

# “From Listing to Closing: The Role of HERS in the Real Estate Transaction Process”

February 26, 2019

10:30 am to 12:00 pm

**Bayside B**



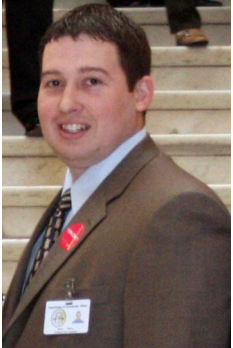
# From Listing to Closing: The Role of HERS In the Real Estate Transaction Process.

Tuesday, February 26, 2019 - 10:30 AM-12:00 PM, Bayside B

**Presenters:** [Ryan Meres](#) [Sandra Adomatis](#)

This session will walk attendees through the real estate transaction process from listing to closing and illustrate the key steps impacted by the HERS Index Score. Attendees will also hear about what RESNET is doing to drive HERS Index scores into the real estate transaction, including the newly launched API for MLS data aggregators and the Appraiser Portal. Builders, raters and real estate professionals will walk away from this session with a clear understanding of how the HERS Index fits into the real estate transaction and how they can work in their local market to drive change.

# Today's Speakers

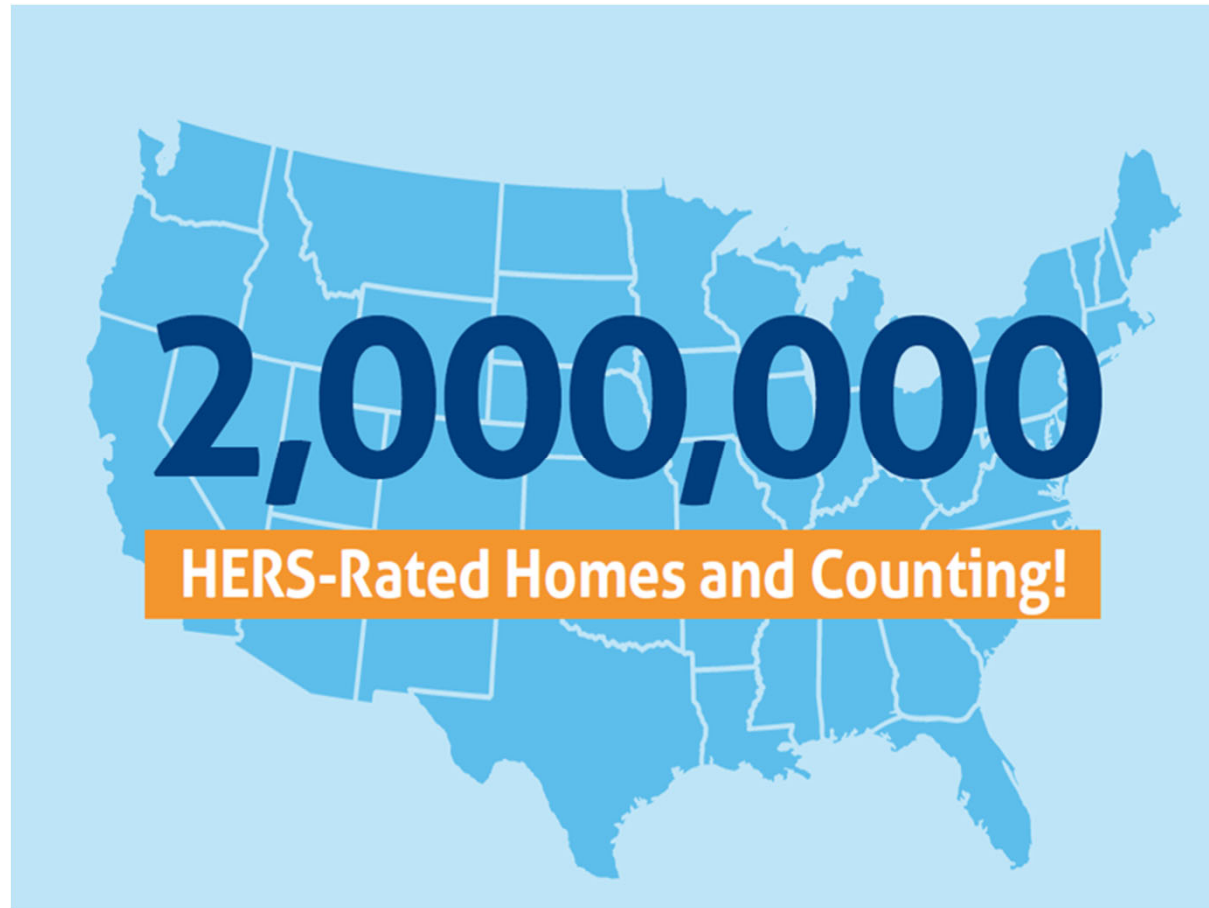


Ryan Meres, Program Director, RESNET



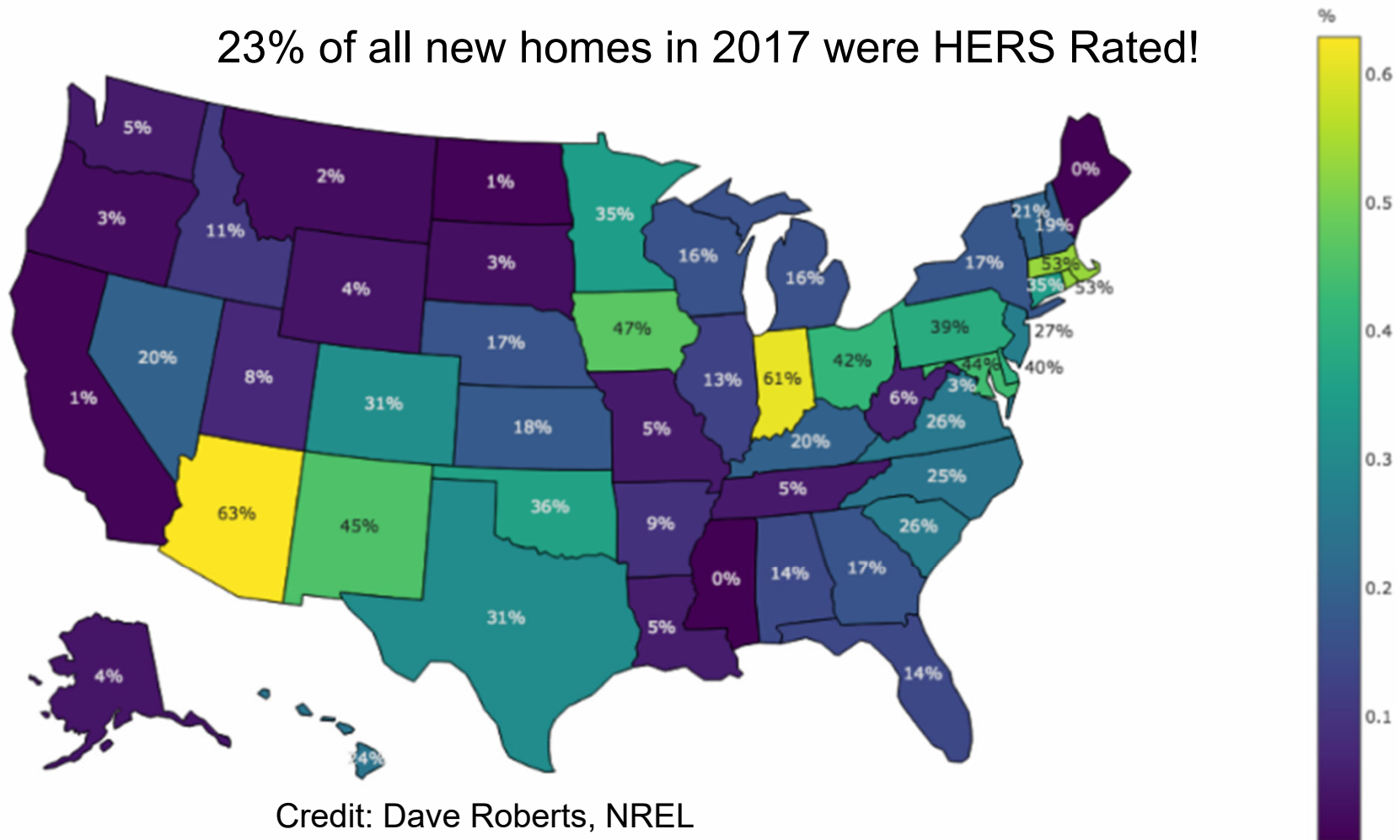
Sandy Adomatis, SRA, LEED Green Associate, NAR  
Green Designee  
CEO - Adomatis Appraisal Services

# Popularity of HERS



# Percentage of New Homes HERS Rated

23% of all new homes in 2017 were HERS Rated!



Credit: Dave Roberts, NREL

# Zillow Housing Trends Survey-2017

## Wants and Needs



71% Neighborhood Safety



67% Initial Price Range



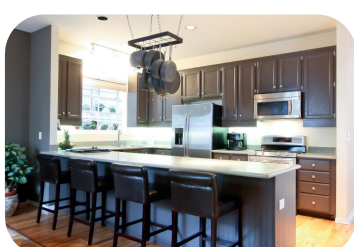
62% # of Bedrooms



62% Air Conditioning



53% # of Bathrooms



48% Preferred Kitchen Style

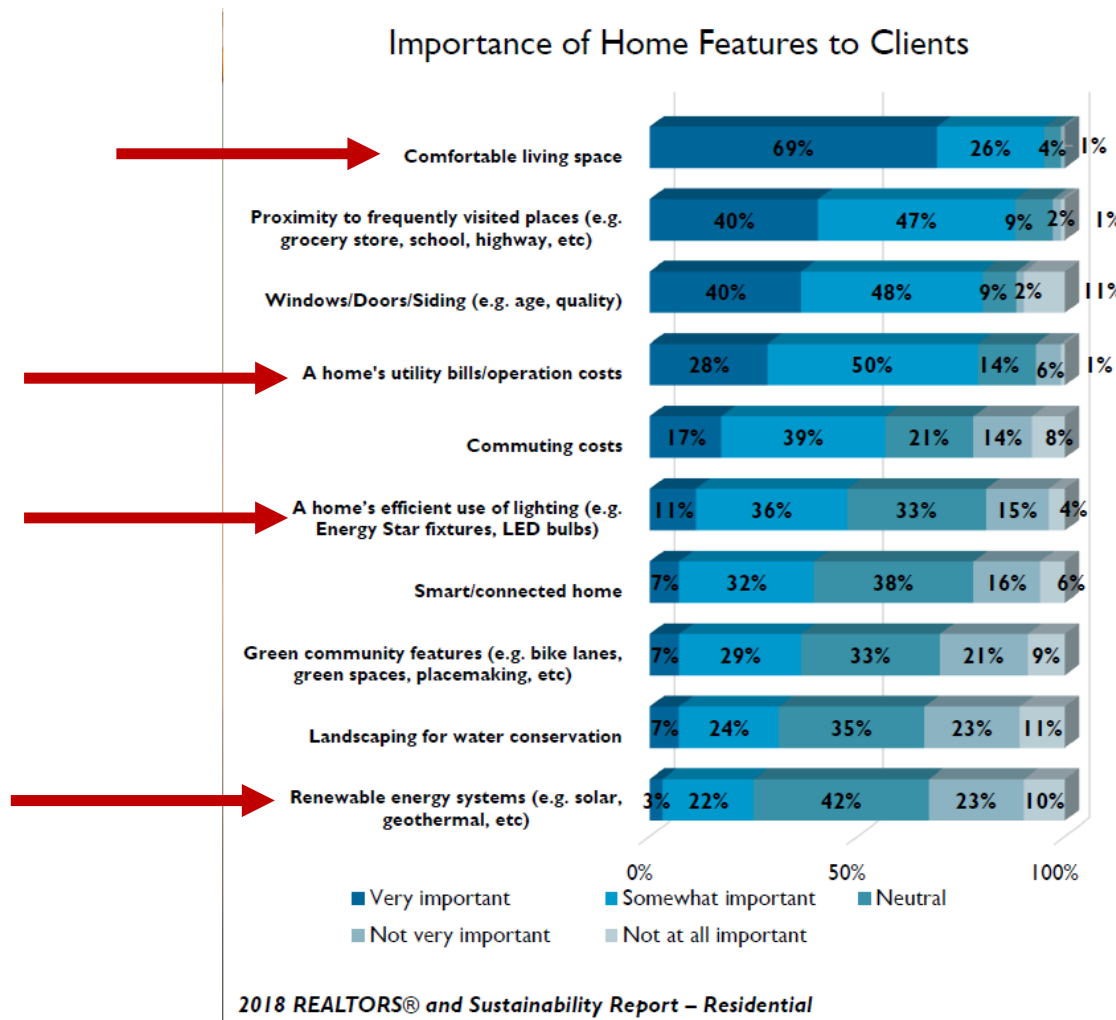


48% Energy Efficiency



47% Preferred Finishes

# What Consumers are Wanting



# Energy Scores in Real Estate Listings



[realestate.com](https://www.realestate.com) is working with [UtilityScore](#) to provide a score and estimated energy costs for homes listed on its site.

[Redfin](#) is working with [Tendril](#) to provide an Energy Score for all homes on its platform, not just those listed for sale.

Up to 110 million homes are now covered on these two platforms.

**Automated Energy Models: Not Third Party Verified!**



# Energy Scores in Real Estate Listings

## Utilities Estimate




Score: **Good**

This Property Scored 56/100

Lower costs than most in the area

**Total Cost: \$172 / Monthly** □

 Gas: \$38  
 Water: \$52  
 Electric: \$82

[Disclaimer](#) | [about UtilityScore](#)

UtilityScore

### Estimate accounts for:

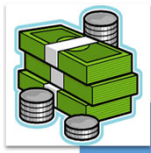
- Home size,
- Home age,
- Heating type,
- Cooling type,
- Local climate,
- Other home characteristics (if known), including: renewable energy, insulation levels, pool or spa

# HERS Data in the Real Estate Transaction



## Real Estate Agents

- Need access to data to include in the listing
- Market a home's EE and green features



## Lenders/Underwriters

- Need data to support potentially higher loan value



## Appraisers

- Need data to identify comparables and justify value.
- Need more data in the MLS to more easily compare EE features

# Getting HERS Data into Real Estate Listings

# HERS Data API-progress

API= Application Programming Interface

*Summer-2018:* API Fields Finalized for compatibility with RESO

*Fall-2018:* API development completed

*Winter-2018:* API testing completed

*January-2019:* few programming tweaks to improve speed of API

*SOON:* full roll-out to data providers

# HERS Data API Fields

**Auto-populate HERS Index scores into real estate listings!**

**RESO fields and corresponding RESNET Registry fields:**

Green Verification Type: **(HERS Rating)**

Green Verification Year: **(Date of Rating)**

Green Verification Metric: **(HERS Index Score)**

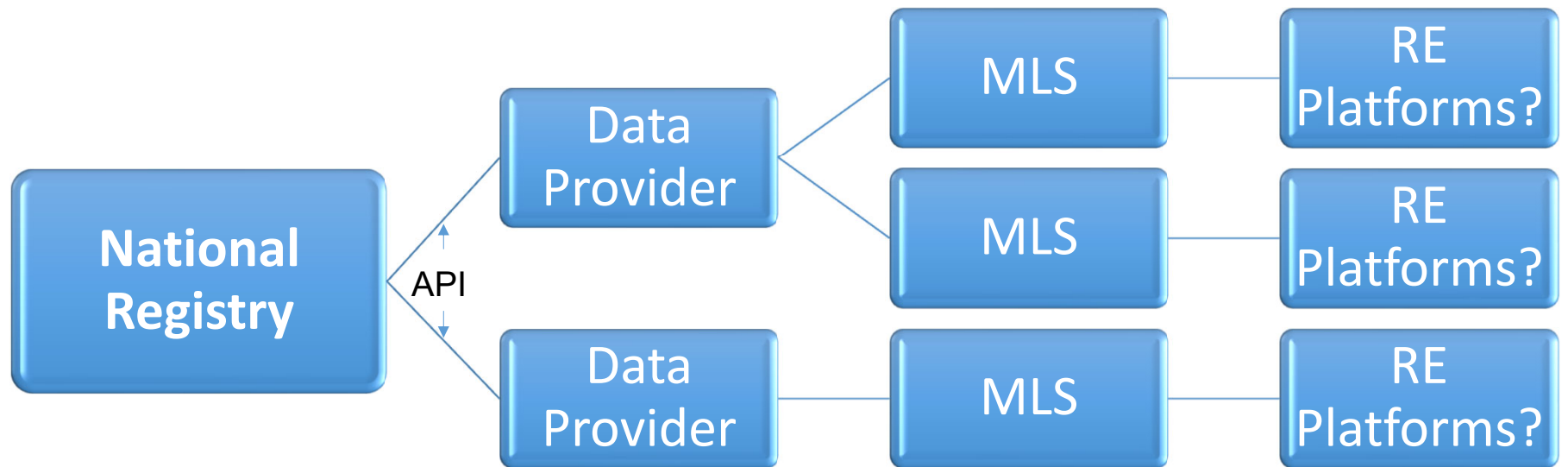
Green Verification Status: **(Confirmed/Sampled/Threshold Rating)**

Green Verification Source: **(RESNET Registry)**

Green Verification URL: (Direct link to the home's rating info on RESNET's

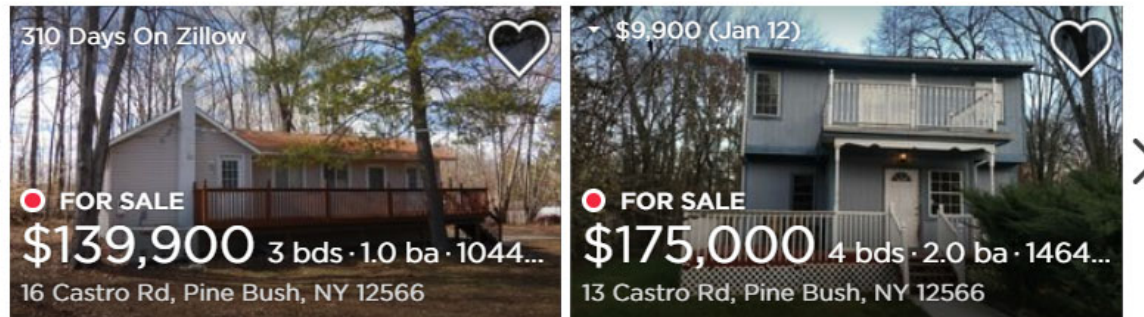
Public Access to the Registry: <http://www.resnet.us/public-access-to-resnet-national-registry>).

# Getting HERS Data to MLS and RE Platforms



# Zillow Listing Provided by MLS

## Similar Homes for Sale



[See all similar listings](#)

## Listing Provided by

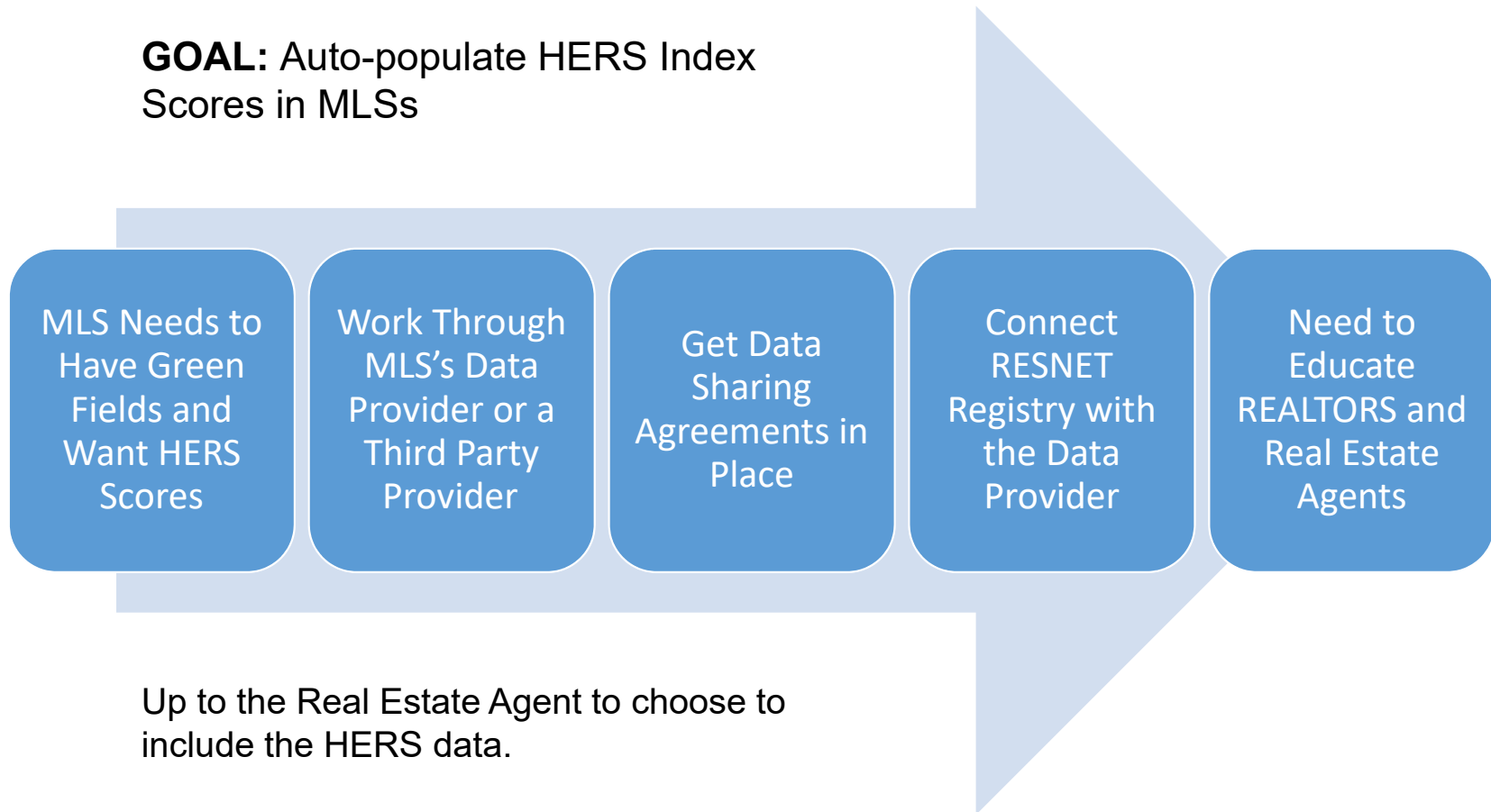
Wendy Nicholson, Curasi Realty Inc., (845) 457-9174, Source: Hudson Gateway MLS



[Report problem with listing](#)

# Getting HERS Scores into MLSs

**GOAL:** Auto-populate HERS Index Scores in MLSs



Up to the Real Estate Agent to choose to include the HERS data.



# Getting Appraisers to Use HERS Data

# The Appraiser Portal

Over 3,500 appraisers with access to the portal!

The screenshot shows the RESNET Appraisers HERS Index Portal dashboard. The top navigation bar includes the RESNET logo, a menu icon, and the user name 'Dru V' with a profile icon. The left sidebar contains navigation links: 'Dashboard', 'My Profile', 'HERS Index Search', and 'Logout'. The main content area features a welcome message: 'Welcome to the RESNET Appraisers HERS Index Portal'. Below this, a text block states: 'High energy performance homes present home buyers with high value homes that are more comfortable, and have lower operating costs.' A call to action reads: 'Search for a home's HERS Index Score and calculated monthly energy savings.' A prominent green button labeled 'HERS Index Search Tool for Appraisers' is centered below the text. At the bottom, two informational text boxes are displayed. The first box explains that the RESNET HERS Index is the national label of a home's energy performance, involving a trained and certified professional who inspects and tests the energy performance of a home and issues a HERS Index score. The second box notes that homes with low HERS Index scores are more secure, citing a study by the University of North Carolina that found a 32% lower mortgage default rate for such homes.

RESNET

Dashboard

My Profile

HERS Index Search

Logout

Dru V

## Welcome to the RESNET Appraisers HERS Index Portal

High energy performance homes present home buyers with high value homes that are more comfortable, and have lower operating costs.

Search for a home's HERS Index Score and calculated monthly energy savings.

[HERS Index Search Tool for Appraisers](#)

The RESNET HERS Index is the national label of a home's energy performance. It involves a trained and certified professional that inspects and tests the energy performance of a home and issues a HERS Index score.

Homes with low HERS Index scores are more secure. The University of North Carolina found that homes with low HERS Index Scores had a 32% lower mortgage default rate.

# Infographic-Using the Portal

**RESNET**  
RESIDENTIAL ENERGY SERVICES NETWORK

## Online Appraisal Portal

The HERS Index is the **key to unlocking the value of green homes** and the HERS Index Score, developed and introduced by RESNET in 2006, is the **industry standard by which a home's energy efficiency is measured**. It has since grown to be regarded as a home's MPG for energy efficiency.




The **Appraisal Institute** and **RESNET** have partnered to provide appraisers with access to RESNET's National Registry of HERS Rated Homes through the **new Appraiser Portal**.



Accessing the Portal allows appraisers to begin to understand and value the energy efficiency of HERS-rated homes in their market including:

 HERS Index scores

 Estimated annual energy costs

 Energy cost savings

Appraisers can search for HERS-rated homes in their area by city and state, zip code or address. Search results can be filtered by:

HERS Index score range

Builder



Year of construction

HERS rating company




And best of all, the results can be downloaded as an Excel file so appraisers can print the results and **access them offline**.


# Infographic-Unlocking the Value of Green



## THE HERS INDEX: The Key to Unlocking the Value of Green Homes



The **Appraisal Institute** and **RESNET** have partnered to provide appraisers with access to RESNET's National Registry of HERS Rated Homes through the **new Appraiser Portal**.




By accessing the portal, appraisers can now begin to understand and value the energy efficiency of HERS-rated homes in their market including:

- ✓ HERS Index scores
- ✓ Estimated annual energy costs
- ✓ Energy cost savings

“The Appraisal Institute sees **RESNET** as the **gold standard** for measuring and communicating the energy performance of a home.”

Appraisal Institute Board President Jim Amorin,  
2017 RESNET Annual Conference



To date **over 2 MILLION** homes across the nation have been HERS-rated.

Every step of the home building and buying process relies on the **HERS Index**



- 📍 A HERS Index Score can only be provided by certified RESNET HERS Raters
- 👤 There are over 1,900 certified RESNET HERS Raters across the USA
- 🏆 Certification is based on rigorous training and testing, professional development and adherence to quality assurance standards

### The HERS Index Score:

- ✓ Was created by RESNET in 2006
- ✓ Is the industry standard for measuring a home's energy efficiency
- ✓ Is now regarded as a home's MPG for energy efficiency

Nearly **1 in 4** new homes built today receive a HERS Index Score



# Updated Website



Appraiser link on homepage of website.

# Updated Website

The image displays a grid of seven promotional tiles for RESNET's appraiser resources. The top tile features the RESNET logo and the headline 'Green Resources for Appraisers', with a sub-headline 'Introducing the HERS Index to Appraisers' and a 'PLAY VIDEO' button. Below this are three rows of three tiles each. The first row includes: 'The HERS Index: The Key to Unlocking the Value of Green Homes' with a 'DOWNLOAD INFOGRAPHIC' button; 'What is the RESNET Appraiser Dashboard to the RESNET National Registry?' with a 'DOWNLOAD INFOGRAPHIC' button; and 'How to Use the Appraiser Portal' with a 'VIEW WEBINAR' button. The second row includes: 'Access the Appraiser Portal' with a 'RESNET PORTAL LOGIN' button; 'How to Verify a HERS Rater Certification' with a 'VERIFY NOW' button; and 'Learn More About the HERS Index' with a 'PLAY VIDEO' button. The tiles use various icons such as houses, keys, tablets, laptops, and checkmarks to represent the different resources.

**RESNET**  
RESIDENTIAL ENERGY SERVICES NETWORK

## Green Resources for Appraisers

Introducing the HERS Index to Appraisers

[PLAY VIDEO ▶](#)

**FOR SALE**

49

The HERS Index: The Key to Unlocking the Value of Green Homes

[DOWNLOAD INFOGRAPHIC ↓](#)

What is the RESNET Appraiser Dashboard to the RESNET National Registry?

[DOWNLOAD INFOGRAPHIC ↓](#)

How to Use the Appraiser Portal

[VIEW WEBINAR →](#)

Access the Appraiser Portal

[RESNET PORTAL LOGIN →](#)

How to Verify a HERS Rater Certification

[VERIFY NOW →](#)

Learn More About the HERS Index

[PLAY VIDEO ▶](#)

## Appraiser Resource Page:

- Infographics
- Portal Launch Webinar
- Access the Portal
- Videos
- Verify HERS Rater Cert.

# **Sandy Adomatis, SRA, LEED Green Associate, NAR Green**

**The RESNET Appraiser Portal and Marketing**

Secured Portal URL: <https://portal.resnet.us/>


---

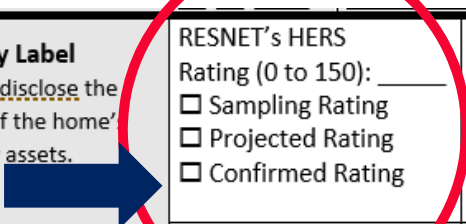
# The RESNET Appraiser Portal is a BIG Deal!





# RESNET's Appraisal Portal Includes Confirmed Ratings Only

	Client File #:		Appraisal File #:	
	Residential Green and Energy Efficient Addendum			
	Client:			
	Subject Property:			
	City:		State:	Zip:
<p>Additional resources to aid in the valuation of green properties and the completion of this form can be found at <a href="http://www.appraisalinstitute.org/education/green_energy_addendum.aspx">http://www.appraisalinstitute.org/education/green_energy_addendum.aspx</a></p>				

<b>Energy Label</b> Labels disclose the state of the home's energy assets.	RESNET's HERS Rating (0 to 150): _____ <input type="checkbox"/> Sampling Rating <input type="checkbox"/> Projected Rating <input type="checkbox"/> Confirmed Rating	Estimated energy savings for this home: \$____/year ____ckWh rate dated __/__/__ <i>Energy Savings includes electricity, heating &amp; Cooling.</i> <i>Score below 100 indicates energy costs are expected to be lower than average code-built home. HERS Index Report occupancy estimates energy cost based on number of bedrooms plus one. Only a "confirmed rating" is diagnostically tested.</i>
		

# Differences in HERS Ratings

	Sampling	Projected	Confirmed
Random Testing of a number of houses built by same builder.	X		
Rating based on plans and specifications – preliminary – not tested		X	
Diagnostically tested with blower door and duct blaster			X

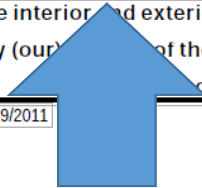
A Sampling or Projected rating requires an extraordinary assumption in an appraisal report. Builders should provide a Projected Rating for mortgage lending work to allow appraisers to understand the energy efficiency. A Confirmed Rating cannot be done until the house is completed.

# Projected or Sample HERS deserves an “Extraordinary Assumption”

<b>RECONCILIATION</b>	Indicated Value by: Sales Comparison Approach \$ <u>360,000</u> Cost Approach (if developed) \$ <u>365,100</u> Income Approach (if developed) \$
	The income approach is not applicable in this size and quality housing. The cost approach is relevant in proposed construction and has strong support for the cost new and site value. The sales comparison approach has some weakness due to the limited number of two-story house sales; however, the additional two-story sales and listings in the addendum add credibility to the sales analyzed.
	This appraisal is made <input type="checkbox"/> "as is," <input checked="" type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or <input type="checkbox"/> subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: <u>Appraised value is subject to completion per plans &amp; specifications &amp; Projected HERS Index final rating as envisioned in this report. See Addendum for more details.</u>
	Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ <u>360,000</u> as of <u>09/04/2014</u> date of inspection and the effective date of this appraisal.
	Freddie Mac Form 70 March 2005
	UAD Version 9/2011

Produced using ACI software, 800.234.8727 www.aciweb.com  
Page 2 of 6

Fannie Mae Form 1004 March 2005  
1004\_05UAD 12172013



# Home Energy Rating Certificate



**Projected Rating: Based on Plans, Field Confirmation Required**

## Uniform Energy Rating System

1 Star	1 Star Plus	2 Stars	2 Stars Plus	3 Stars	3 Stars Plus	4 Stars	4 Stars Plus	5 Stars	5 Stars Plus
500-401	400-301	300-251	250-201	200-151	150-101	100-81	90-86	85-71	70 or Less

HERS Index: **75** Efficient Home Comparison: **25% Better**

## General Information

Conditioned Area:	2366 sq. ft.	House Type:	Single-family detached
Conditioned Volume:	22270 cubic ft.	Foundation:	Slab
Bedrooms:	4		

## Mechanical Systems Features

Air-source heat pump:	Electric, Htg: 8.2 HSPF, Clg: 14.0 SEER.
Water Heating:	Conventional, Natural gas, 0.60 EF, 50.0 Gal.
Duct Leakage to Outside:	141.00 CFM25.
Ventilation System:	None
Programmable Thermostat:	Heating: No Cooling: No

## Building Shell Features

Ceiling Flat:	R-30.0 w/RB	Slab:	R-0.0 Edge, R-0.0 Under
Sealed Attic:	NA	Exposed Floor:	NA
Vaulted Ceiling:	NA	Window Type:	U-Value: 0.350, SHGC: 0.260
Above Grade Walls:	R-13.0	Infiltration Rate:	Htg: 5.00 Clg: 5.00 ACH50
Foundation Walls:	NA	Method:	Blower door test

## Lights and Appliance Features

Percent Interior Lighting:	75.00	Range/Oven Fuel:	Natural gas
Percent Garage Lighting:	100.00	Clothes Dryer Fuel:	Electric
Refrigerator (kWh/yr):	691.00	Clothes Dryer CEF:	2.62
Dishwasher (kWh/yr):	270.00	Ceiling Fan (ctm/Watt):	0.00

The Home Energy Rating Standard Disclosure for this home is available from the rating provider.

REM Rate - Residential Energy Analysis and Rating Software v15.4.1  
This information does not constitute any warranty of energy cost or savings.  
© 1985-2017 Neresco, Boulder, Colorado.

Registry ID:  
Rating Number: Simulated Performance Analysis  
Certified Energy Rater:  
Rating Date: 2017-10-02  
Rating Ordered For:

## Estimated Annual Energy Cost

Use	MMBtu	Cost	Percent
Heating	12.4	\$324	21%
Cooling	6.4	\$177	11%
Hot Water	16.3	\$170	11%
Lights/Appliances	25.2	\$626	40%
Photovoltaics	-0.0	\$-0	-0%
Service Charges		\$254	16%
<b>Total</b>	<b>60.3</b>	<b>\$1550</b>	<b>100%</b>

This home meets or exceeds the minimum criteria for all of the following:

- EPA ENERGY STAR Version 2 Home
- 2006 International Energy Conservation Code
- 2009 International Energy Conservation Code



**Confirmed Rating**  
RESNET Registration No.: 023200473

Habitat For Humanity  
4162 Mermell Circle  
North Port, FL 34291

Design: Sarasota, FL  
TMY: SARASOTA\_BRADENTON, FL

Title: 4162 Mermell Circle Final

# HOME ENERGY RATING GUIDE

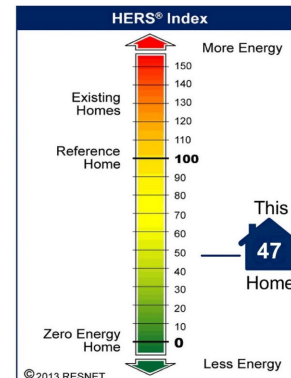
\$0

**\$806**

Reference  
**\$1498**

Annual Energy Cost:	This Home	Savings	Annual Energy Use:	This Home	Savings
Electricity	\$ 806	\$ 692	Electricity (kWh/yr)	7042	6046
Natural Gas	\$ 0	\$ 0	Natural Gas (therms/yr)	0	0
LPG	\$ 0	\$ 0	LPG (gal/yr)	0	0
Fuel Oil	\$ 0	\$ 0	Fuel Oil (gal/yr)	0	0
On-Site Power	\$ 0	\$ 0	On-Site Power (kWh/yr)	0	0

Totals:	\$ 806	\$ 692	Annual Emissions:	This Home	Savings
CO2 (tons/yr)			CO2 (tons/yr)	4	4
SO2 (lb/yr)			SO2 (lb/yr)	15	13
NOx (lb/yr)			NOx (lb/yr)	7	6



**Jeremy Gary** 4422795  
Certified Rater  
I.D. Number  
Signature: \_\_\_\_\_ Date: 6/29/2017

The Home Energy Rating Standard Disclosure for this home is available from the Rating Provider. Questions or complaints regarding this Rating may be directed to:  
EnergyGauge Program Office  
1679 Clearlake Road  
Cocoa, FL 32922-5703  
phone: (321)638-1492  
e-mail: [engaue@fsec.ucf.edu](mailto:engaue@fsec.ucf.edu)  
[www.energygauge.com/usares/](http://www.energygauge.com/usares/)

NOTES:  
HERS and RESNET are Trademarks of Residential Energy Services Network, Inc. ([www.resnet.us](http://www.resnet.us))  
EnergyGauge is a Trademark of the Florida Solar Energy Center ([www.fsec.ucf.edu](http://www.fsec.ucf.edu))



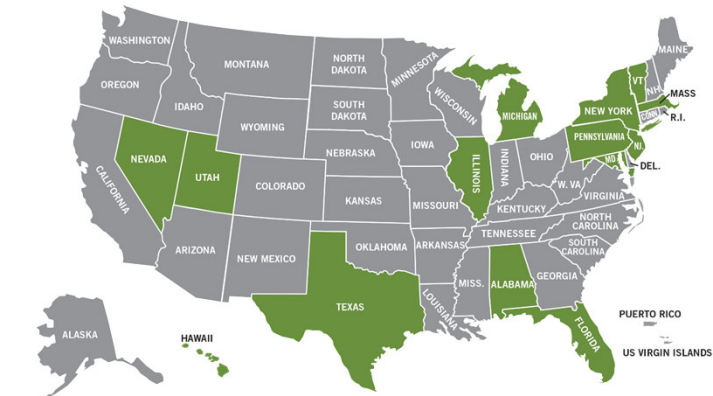
6/29/2017 1:21:17 PM

EnergyGauge® v5.1(RESNET Standard 2014)

Page 1/1



## States that Allow the ERI Compliance Option in the International Energy Conservation Code® (IECC®)



■ ERI Compliance Option in the IECC (Section R 406)

18-1580

**RESNET**  
RESIDENTIAL ENERGY SERVICE NETWORK

### WHAT IS THE ENERGY RATING INDEX (ERI)?

The Energy Rating Index (ERI) is an optional compliance path, incorporated in the International Energy Conservation Code (IECC) since 2015.

Nearly all states and local jurisdictions use the IECC as the basis for their residential energy code.

- ✓ RESNET / ICC ANSI Standard 301 serves as the basis for the ERI
- ✓ The 2015 and 2018 IECC specify an ERI Target Score for each climate zone
- ✓ An ERI Score of 100 is approximately equivalent to a home built under the 2006 IECC
- ✓ Each 1 Point change in the ERI Score is equivalent to a 1% change in energy use

**WHO IS USING THE ERI?**

15 STATES  
300+ LOCAL JURISDICTIONS

Have adopted the ERI as an energy code compliance option.

# ERI is on Building Permit.

# Fannie Mae and Freddie Mac Appendix D

## **Energy Efficient Items**

The appraiser **must** enter any energy efficient items for the subject property and each comparable property. If there are no energy efficient items, enter 'None'.

### **Reporting Format:**

Energy Efficient Items – Text

---

## Energy Efficient Improvements

An energy-efficient property is one that uses resource-effective design, materials, building systems, and site orientation to conserve nonrenewable fuels.

Special energy-saving items must be recognized in the appraisal process and noted on the appraisal report form. For example, when completing the appraisal report (Form 1004), special energy-efficient items are to be addressed in the Improvements section in the Additional features field. The nature of these items and their contribution to value will vary throughout the country because of climactic conditions, differences in utility costs, and overall market reaction to the cost of the feature. Some examples of special energy-efficient features may include, but are not limited to, energy efficient ratings or certifications, programmable thermostats, solar photovoltaic systems, low-e windows, insulated ducts, and tank-less water heaters.

Appraisers must compare energy-efficient features of the subject property to those of comparable properties in the Sales Comparison Approach adjustment grid. If the appraiser's analysis determines that an adjustment is warranted based on the market reaction to such item(s), the adjustment must be included in the adjustment grid.

Solar panels that are leased from or owned by a third party under a power purchase agreement or other similar arrangement are to be considered personal property items and are not included in the appraised value of the property. See [B2-3-04, Special Property Eligibility Considerations \(02/23/2016\)](#), for additional eligibility requirements for properties with solar panels.

---

Printed copies may not be the most current version. For the most current version, go to the online version at <https://www.fanniemae.com/singlefamily/originating-underwriting>.

564

5/1/2018  
Guide

# Fannie Mae Selling Guidelines... Market Reaction

---

RESNET.

### RESNET Portal Login

adomatis@hotmail.com

Password

Remember me

[Forgot password?](#)

Login

<https://portal.resnet.us/>



# Comparable Sales Search

RESNET ☰ Dru V 🔗

Home > RESNET HERS Index Search Tool

[Dashboard](#)

[My Profile](#)

**[HERS Index Search](#)**

[Logout](#)

## RESNET HERS Index Search Tool

The tool allows appraisers to search for home HERS Index scores by state, city, zip code or address. Simply start your search below.

**By State/City**

State

City

**By Zip Code**

Zip Code

**By Address**

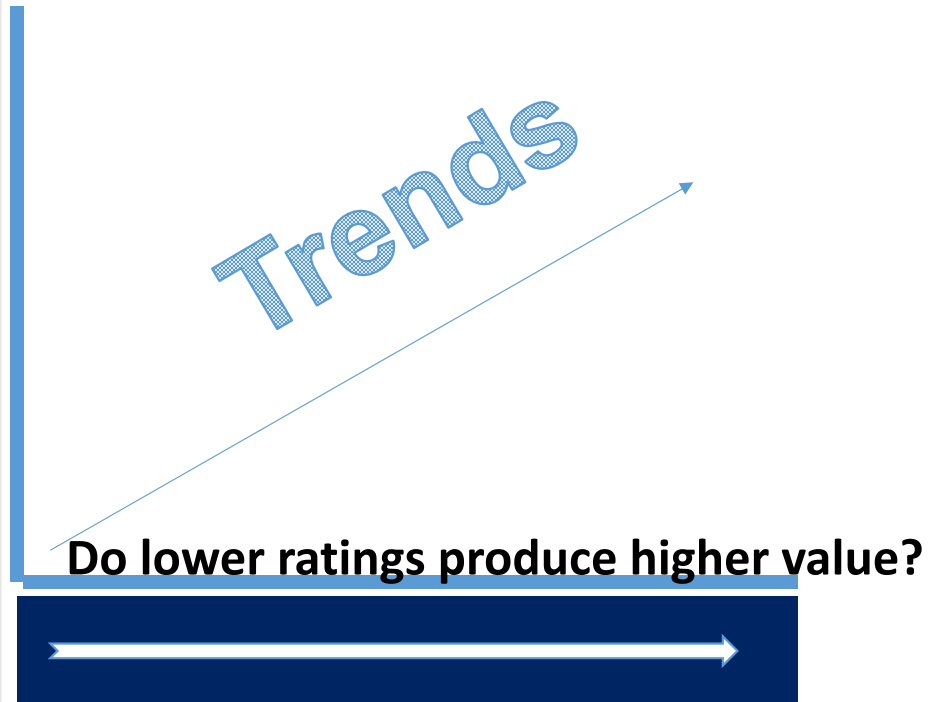
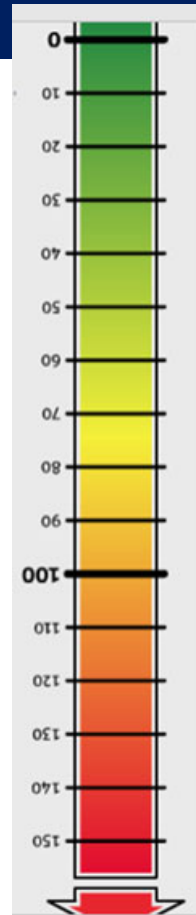
Address

# Sales Comparison Approach that meets Fannie Mae Guidelines and Appraisal Standards

SALES COMPARISON APPROACH	View	Residential/vacant			Residential/vacant				Residential/vacant				Residential/vacant			
	Design (Style)	Ranch			Ranch				Ranch				Ranch			
	Quality of Construction	ZERH,ES, FGBC			Code Built-2014				Code Built-2014				Code Built-2014			
	Actual Age	0+/- Years			0+/- Years				0+/- Years				0+/- Years			
	Condition	New			New				New				New			
	Above Grade	Total	Bdrms.	Baths	Total	Bdrms.	Baths		Total	Bdrms.	Baths		Total	Bdrms.	Baths	
	Room Count	5	3	2	6	3	2		6	3	2		6	3	2	
	Gross Living Area	1,437 sq. ft.			1,437 sq. ft.				1,437 sq. ft.				1,437 sq. ft.			
	Basement & Finished Rooms Below Grade	n/a			n/a				n/a				n/a			
	Functional Utility	Average			Average				Average				Average			
Heating/Cooling	FWA C/Air			FWA C/Air				FWA C/Air				FWA C/Air				
Energy Efficient Items	HERS 47			No HERS, Inf			9,595	No HERS, Inf			9,595	No HERS, Inf			9,345	
Garage/Carport	One Car Garage			Two Car Garage			-5,000	Two Car Garage			-5,000	Two Car Garage			-5,000	
Porch/Patio/Deck	Cov Entry			Cov Entry, Lanai			-5,000	Cov Entry, Lanai			-5,000	Cov Entry, Lanai			-5,000	
Utilities	Well/Septic			City Wtr/Septic				City Wtr/Septic				Well/Septic				
Days on market				22				8				6				

# Comparable Sales Search

- By State
- By City
- By Zip Code
- By Address

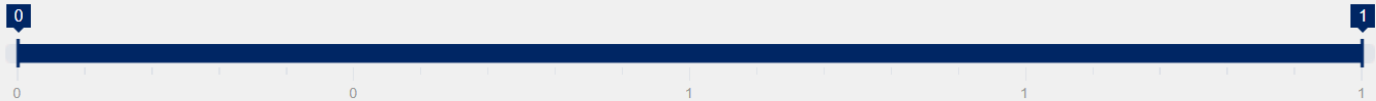


# Filter Results

## FILTERS

Use the filters below to refine your search results lorem ipsum dolor sit amet.

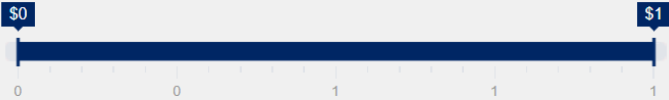
HERS Index Score Range



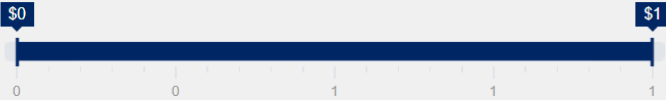
Builder Name

HERS Rating Company Name

Estimated amount for annual energy costs (\$)



Annual savings over reference home (\$)




Year of Construction Range

 to 


**Update**



# Results – Market Reaction?

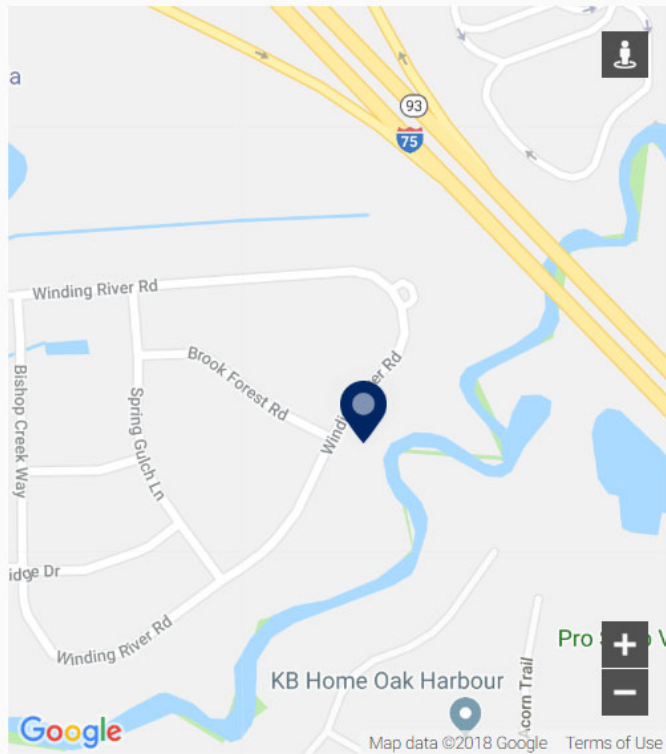
4D Appraiser 

Home Address	HERS Score	Builder Name	HERS Rating Company Name	Annual Energy Costs	Annual Savings	Year of Constr.	Energy Star Certified	
[Redacted]	52	[Redacted]	[Redacted]	\$3273	\$2327	2015	No	<a href="#">View</a>
[Redacted]	46	[Redacted]	[Redacted]	\$2576	\$1230	2014	Yes	<a href="#">View</a>
[Redacted]	2	[Redacted]	[Redacted]	\$3760	\$3250	2014	Yes	<a href="#">View</a>
[Redacted]	44	[Redacted]	[Redacted]	\$4703	\$4605	2015	Yes	<a href="#">View</a>
[Redacted]	45	[Redacted]	[Redacted]	\$2900	\$1400	2014	Yes	<a href="#">View</a>
[Redacted]	2	[Redacted]	[Redacted]	\$395	\$5313	2017	Yes	<a href="#">View</a>
[Redacted]	10	[Redacted]	[Redacted]	\$992	\$5834	2016	Yes	<a href="#">View</a>
[Redacted]	49	[Redacted]	[Redacted]	\$3295	\$2424	2015	Yes	<a href="#">View</a>
[Redacted]	-11	[Redacted]	[Redacted]	\$-322	\$5392	2016	Yes	<a href="#">View</a>
[Redacted]	46	[Redacted]	[Redacted]	\$3400	\$2250	2014	Yes	<a href="#">View</a>

Showing 1 to 10 of 10 records 

10085 Winding River Rd, Punta Gorda, FL 33950

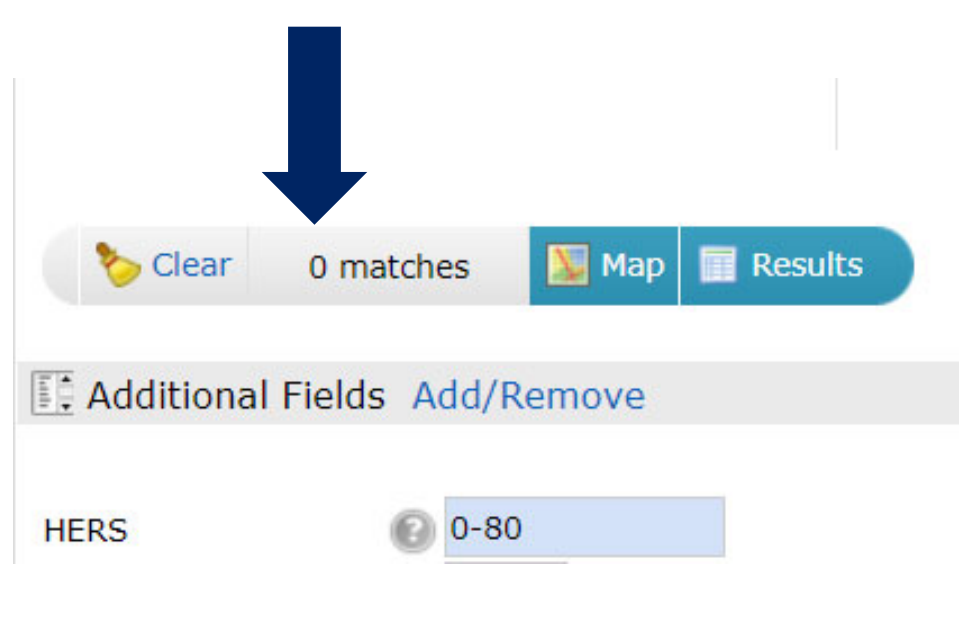
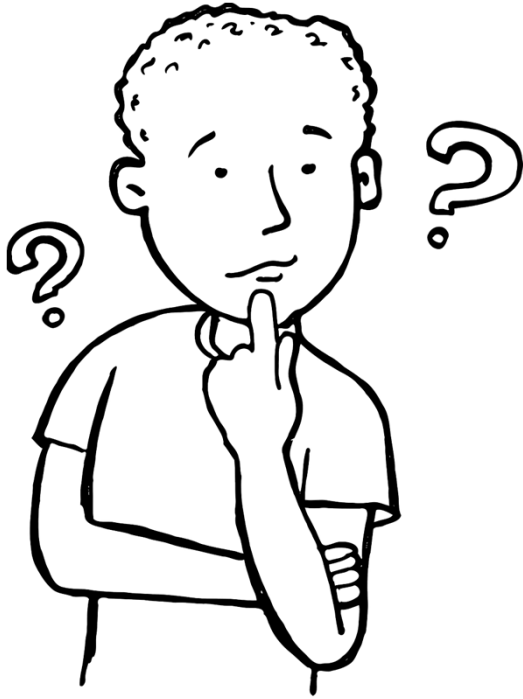
[View](#)



### HERS Index Score

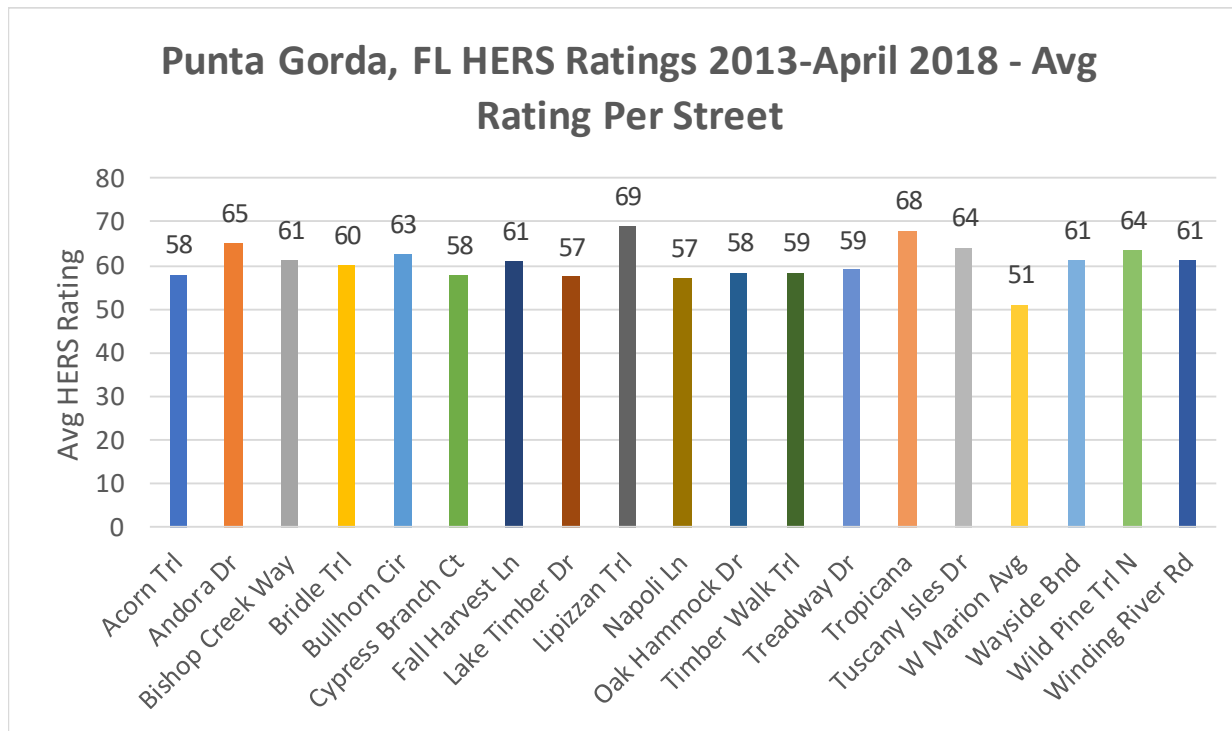


Builder's Name:	KB Home
HERS Rating Company:	-
Year of Construction:	2016
Date submitted to Registry:	2017
Annual Energy Costs:	\$1415
Annual Energy Savings:	\$893
Energy Star Certified:	No



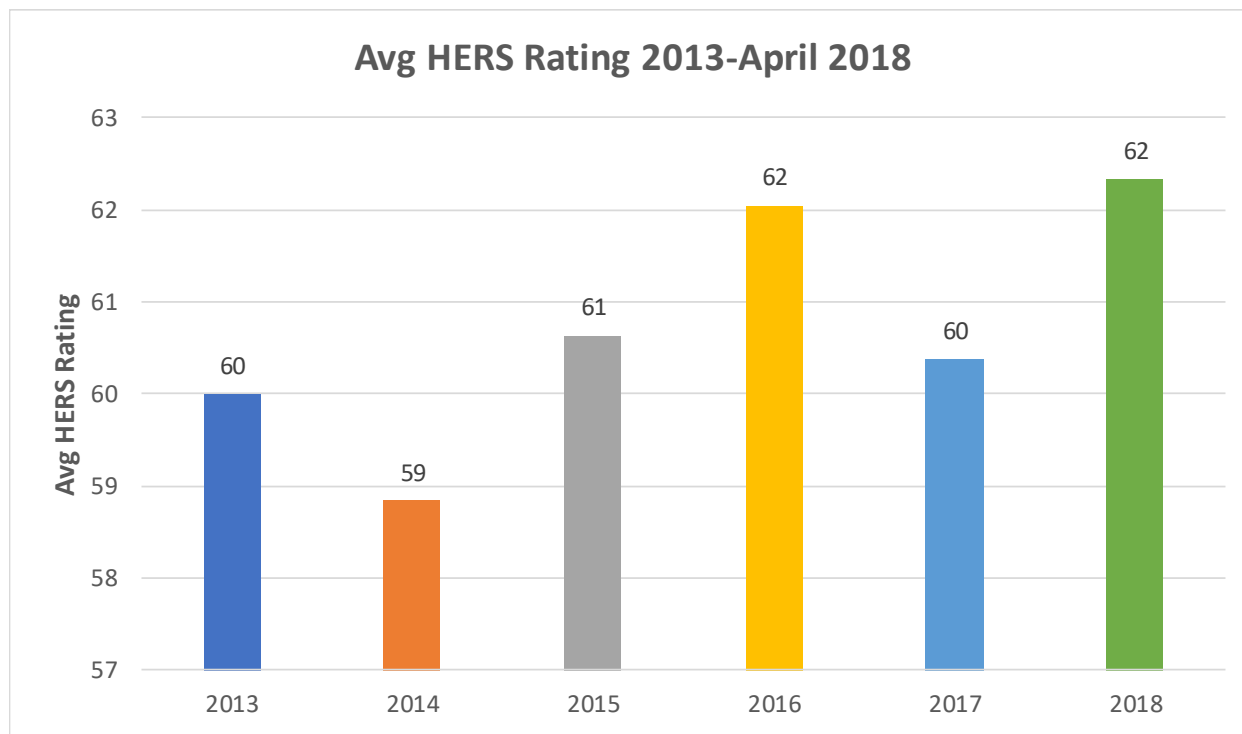
So, what does the MLS show in this market?

# Market Reaction Supported





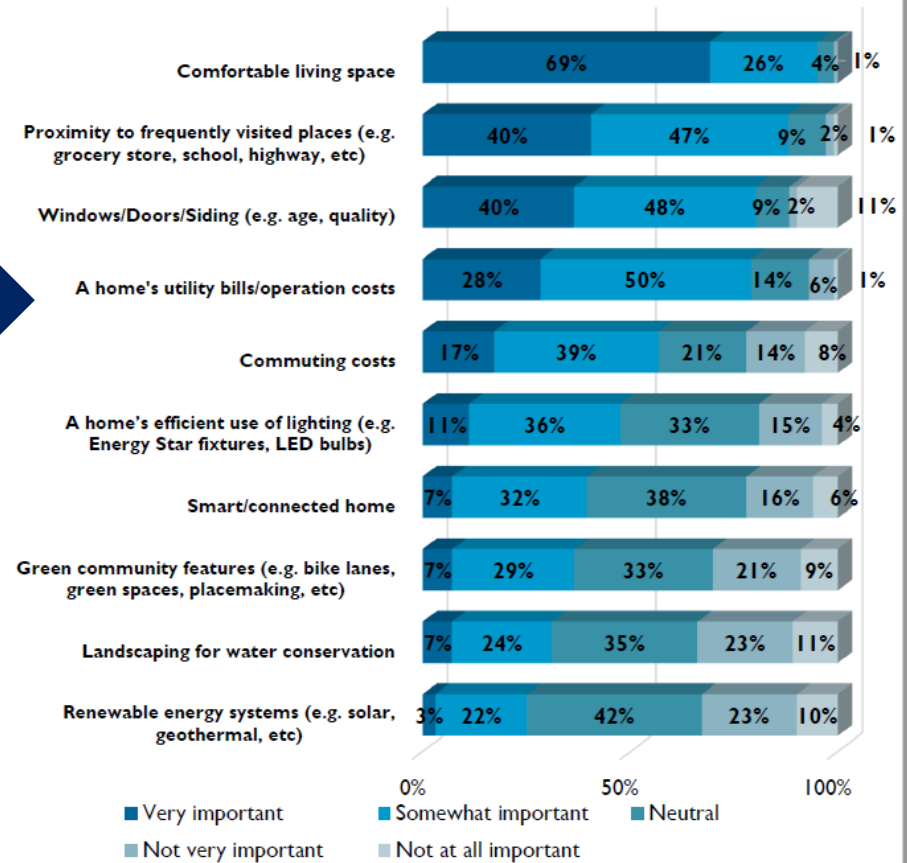
# Market Reaction Supported



# Market Reaction Supported?



## Importance of Home Features to Clients



2018 REALTORS® and Sustainability Report – Residential

MLS shows no  
HERS??????

---

200 shown in  
RESNET  
Appraisal Portal

Year	Avg HERS Rating	# of Ratings
2013	60	9
2014	59	19
2015	61	55
2016	62	62
2017	60	55
Apr-18	62	3
<b>Avg.</b>	<b>61</b>	<b>40</b>

# Now I have addresses to research

These addresses give appraisers a place to start the sales search for not only comparable data but for...

Paired-data analysis. Pairing sales with differing HERS Ratings may provide direct market support for the value of the energy efficient features.

# Paired-Data Analysis

	Sale A	Sale B
Sale Date	02/05/2018	12/25/2017
Sales Price	\$225,000	\$235,000
Living Area	2,100	2,125
Bedrooms/baths	3/2.5	3/2.5
HERS Rating	65	45
Location	Sunny Side	Sunny Side
Sale Price Difference	\$235,000-\$225,000=\$10,000 for 20 points difference in HERS Rating	

Note: For educational purposes only, not actual sales

# ENERGY STAR®

RESNET HERS Registry is only place to identify ENERGY STAR® Certified Homes to answer:

1. Do they sell for more?
2. Do they experience fewer days on market?
3. Is new construction in your market seeing more ENERGY STAR® homes?

**A Full HERS  
Report  
Provides Valuable  
Valuation Data  
like these**



**Details of construction and energy features**

**Basis for comparing sales**

**Data to develop an income approach to value using energy savings**

**A third-party report that gives credibility to the term “energy-efficient” home.**

# MLS Listings and Builders Must Change the Advertising

BRAND NEW CONSTRUCTION HOME MOVE IN READY!!!  
4 bedrooms 2 ½ baths, Flooring Vinyl downstairs, Carpet upstairs, Kitchen island bar-top height, includes Range /oven, Fan Hood, Dishwasher, 2nd floor Laundry room, Extended vanity in Master Bath, standard tub shower in both baths. Covered porch in front, cul-de-sac lot , 2 car garage with door opener Home is complete and ready!

Sample from MLS Listing





Attaching this  
to the MLS  
without  
populating  
HERS  
searchable  
field does not  
help.

**KB HOME ENERGY PERFORMANCE GUIDE**

Creekside  
**Plan 2003**

ESTIMATED MONTHLY ENERGY COST OF A TYPICAL, SIMILARLY SIZED, RESALE HOME  
**\$202**  
Actual energy consumption and costs will vary.

ESTIMATED MONTHLY ENERGY COST OF THIS ENERGY STAR® CERTIFIED KB HOME  
**\$99**  
Actual energy consumption and costs will vary.

HERS® (Home Energy Rating System) INDEX

ESTIMATED ANNUAL SAVINGS = \$1,236\*

©2015 KB Home. The HERS® Index is a registered trademark of the Residential Energy Services Network (RESNET). KB Home is not affiliated with RESNET or its service providers, or with any energy efficiency rating organization or related system or service provider, software program, or rating. The HERS Index score and the estimated energy costs and savings shown for this KB home plan and the typical resale home are determined using RESNET-approved computer software and RESNET factors and assumptions as to typical residential energy use and the standard features of this KB home plan as designed and of a typical resale home of similar overall square footage (without accounting for layout or household size), as assumed by the RESNET software. Each is based on the heating and cooling systems, appliances and lighting that are included as standard items with this KB home plan and the typical resale home (as assumed by the RESNET software), and average local energy utility rates available at the time of determination. The estimated energy costs and savings shown do not include any applicable local, state or federal taxes and/or regulatory or energy utility provider imposed fees, tariffs or charges. The comparison typical new home shown on the HERS Index is the RESNET U.S. national reference home, which is built to the specifications of the 2015 International Energy Conservation Code. The comparison typical resale home shown on the HERS Index marks the energy efficiency of the existing U.S. housing stock compared to the RESNET U.S. national reference home, as set by the U.S. Department of Energy. KB Home does not warrant or guarantee that a HERS Index score for an as-built home will be equal to or lower than the home's as-designed score as shown for this KB home plan, or that any level of energy costs or savings (if any) will be achieved or maintained, even if a home is built as designed per this KB home plan. \*Actual energy costs and savings (if any) for any built home will vary over time, and may vary substantially, based on a number of factors and variables. Important information about the HERS Index and the estimated energy costs and savings figures shown for this KB home plan is available online at <http://www.kbhome.com/energy-efficient-homes> and at KB Home community sales offices. (rev. 11/15)

# Marketing May Influence Sales Price

Pearl Gold	Contract Date	Days on Market	Sold Price	Adjusted Sale Price	Living Area	Sales Price Premium (Pearl Sale Price - Adjusted Non Green Sale Price)	Premium as % of Sale Price (Premium/Pearl Sale Price)	Age Yrs
Crozet, VA								
Single-Unit Detached								
Pearl	2/26/2017	29	\$477,000		2,170			15
Pair 13	7/8/2016	63	\$445,000	\$430,766	2,535	\$46,234	9.69%	9
Pair 14	7/30/2016	1	\$449,900	\$435,792	2,518	\$41,208	8.64%	19

The MLS included Pearl Home Certification documents including the AI Residential Green and Energy Efficient Addendum. The photograph gallery had the Pearl Certificate. The second sentence of the comments said, "Gold certified efficiency rating from Pearl."

# MLS Listing that maximizes the energy features

NOW COMPLETE! Walking distance to the town center w/a variety of shops & restaurants. This new, energy efficient home features an open floor plan, family room and 4th bedroom plus bath in basement, and 3 bedrooms and 2 full baths upstairs. This section allows rental income over the garage and this home features an 1BR apartment in the oversized 22'x24' garage. Beautiful hardwood flooring throughout main level, granite, stainless appliances and custom trim work. This home achieved a HERS score of 48 and includes high SEER mini -split HVAC as well as foam insulation and tankless water heater. Cost of ownership will be much lower than the average home. PEARL Certified Platinum Level.

Source: MLS Listing

Certification Attached and a JPG  
in MLS Photograph Gallery

5.4%  
Sales  
Price  
Premium

# Maximizing Marketing

- Include HERS in searchable MLS field
- Attach HERS Report to MLS
- Insert HERS Certificate as a JPG in MLS photograph gallery
- Attach completed AI Residential Green & Energy Efficient Addendum
- Attach completed lender letter from “Appraised Value & Energy Efficiency: Getting it Right” brochure

Learn more about how to implement green into appraisals & marketing



# A Guide to the Residential Green and Energy Efficient Addendum

By Sandra K. Adomatis, SRA, LEED Green Associate, NAR GREEN  
May 2018

Reviewed by Ben Hoen of Lawrence Berkeley National Laboratory

## PART II. ENERGY LABEL

<b>Energy Label</b> Labels disclose the state of the home's energy assets.	RESNET's HERS Rating (0 to 150): _____ <input type="checkbox"/> Sampling Rating <input type="checkbox"/> Projected Rating <input type="checkbox"/> Confirmed Rating	Estimated energy savings for this home: \$_____/year ____cKWh rate dated __/__/__ <i>Energy Savings includes electricity, heating &amp; Cooling.</i> <i>Score below 100 indicates energy costs are expected to be lower than average code-built home. HERS Index Report occupancy estimates energy cost based on number of bedrooms plus one. Only a "confirmed rating" is diagnostically tested.</i>
	DOE's Home Energy Score (1 to 10): _____ <input type="checkbox"/> Official Score <input type="checkbox"/> Unofficial Score	Estimated energy savings for this home: \$_____/year ____cKWh rate dated __/__/__ <i>Energy Savings includes electricity, heating &amp; Cooling.</i> <i>Score above five indicates energy costs are expected to be lower than average local home. Home Energy Score estimates energy cost based on state average energy rates and the home's energy features.</i>
	Other Energy Score: _____ Range ( ____ to ____ ): _____	Estimated energy savings: \$_____/year __c kWh rate dated __/__/__ Describe energy label system: _____
	Date Verified: __/__/____	Score or Rating Version: _____ Organization URL: <input type="checkbox"/> <a href="http://www.resnet.us/">www.resnet.us/</a> <input type="checkbox"/> <a href="http://www.homeenergyscore.gov">www.homeenergyscore.gov</a> <input type="checkbox"/> Other: _____

The HERS Rating can be below 0.

# Guide Addresses Appraiser, Listing, & Lender Relevance for each section.

- Where does it go on the 1004?
- Why is it important?
- How can it be used in marketing?
- How can lender use in underwriting?



## Valuation of Sustainable Buildings

Title	Hours	State Approval
<a href="#">Introduction to Green Buildings</a>	8	<a href="#">State Approval</a>
<a href="#">Case Studies in Appraising Green Residential Buildings</a>	8	<a href="#">State Approval</a>
<a href="#">Residential and Commercial Valuation of Solar</a>	15	<a href="#">State Approval</a>
<a href="#">Case Studies in Appraising Green Commercial Buildings</a>	15	<a href="#">State Approval</a>
<a href="#">Practical Applications in Appraising Green Commercial Properties</a>	15	<a href="#">State Approval</a>

[FAQs](#)

[Program Registry – Residential](#)

[Program Registry – Commercial](#)

<https://www.appraisalinstitute.org/education/your-career/professional-development-programs/#Valuation%20of%20Sustainable%20Buildings>

# Appraiser Education Opportunities



Adomatis Appraisal Services

# Thank you!

**Contact Info:**

Ryan Meres  
RESNET

**Contact Info:**

Sandy Adomatis, SRA,  
LEED Green Assoc.,  
NAR Green

[Adomatis@Hotmail.com](mailto:Adomatis@Hotmail.com)

