

# **Greening the MLS**

## **An Appraiser's View**

**Quick Turn Quality Appraisals, LLC**

**The Triangle's GREEN Appraiser™**

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# Quick Turn Quality Appraisals

- **“The Triangle’s GREEN Appraiser”™**
- **Woman-owned appraisal firm since 2006**
- **Pioneer in quantitative value for green**
- **Entire staff certified as GreenValuation Specialists™**
- **Sponsoring CE programs on value calculations**

# Who We Are

- ***Karin Argeris***

- **Certified GreenValuation Specialist™**
- **Appraising since 1999**
- **Founded Quick Turn in 2006**
- **3,000+ appraisals completed**
  - 50+ “green” appraisals
- **Research Partner with NC Energy Efficiency Alliance**
- **Associate Member of the Green Home Builders of the Triangle**
- **Associate Member of the Triangle Chapter, US Green Building Council**
- **Presentations**
  - EPA webinar “Appraising ENERGY STAR Qualified Homes”
  - NC Department of Revenue – 250 statewide assessors

- ***Craig Guerdat, MBA***

- **Certified GreenValuation Specialist™**
- **Research analyst for Quick Turn**
- **Training/presentation developer**
- **5 years as licensed Realtor™**

# Our Green MLS

- **Triangle MLS – Green fields since 3/2009**
  - Features
  - Certification
  - HERS
- **Allows evaluation of market trends**
- **Provides more information for appraiser**

# Green Triangle MLS

## Listing

Green Building Features	<input type="text"/>	▼ Desc
Green Building Certifications	<input type="text"/>	▼ Desc
Green Building HERS Rating	0 Selected (3 Max) X	▼ Desc
	NAHB	NAHB Certified Home
	ESHOM	ENERGY STAR Homes
	GHBTH	GHBTH Green Certified Home
	LEEDH	LEED-H Certified
	NCHBH	NC Healthy Built Home Certified

Use the Map button to manually place the loc

## Search

### Additional Fields

Category: -- ALL --

Search for field

- Garage Dimensions
- Garage Floor
- Green Building Certifications
- Green Building Features
- Green Building HERS Rating
- Heating
- Herald Sun
- High School (2)

Add to Search

Zip Code	Starts With	<input type="text"/>
Elementary School (1)	Equals	<input type="text"/>
Middle School (1)	Equals	<input type="text"/>
High School (1)	Equals	<input type="text"/>
Listing Type	Equals	<input type="text"/>
List Price	Between	<input type="text"/>
Total Living Area SqFt	Between	<input type="text"/>
Bedrooms	Between	<input type="text"/>

Remove Field Move Field Up Move Field Down Clear Form

Search Statistics Map Results Download

# Key MLS Market Findings

## Certified Homes In the NC Research Triangle

- **Sell FASTER**
  - 1 month less time on market
- **Sell for MORE**
  - Over \$15 / sq ft higher

# **CERTIFIED HOMES Market Trends**

## **Triangle MLS Data New Detached Construction Homes Listed – 6/2011**

	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Certified Listings</b>	<b>496</b>	<b>1254</b>	<b>511</b>
<b>Total Listings</b>	<b>3979</b>	<b>4944</b>	<b>1855</b>
<b>Certified %</b>	<b>12.5%</b>	<b>25.4%</b>	<b>27.5%</b>

**Source: Triangle MLS as of 7/6/2011**

# CERTIFIED HOMES Market - 2010

## Triangle MLS Data New Detached Construction Home Sales Closed in 2010

	Avg Sq Ft	Avg SP/SF	Avg DOM
<b>Certified Closings (N=922; 22.5%)</b>	<b>2653</b>	<b>\$121.09</b>	<b>97</b>
<b>Non-Certified Closings (N=3,180; 77.5%)</b>	<b>2573</b>	<b>\$107.27</b>	<b>139</b>
<b>CERTIFIED DIFFERENCE</b>	<b>80</b>	<b>\$13.82</b>	<b>-42</b>
<b>CERTIFIED DIFFERENCE %</b>	<b>+3.1%</b>	<b>+12.9%</b>	<b>-30.1%</b>

Source: Triangle MLS as of 7/6/2011

# CERTIFIED HOMES Market - 2011

## Triangle MLS Data New Detached Construction Home Sales Closed Jan-Jun 2011

	Avg Sq Ft	Avg SP/SF	Avg DOM
<b>Certified Closings (N=511; 27.5%)</b>	<b>2660</b>	<b>\$118.94</b>	<b>128</b>
<b>Non-Certified Closings (N=1,344; 72.5%)</b>	<b>2508</b>	<b>\$101.94</b>	<b>160</b>
<b>CERTIFIED DIFFERENCE</b>	<b>152</b>	<b>\$17.33</b>	<b>-32</b>
<b>CERTIFIED DIFFERENCE %</b>	<b>+6.1%</b>	<b>+17.1%</b>	<b>-20.0%</b>

Source: Triangle MLS as of 7/6/2011

# HERS Affects Value

## HERS – Home Energy Rating System

Independent, third-party certified raters

100 = 2006 IECC Code

85 = ENERGY STAR

Lower is better

### Key to valuation calculations

Expected Mortgage Rate	4.490%			Default HERS Rating By Year Built					
Subject GLA (sq ft)	2,500			<1980	1980-99	2000-2005	>2005		
Current Estimated Monthly Energy Bill	\$ 170			125	115	110	100		
	SUBJECT	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Comp 6	Comp 7	Comp 8
Year Built	2010	2008	2005	2009	2010	2008	2007	2009	2006
HERS Rating	70	100	110	85	65	100	100	80	100
Estimated Monthly Energy Savings		\$ 51	\$ 62	\$ 30	\$ (13)	\$ 51	\$ 51	\$ 21	\$ 51
Additional Capitalized Savings Value		\$ 10,100	\$ 12,200	\$ 5,900	\$ (2,600)	\$ 10,100	\$ 10,100	\$ 4,200	\$ 10,100

# Appraisers and the MLS

- **MLS is appraiser's "bible"**
- **Critical for accurate value**
- **Only source for key information**
  - **Subject AND Comps**
  - **Features**
  - **Pictures**
  - **Documentation**
- **Certifications / HERS ratings**
  - **Green data fields vs "Remarks"**
- **Value adjustments**
  - **Energy Efficiency - HERS rating**
  - **Quality - Green level**

# Green MLS - HEADWINDS

- **Data lapses**
  - **Certifications not indicated**
  - **HERS ratings not included**
- **Data “failures”**
  - **Incomplete / inaccurate information**
    - “Greenwashing”
    - Misuse of ENERGY STAR
- **CONSEQUENCES**
  - **Appraisers cannot identify most accurate comps**
  - **Values may be unnecessarily depressed**

# **Green MLS - TAILWINDS**

- **Searchable data**
  - **Certified properties can be quickly identified**
  - **Allows expansion of search criteria**
- **Documentation attachments**
  - **ENERGY STAR certification**
  - **Green assessment scoring tool**
- **ADVANTAGES**
  - **Value attributed to operational savings**
  - **More accurate reflection of market trends**

# **HELP YOUR APPRAISER!**

# **PLEASE**

- **Record all certification information**
- **Record HERS ratings (preliminary / final)**
- **Attach documentation**
  
- **No Green MLS?**
  - **KEEP ASKING!**
  - **Use “Remarks”**
    - Sell performance like any other feature
    - Certification(s): Type and level (e.g., NGBS Silver)
    - HERS rating Attach documentation