



Greening the NorthstarMLS  
RESNET 2014

# Outline for Presentation



- BATC approach – David
- Statewide and Grants – Peter
- Early Returns – Peter and David
- Mortgage incentive – Peter
- Builder Training – Peter and David
- Marketing in Parade of Homes – David
- Q&A

# Background



- About BATC
- GreenStar (BATC, NARI, Green Institute) program doesn't move the needle...why?
- Green Path in 2011

# MN Green Path Overview



- A new home & remodeling testing and certification program – each project is third-party tested & inspected.
- All certified projects receive an HERS Index and Home Performance Report (HPR).
- The program is built for the entire market – all price points. Tested, advanced, master.
- Administered by BATC in partnership with Residential Science Resources (RSR)



# Home Performance Report

MN GREEN PATH | WWW.MNGREENPATH.ORG

## HERS Index

# 52

## ACH50

# 1.0

Home Address:  
**6060 Hermitage Circle**  
**Minnetrista MN 55331**

Square Feet: **4630**  
 Bedrooms: **5**  
 Baths: **5**

Builder: **Lennar**  
[www.lennar.com](http://www.lennar.com)



This home is 48% more energy efficient than the HERS reference home built to code!



These results reflect Air Changes per Hour of measured air flow<sup>2</sup>.

<sup>1</sup>The RESNET Home Energy Rating System (HERS) score rates homes against an index of the code reference home of 100. The lower the score, the more energy efficient the home. Older homes often score 130 or higher. In Minnesota today, new homes built to code generally test about 80.

<sup>2</sup>The Air Changes Per Hour at 50 Pascals (ACH50) is the Index used in blower door testing to indicate how airtight a home is. As with HERS, the lower the score the more energy efficient the home.

Minnesota's Green Path is a program of the Builders Association of the Twin Cities.

Serial #014250



# Our Message to MLS



- The NorthstarMLS is the focal point that can bring the green home marketplace together:
  - Buyer agents want to make sure that clients are getting good features at the right price
  - Listing agents want to make sure clients get the most value at resale
  - Home builders and remodelers strive for work that is valued in the marketplace
  - Appraisers want to manage a process that fairly values energy efficient and green features

# A Simple Ask



- **Energy Tested Recognition** – Homes that have been third-party tested by a RESNET Rater and received a HERS Index (MN Green Path; Energy Star)
- **Green Certified Recognition** – Homes that have been green certified by an established and recognized entity (such as LEED-H, MN Green Path, MN GreenStar, NAHB Green, USGBC, WI Green Built Home)

# Advantages of Recognition on the NorthstarMLS



- Helps buyers quickly find green & energy efficient homes
- Makes it simple to promote the special features of energy efficient & green homes
- Supports apples-to-apples comparison when it is time to appraise a home



# Specific Tactics



- Simplicity of approach
- Willingness to listen and compromise
- Relationship with MLS CEO
- Relationship with Realtors
- Attractiveness of new construction on MLS
- Market-based approach

# Colorado Energy Office Approach to the MLS

2007

The Energy Office expands beyond low income weatherization and develops state wide residential program around training and marketing of the ENERGY STAR New Homes (ESNH) Program

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2009

ESNH market penetration rate in Colorado jumps from under 7% in 2007 to over 33% in 2009. Market rates continue to climb to 45% in subsequent years

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2010

USGBC promotes the green MLS to the CEO using studies in Portland and Seattle. However no data can be collected from the MLS to replicate the studies.

MLS systems are not regulated, so the CEO provided a framework for industry stakeholders to gather and discuss voluntary recommendations.

# Developing and Implementing Fields

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- The Energy Office worked with industry stakeholders including real estate agents, appraisers, lenders, builders and MLS vendors to add value while limiting liability
- Broken into two parts:
  - Certifications are supplied by 3<sup>rd</sup> parties
  - Features and Green Addendum should be filled out by contractor or homeowner

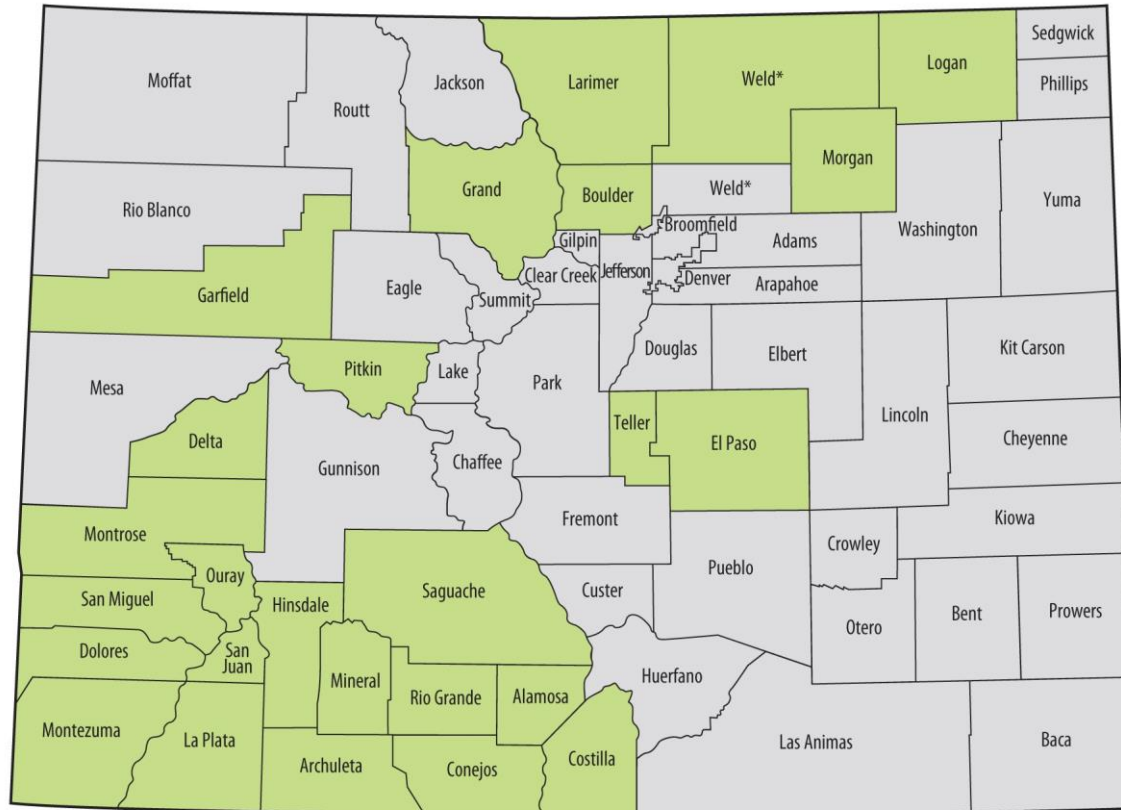
## Certifications:

- HERS Rating
- ENERGY STAR New Homes
- LEED for Homes
- National Green Building Standard
- Other local green building certification program

## Features:

- Solar PV (Electricity)
- Solar Thermal (Hot Water)
- Green Field Addendum (GFA) allows sellers to showcase additional common attributes of a 'green' home

# Adoption Process: December 2010



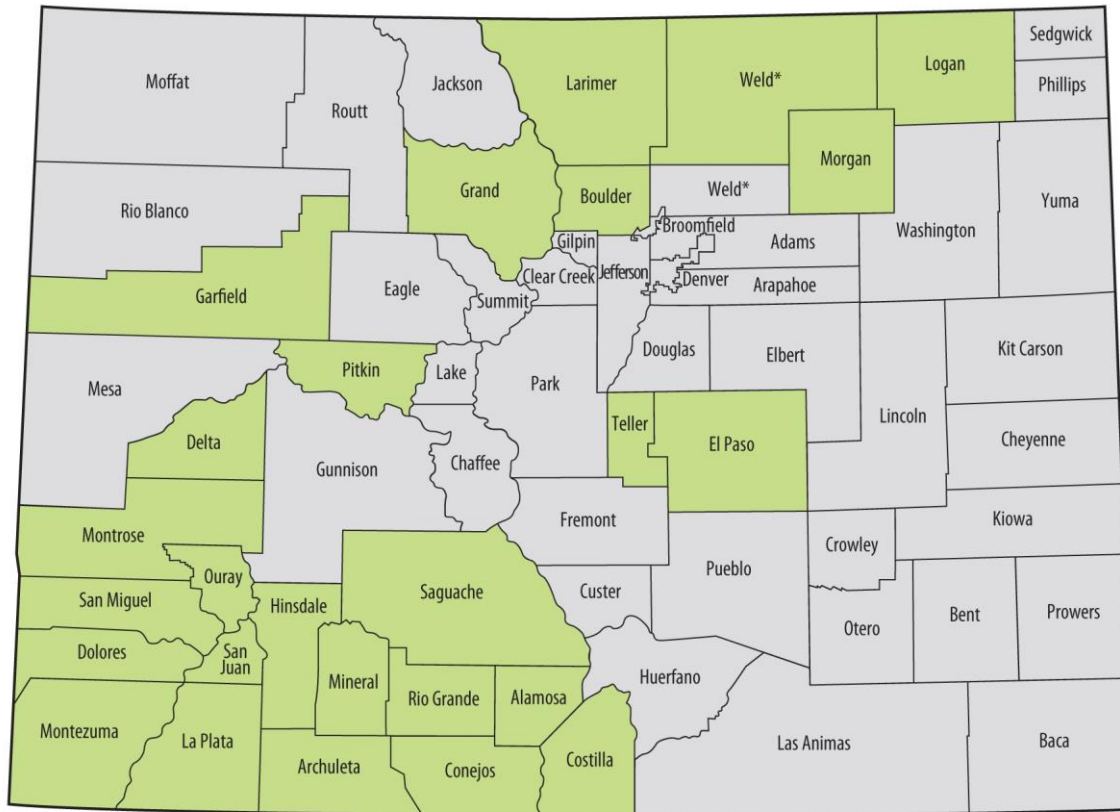
The CEO provides IT grants to MLS vendors to help update forms and software, and train Realtors

5 of the 16 MLS vendors adopted the recommended fields

4 Vendors Received Grants

36% of the homes in Colorado covered by a Green MLS

# Adoption Process: October 2011



■ Searchable Green Multiple Listing Service (MLS) Available \*Weld County divided between Two MLS Vendors

If you recommend it, not everyone will adopt it.

No new vendors adopted the recommended fields

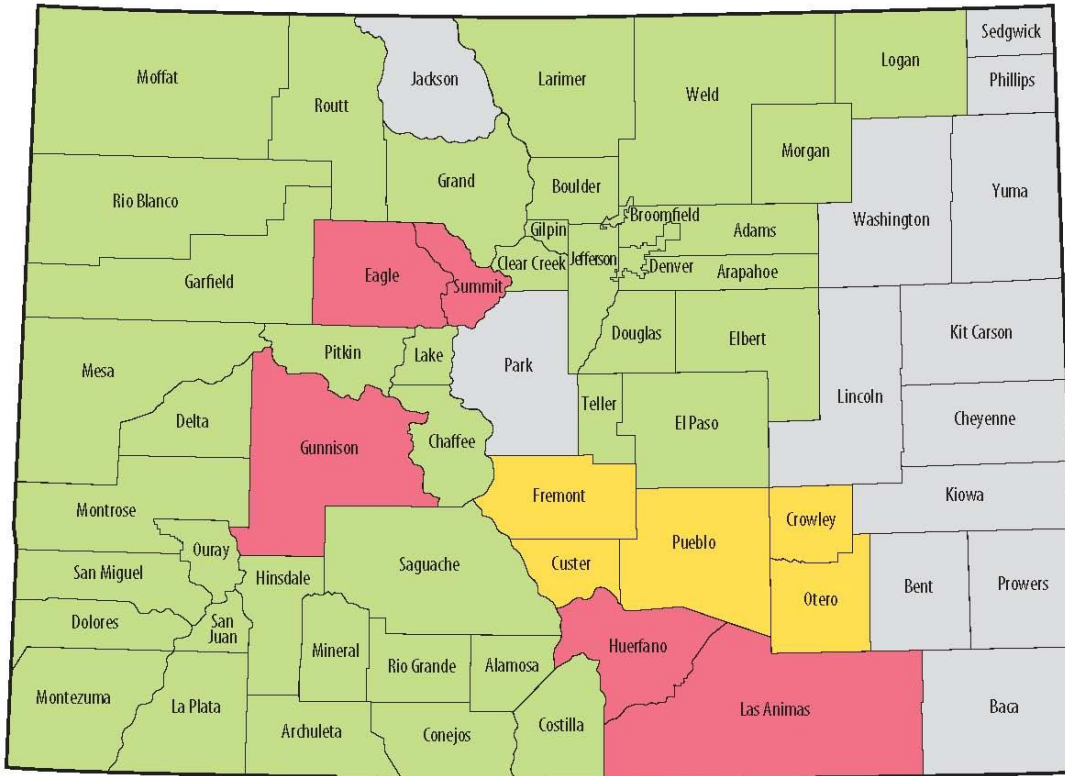
Start another round of outreach

# Adoption Process: June 2012

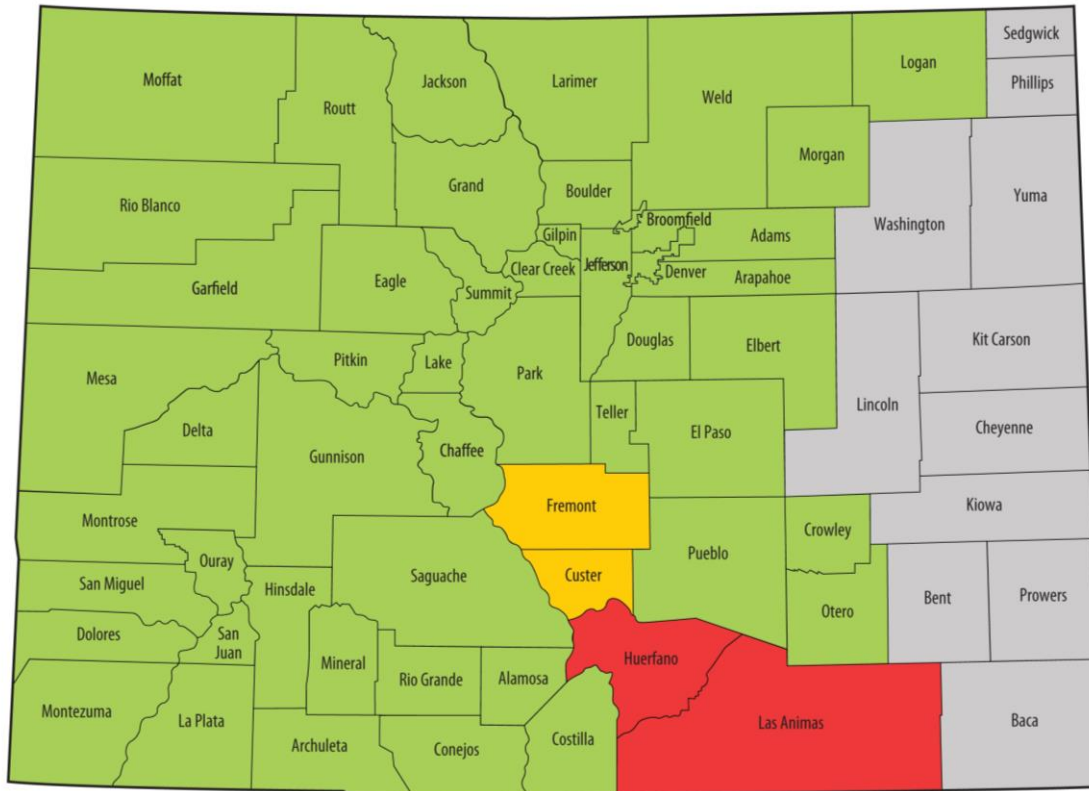
87% of the homes in Colorado covered by a Green MLS

CEO completed contract in March of 2012 with Metrolist to add the fields to add the fields

CEO seeks help from Colorado Association of Realtors with remaining boards.



# Adoption Process: June 2013



97% of the homes in Colorado covered by a Green MLS\*

\*Vail MLS (Eagle County) have adopted Green Fields but not fully operational.

Royal Gorge (Fremont, Custer) has basic concept in place but needs additional fields

First Phase of Green MLS Initiative is considered complete

# Green Addendum

1. Home Performance Programs:

Home Performance with ENERGY STAR

2. Construction Type:  
(check box for each type)

SIPS

ICF

Material Efficient Framing

Improved Insulation

Straw Bale

Earthen Built / Rammed Earth

Other:

3. Heating, Cooling and Ventilation:  
(check box for each type)

Ground Source Heat Pump

High Efficiency Furnace / Boiler (eg. > = 90% AFUE)

Tankless / On Demand Water Heater

Whole House Fan  Ceiling Fans

Evaporative Cooling

High Efficiency Water Heater (eg.>=90%, or EF>=.82 for gas)

High SEER A/C (eg. > = 13 SEER?)

Insulation Air Sealing Upgrades Completed

SEER Rating

Home Orientation (South Facing Overhangs)

4. Water Efficient Features:  
(check box for each type)

Low Flow Toilets

Low Flow Fixtures / Shower Heads

Low-water Sod (Certificate of Installation)

Hot Water Recirculation Pump / Structured Plumbing

Xeriscaping

Greywater System

5. Indoor Air Quality:  
(check box for each type)

Indoor Air Quality Plus by ENERGY STAR

No or Low VOC Paint

Heat Recovery Ventilator / Fresh Air System

Radon Mitigation System

Green Guard Certified Carpet / Flooring (documentation required)

No Formaldehyde Certified Cabinetry (documentation required)

6. Sustainable Materials:  
(check box for each type)

FSC Certified Lumber

FSC Certified Cabinets

Recycled Content

Reclaimed Flooring

Sustainable Flooring

Regionally Harvested

7. Energy Features:  
(check box for each type)

ENERGY STAR / Low E Windows (documentation required)

Automated Lighting Controls

Orientation / Passive Solar Design

High Efficiency Lighting (CFLs, LED)

ENERGY STAR Rated Roof (documentation required)

Programmable Thermostat

8. ENERGY STAR Appliances:

Refrigerator

Range / Oven

Dishwasher

Clothes Washer

Additional Comments:

As of Jan. 1, 2013, it is now an official Real Estate Commission form



# Recommendations

## Energy/Green Information

**Important note: Supporting document(s) such as certifications from programs completed are REQUIRED if a certification is checked. You may upload supporting documents on the Documents tab.**

Certifications	<input checked="" type="checkbox"/> HERS Rating *	Year Certified *	<input type="text"/>	Score *	<input type="text"/>
	* Must be RESNET and/or DOE approved				
	<input checked="" type="checkbox"/> ENERGY STAR® Qualified New Home	Year Certified *	<input type="text"/>		
	<input checked="" type="checkbox"/> LEED for Homes	Year Certified *	<input type="text"/>		
	<input checked="" type="checkbox"/> NAHB/NGBS-ICC 700	Year Certified *	<input type="text"/>		
Features	<input checked="" type="checkbox"/> Solar PV	Year Installed *	<input type="text"/>	Kilowatts *	<input type="text"/> kW
	<input checked="" type="checkbox"/> Solar Thermal	Year Installed *	<input type="text"/>	Type *	<input type="text"/>
	<input checked="" type="checkbox"/> Green Features Addendum Uploaded?				

Source: IRES

# Beyond Field Implementation

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## Other Efforts in the Real Estate Transaction Market:

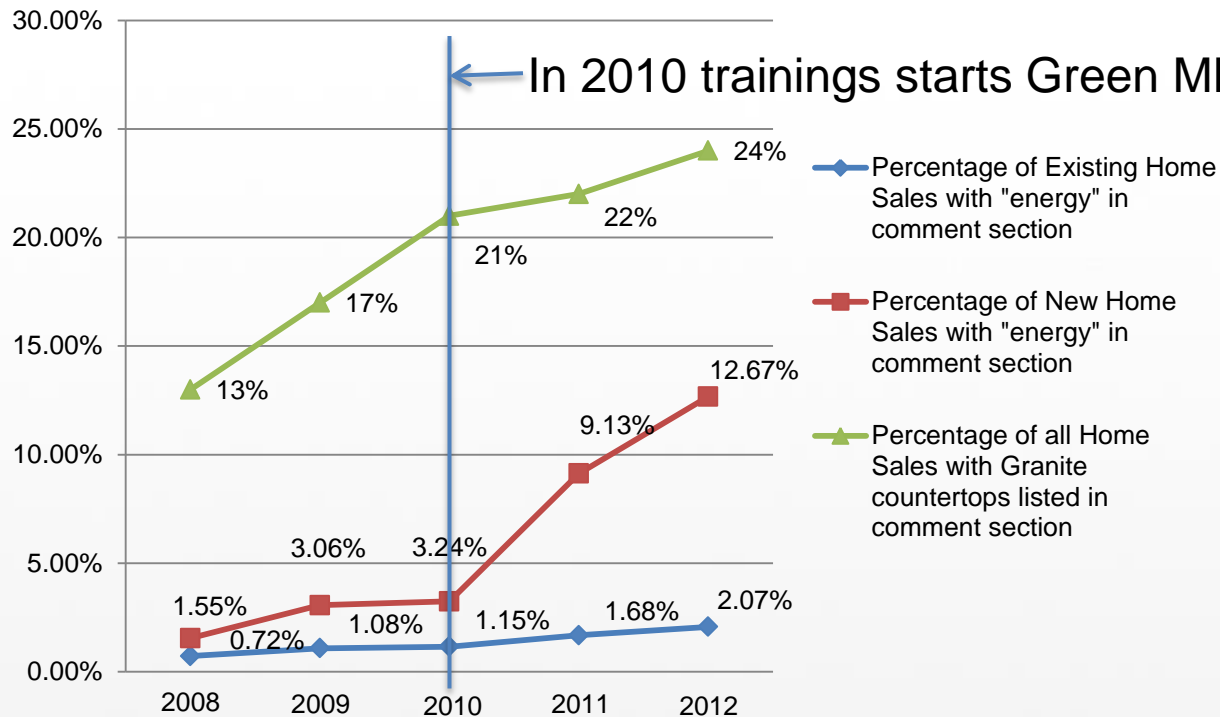
- The CEO has conducted training for Realtors, Appraisers, and Home Inspectors since 2010.
- The CEO signed an agreement with the Colorado Coalition of Appraisers and the Appraisal Institute – Colorado Chapter to develop valuation studies
- To increase public and lender awareness of the HERS Index Rating the Colorado Energy Saving Mortgage Incentive was developed

## Initial Results from the Effort....



# Impact of Real Estate Agent Training

Tracking words real estate agents enter into the comments section of Metrolist and IRES MLS systems to track market trend. Two thirds of all homes in the state are sold through these two systems.



## Key Take Always:

- The increase of granite counter tops in the market. Home buyers expect that level of finish in all homes now
- The increase in the word “energy” in new homes since 2010
- The trickle down effect of the word “energy” in the existing homes market

# Changes in listings

## Form, Function, Performance

### Form:

- Hardwoods in living area
- Granite in kitchen
- Stainless Steel
- Appliances

### Function:

- Square Footage
- Number of Bedrooms
- Garage Spaces
- Finished Basement

### Performance:

- How much energy or water does this property use?
- Is it close to amenities
- Does it have healthy indoor air quality?

## Performance



### Description

Five acre horse property with a beautiful fully **remodeled** 5 bedroom and 3 bath farm house. Bright and fresh with gorgeous south facing meadow views this **energy efficient home** welcomes you with a long driveway and covered entry. **Newly landscaped and fenced** for horses. Very private and quiet location at the end of Belle Star Drive. Minutes from **Elmores corner** with a water filtration system with well and 1800 gallon cistern. **Three car garage, barn and out building.**

**Price:** \$599,000  
**MLS #:** 681715  
**Class:** Residential  
**Type:** Stick Built  
**Status:** Active  
**Style:** Farm House  
**Year Built:** 1998  
**Elementary:** Florida Mesa K-5  
**Middle School:** Escalante 6-8  
**High School:** Durango 9-12  
**Subdivision:** Sundance Hill 1  
**Address:** 190 Belle Starr  
**City:** [Durango](#)  
**Area:** Durango Rural  
**State:** CO  
**Zip:** 81301

**Listing courtesy of:**  
COLDWELL BANKER HERITAGE HOUSE

Form

Function

# PV Solar Study Overview

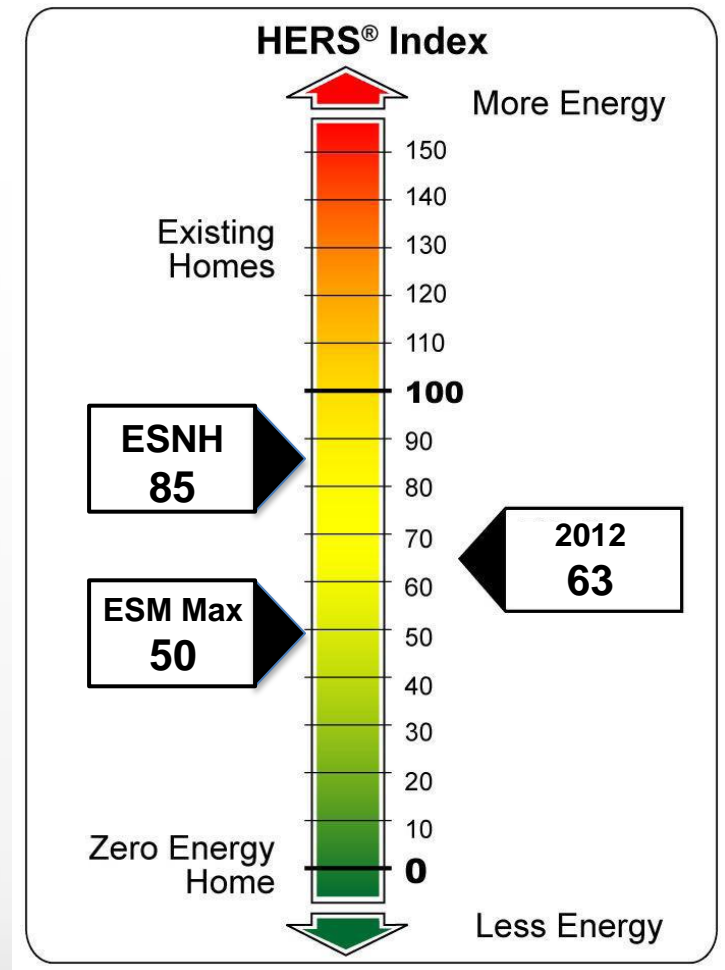
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- The CEO worked with the Appraisal Institute- CO Chapter and the Colorado Coalition of Appraisers to develop the PV Solar Study
- The appraiser selected 30 sold homes in the Northwest Denver Metro area ranging in value from \$200,000-\$680,000 that sold from 2011- 2013.
- All systems studied were owned not leased systems
- The Study has been peer reviewed and was published in Oct. of 2013
  - Of the 30 homes, 21 sold for higher because of the PV system and none sold for less
  - The range of value for the systems \$1.45 per watt to \$2.57 per watt
  - The Study also includes a detailed look at how appraisers can investigate PV Solar systems when developing their opinion of value.

# New Homes Increasingly More Efficient

## Statewide Data Overview

- In 2009 33% of all new homes are rated in Colorado and built to ENERGY STAR New Homes Guidelines (ESNH) with a maximum HERS Index Rating of 85.
- In both 2010 and 2011 45% of all new homes are built to ESNH guidelines
- In last two quarters of 2012, State average is 63 on the HERS Index Scale
- In 2013 the Energy Saving Mortgage Incentive is created with a maximum HERS Index Rating of 50.
- Last quarter of 2013, State average is 59



Source: RESNET

# New Home Building in Xcel Energy Territory

## Xcel Builder Rebate Tiers:\*

HERS Index Rating 75-71	: \$100 benefit
HERS Index Rating 70-66	: \$400 benefit
HERS Index Rating 65-61	: \$700 benefit
HERS Index Rating 60 and below	: \$1,200 benefit

\* Adjusted in areas based on 2009 IECC or better adoption; ESNH V3 less than 60 add \$200

## New Home Mortgage Incentive Tiers:

HERS Index Rating 50-40	: \$1,000 benefit
HERS Index Rating 39-25	: \$2,500 benefit
HERS Index Rating 24-11	: \$3,000 benefit
HERS Index Rating 10 and below	: \$8,000 benefit

# Existing Home Mortgage Incentive Tiers

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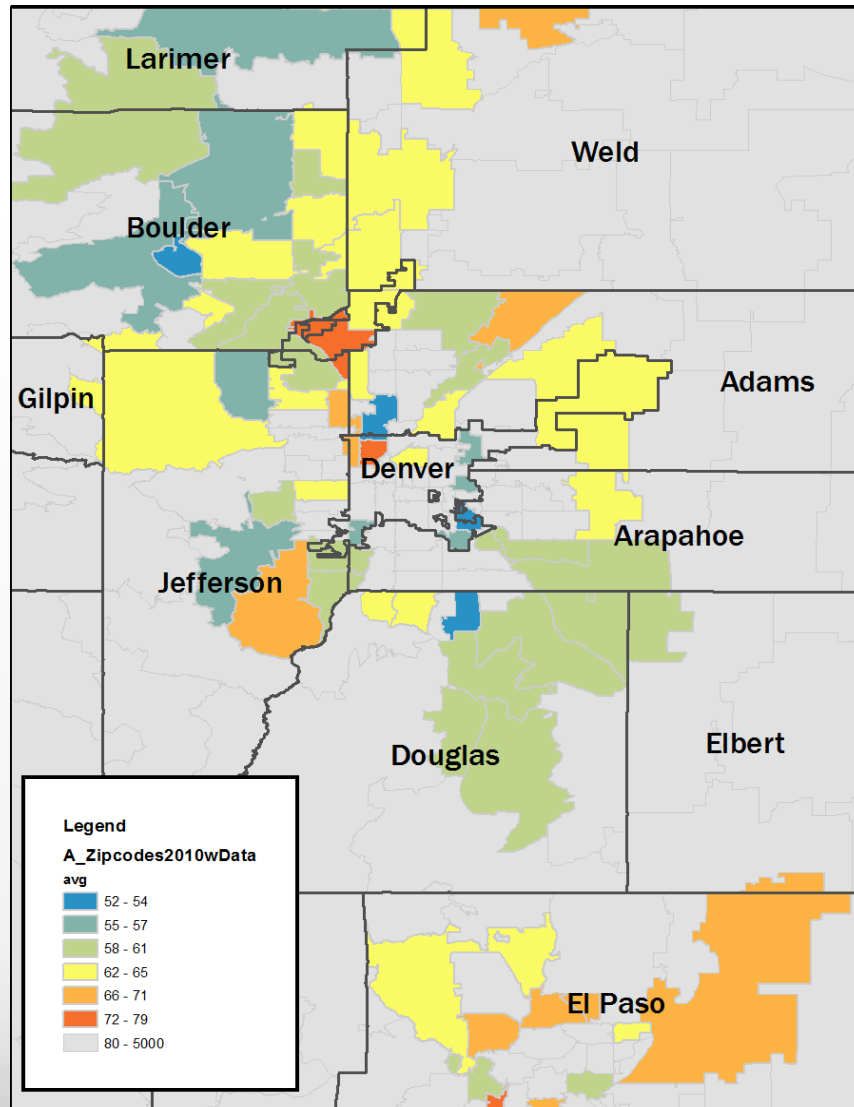
## Existing Home Tiers:

HERS Index Rating Drop of 10-20*	: \$2,000 benefit
HERS Index Rating Drop of 21-35	: \$3,000 benefit
HERS Index Rating Drop of 36-50	: \$4,000 benefit
HERS Index Rating Drop of 51-65	: \$5,000 benefit
HERS Index Rating Drop greater than 66	: \$6,000 benefit

\* Maximum HERS Index Start point is 150



# Better Data Provides Deeper Look



- Cooler colors indicate better performance
- Gray areas indicate lack of building

• Not seen on the map is % of homes rated

El Paso County less than 20% of all new homes rated

Boulder County more than 90% of all new homes rated

# Builder Training



- Every few months on Green Path
- Use your local Home Builders Association
- Conducted by rater partner
- Realtors are next

# Parade of Homes



- Marketing is key
- Spring and Fall Parades<sup>(sm)</sup>
- Special recognition online, guidebooks
- Earth day media event in the works

# Early Results



CERTIFICATION: 19 Active listings, 2 temporarily not available for showing listings and 16 Sold listings.

HERS: 36 Active listings, 2 temporarily not available for showing listings, 4 Pending listings and 28 Sold listings with a HERS score.

Of the listings above, 31 of them have indicated both Yes for Green Certification and a HERS Score.

# Contact Us

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## Colorado Energy Office (CEO)

State of Colorado

John W. Hickenlooper, Governor

1580 Logan Street, Suite OL1

Denver, Colorado 80203

[www.colorado.gov/energy](http://www.colorado.gov/energy)



The Colorado Energy Office



@coenergyoffice

## Builders Association of the Twin Cities

Minneapolis/St. Paul

2960 Centre Pointe Drive

Roseville, MN 55113

[www.batc.org](http://www.batc.org)



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