owners, sellers and investors.



[LEED Green Associate credential](#)

A U.S. Green Building Council's LEED-Green Associate credential denotes proficiency in today's sustainable design, construction and operations standards. More than 201,000 professionals have earned a LEED credential to help advance their careers. Showcase your knowledge, experience and credibility in the green building marketplace as a LEED professional.

High-Performance Home Categories

Energy Efficiency:

- ☐ Appliances
- ☐ Smart Thermostat
- ☐ Insulation
- ☐ Lighting
- ☐ Heating
- ☐ Cooling
- ☐ Ventilation Home
- ☐ Water Heating
- ☐ Electric Vehicle Charger

Energy Generation

- ☐ PV solar array
- ☐ 3rd-Party Owned PV solar array
- ☐ Solar Thermal Water Heating
- ☐ PV Ready
- ☐ Wind turbine
- ☐ Energy Storing Batteries

Sustainability/Conservation

- ☐ Regionally sourced materials
- ☐ Recycled materials
- ☐ Renewable materials
- ☐ Salvaged materials
- ☐ Water-smart landscaping
- ☐ Water recycling
- ☐ Efficient hot water distribution
- ☐ Low-flow water fixtures

Indoor Air Quality

- ☐ Contaminant control
- ☐ Moisture control
- ☐ Ventilation system

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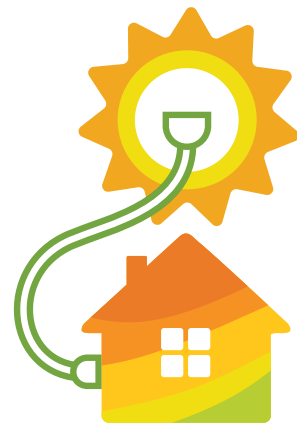
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