Valuing Energy Efficient Homes with RESNET's Appraiser Portal

June 25, 2020 | Webinar
2:00 pm to 3:00 pm EDT

THE WEBINAR WILL BEGIN SHORTLY

RESNET®
RESIDENTIAL ENERGY SERVICES NETWORK

Today's Speakers

Ryan Meres, RESNET

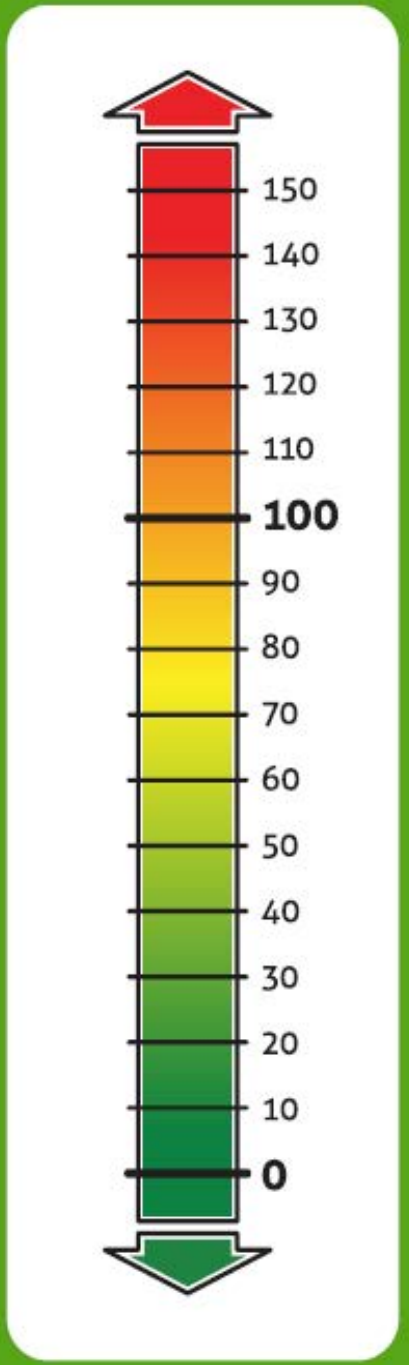
Sandy Adomatis, Adomatis Appraisal Services

What is RESNET?

- An industry-based, not for profit organization founded in 1995
- Created and maintains the Mortgage Industry National Home Energy Rating System Standards (MINHERS)
- A national ANSI Accredited Standards Development Organization for building energy efficiency rating and certification systems
- Set the standards for certification of Home Energy Raters and Quality Assurance of HERS Ratings

What is the HERS Index?

- The **national standard** by which a home's energy efficiency is inspected and rated.
- A typical home built to 2006 energy efficiency standards scores 100 on the HERS Index.
- A 1-Point change in the HERS Index represents a 1% change in energy use.
- A lower Index Score means a home uses less energy.
- A home with a HERS Index Score of 0 produces as much energy annually as it uses.



- A simple, easy to understand system for prospective homebuyers, Realtors, Appraisers and utilities to compare the energy performance of homes.

RESNET HERS® INDEX

The HERS Index accounts for a home's energy consumption of heating, cooling, water heating, lighting and some appliances.

The Concept of an Energy Rating

HERS Rating

Reference Home

- Automatically generated by software
- Establishes baseline to compare rated home to
- Minimum requirements established in the 2006 IECC and Federal law
- Scores ~100 on HERS Index scale

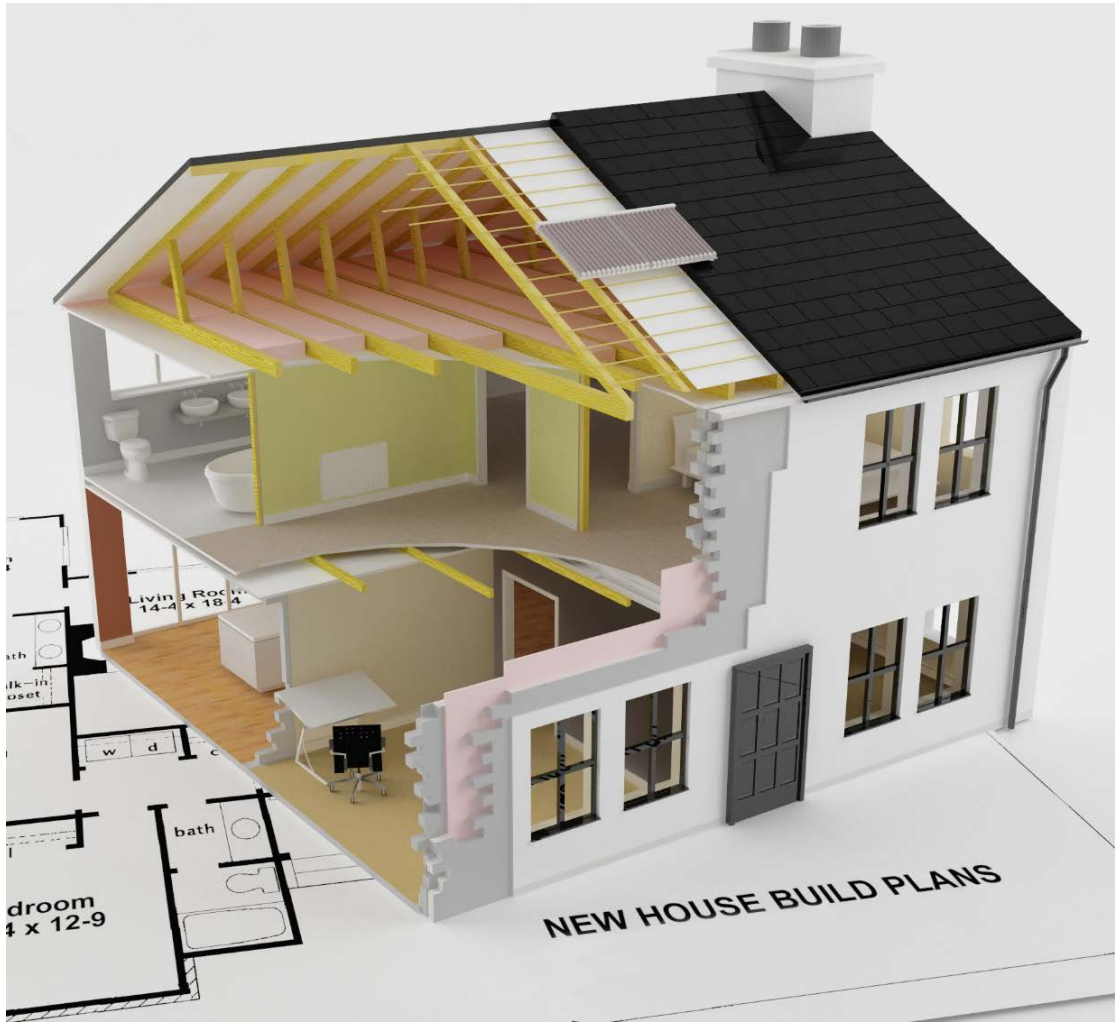
Rated Home

- The “as-built” home
- Components entered by the Rater
- Each component that is more efficient than the reference home will reduce energy use and Index score in the rated home.
- Less efficient components will do the opposite.

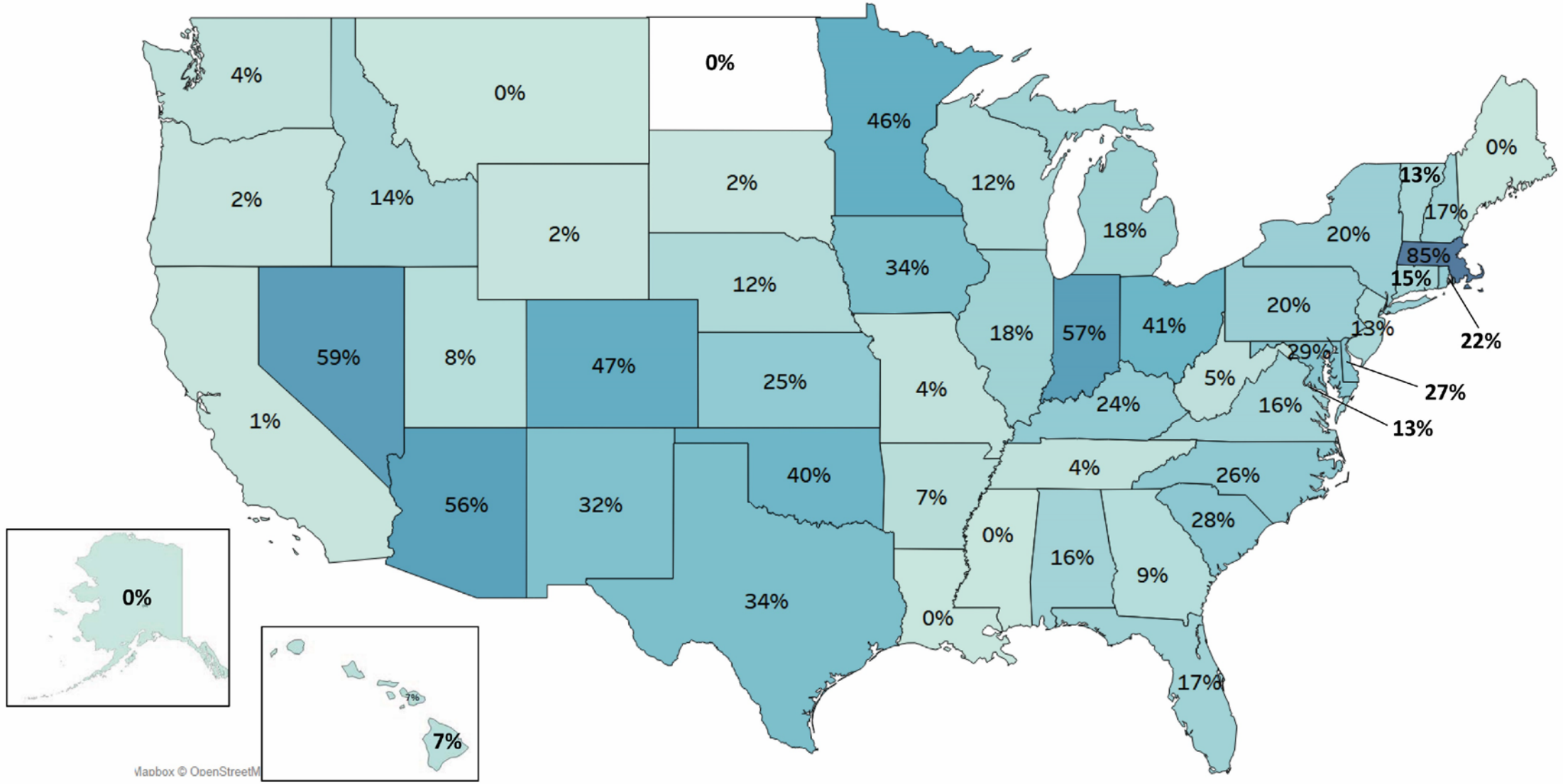
Components of a HERS Rating

Some of the components used in calculating a HERS Score

- All exterior walls (both above and below grade)
- Floors, ceilings and roofs
- Attics, foundations and crawlspaces
- Windows and doors
- Ductwork
- HVAC system, water heating system, and your thermostat.
- Air leakage of the home
- Leakage in the heating and cooling distribution system



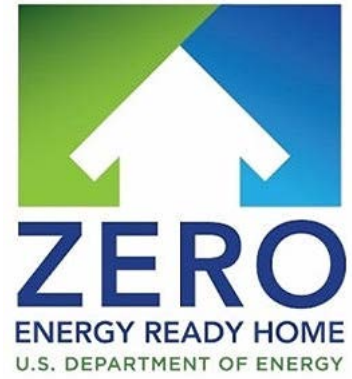
Percent Homes HERS Rated by State, 2019



Single Family and Duplex Homes
Based on Data from the RESNET National Buildings Registry and U.S. Census Bureau

Other Programs Use HERS

National Programs

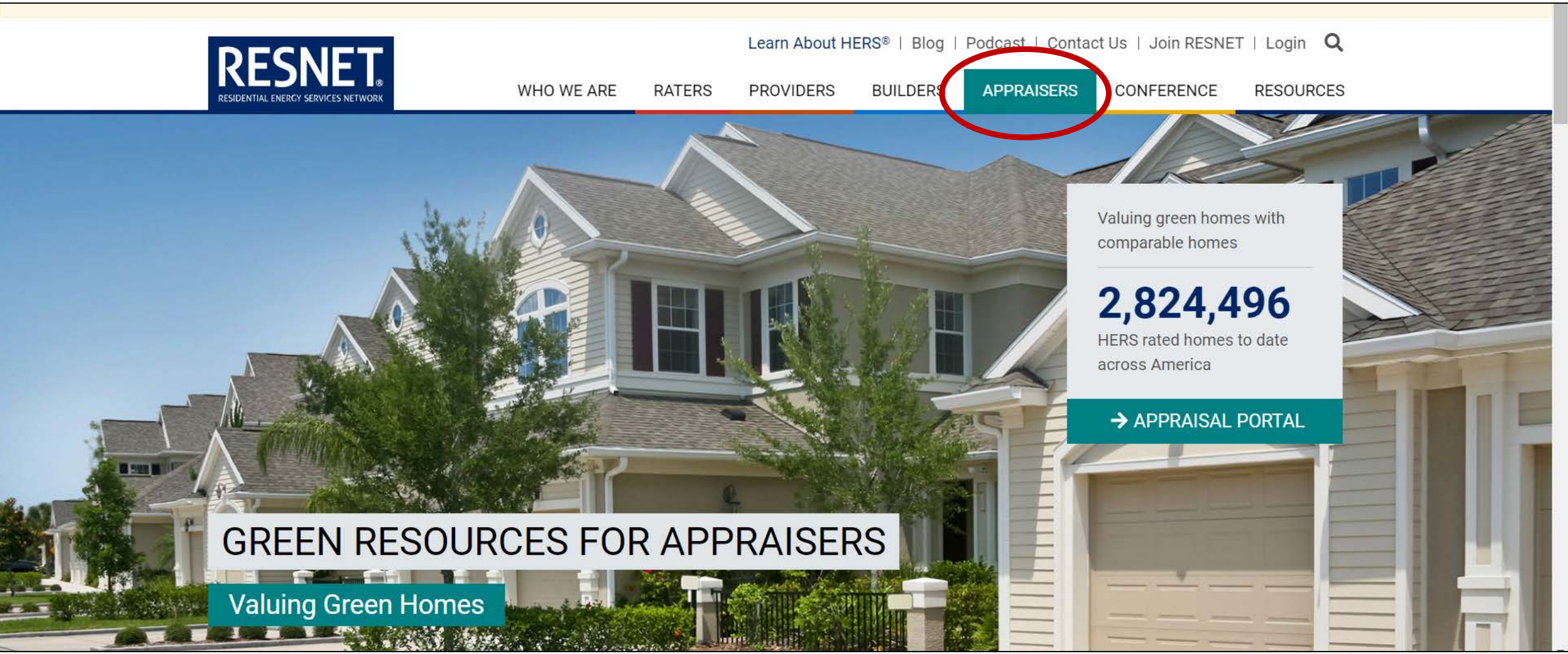


Local/Regional Programs

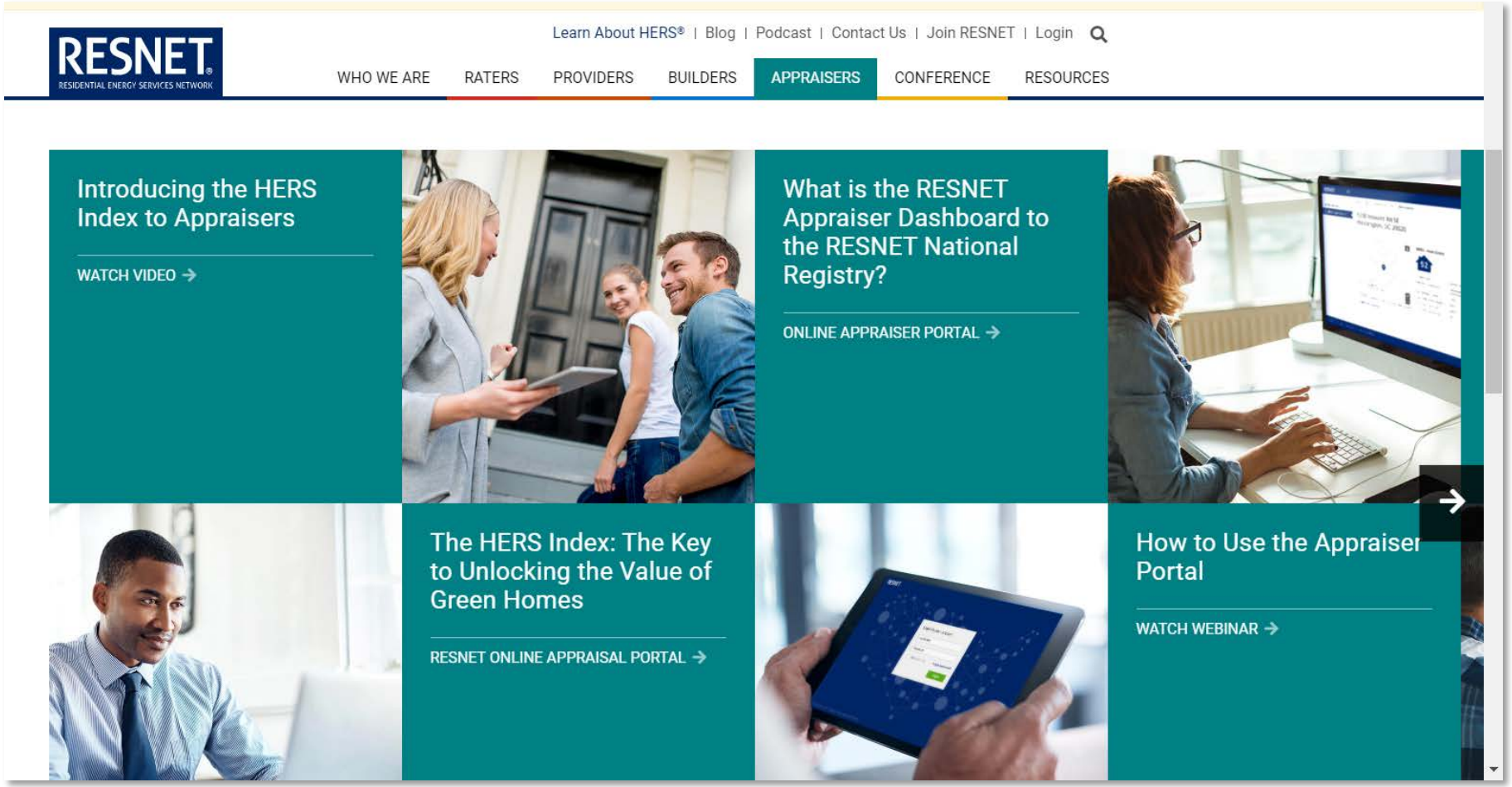
Utility Programs

Appraisers Tab on RESNET Website

www.resnet.us



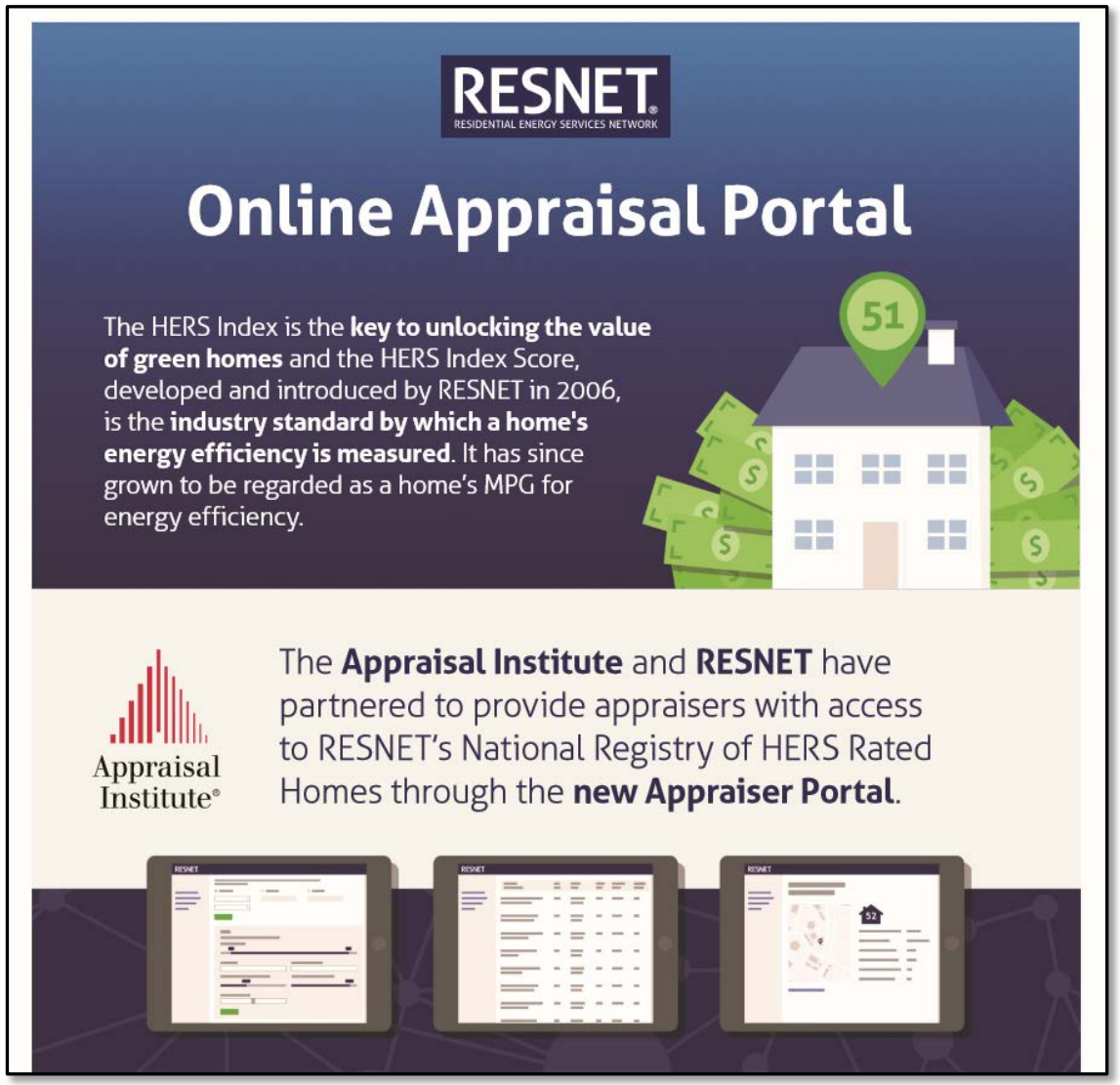
Appraiser Resources

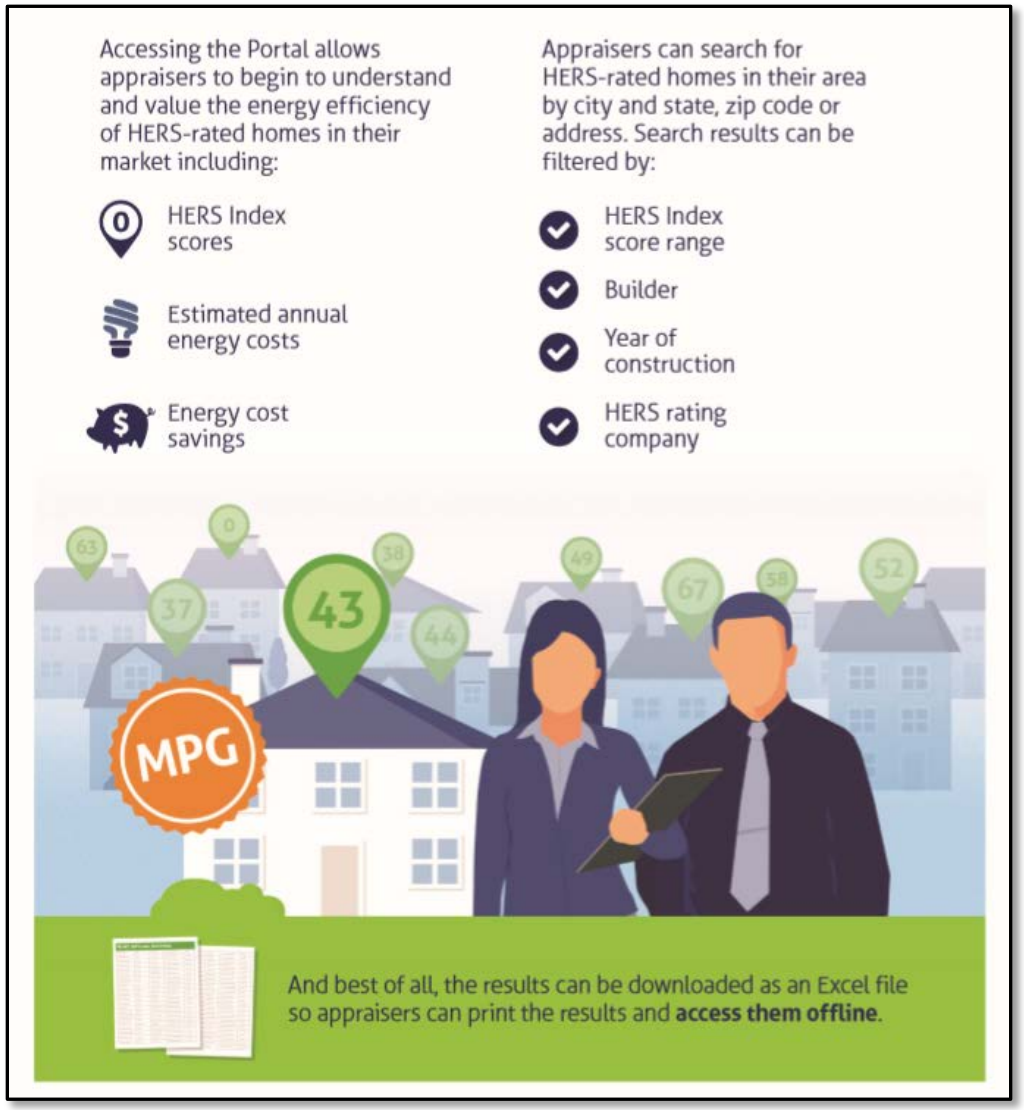


Appraiser Resource Page:

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

Infographic-Using the Portal





Infographic-Unlocking the Value of Green

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

Appraisal Institute®

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

THE GOLD STANDARD

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

RESNET's Appraisal Portal Includes Confirmed Ratings Only

AI Reports® Form 820.05*	Client File #:		Appraisal File #:	
	Residential Green and Energy Efficient Addendum			
	Client:			
	Subject Property:			
	City:	State:	Zip:	

Additional resources to aid in the valuation of green properties and the completion of this form can be found at
http://www.appraisalinstitute.org/education/green_energy_addendum.aspx

Energy Label Labels disclose the state of the home's energy assets.	RESNET's HERS Rating (0 to 150): _____ ☐ Sampling Rating ☐ Projected Rating ☐ Confirmed Rating	Estimated energy savings for this home: $____/year ____¢kWh rate dated__/__/__ *Energy Savings includes electricity, heating & Cooling.* *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.*

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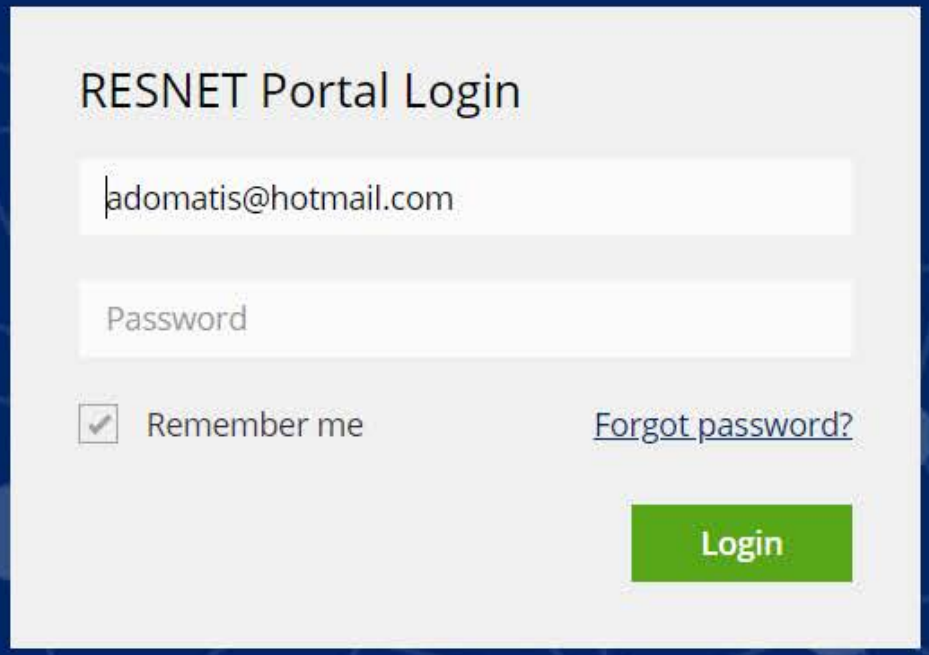
RESNET

AI Members must register a user name and password.

Its Free! An AI member benefit!



https://portal.resnet.us/

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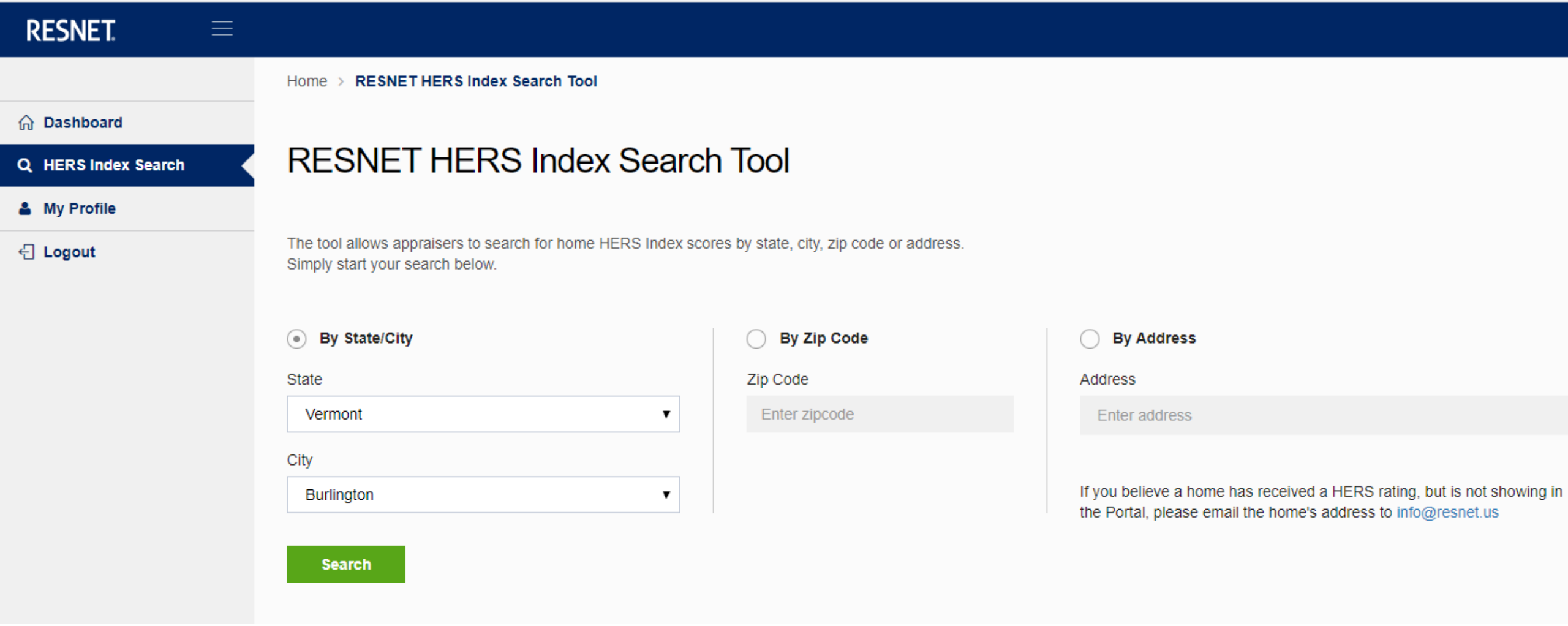
Comparable Sales Search



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RESNET HERS Rated Homes Downloaded

Home Address	City	State	HERS Score	Builder Name	HERS Rating Company I	Annual Energy Costs	Annual Savings	Year of Constr.	Energy Star Certified
8 Proctor Pl	Burlington	VT	-3	Rebecca Grannis	Vermont Energy Investm	$-11	$3,865	2018	Yes
26 Avenue B	Burlington	VT	4	Vermod, LLC	Vermont Energy Investm	$171	$1,491	2017	Yes
176 N Winooski Ave	Burlington	VT	9	Arthur Chukhman	VEIC	$604	$3,168	2019	Yes
6 Proctor Pl	Burlington	VT	12	Rebecca Grannis	Vermont Energy Investm	$419	$2,413	2017	Yes
20 Germain St	Burlington	VT	14	Scott Gardner	Vermont Energy Investm	$744	$3,148	2015	No
196 S C South Union St	Burlington	VT	16	Chuck Reiss	Vermont Energy Investm	$943	$4,169	2014	No
147 S Cove Rd	Burlington	VT	31	VERMOD LLC	VEIC	$826	$1,273	2019	Yes
69 Charlotte St	Burlington	VT	38	Red House Building	VEIC	$1750	$1,714	2019	Yes
68 Staniford Rd Unit 2	Burlington	VT	39	Habitat for Humanity -	VEIC	$1598	$1,208	2019	Yes
44 Overlake Park	Burlington	VT	42	New England Housewr	Vermont Energy Investm	$2150	$1,823	2013	Yes
42 Alexis Dr	Burlington	VT	43	Sam Deavitt Construct	Vermont Energy Investm	$3420	$3,055	2018	Yes
68 Staniford Rd Unit 1	Burlington	VT	43	Habitat for Humanity -	VEIC	$1232	$644	2019	Yes
4 Rock Point Rd	Burlington	VT	44	High Perfromance Mo	VEIC	$1436	$818	2018	No
105 Glen Rd	Burlington	VT	45	Scott Gardner	Vermont Energy Investm	$2209	$1,920	2016	No
370 Colchester Ave	Burlington	VT	46	Tom Hergenrother Jr	VT Energy Investment C	$2593	$2,463	2013	Yes
120 Lori Ln	Burlington	VT	47	Gardner Construction I	Vermont Energy Investm	$2143	$1,607	2015	No
43 Staniford Farms Rd	Burlington	VT	48	Snyder Construction C	Vermont Energy Investm	$2326	$1,534	2015	No
84 Bittersweet Ln	Burlington	VT	48	Building Energy	Vermont Energy Investm	$1504	$966	2015	No
183 Appletree Point Rd	Burlington	VT	49	Lake Forest Constructi	Vermont Energy Investm	$3272	$2,297	2011	Yes
33 Adams Ct	Burlington	VT	49	Scott Driscoll	Vermont Energy Investm	$1136	$349	2012	Yes
376 Colchester Ave	Burlington	VT	49	Hayward Design Build	Vermont Energy Investm	$2001	$1,224	2016	No
78 Sherman St	Burlington	VT	49	Crosby Hard	Vermont Energy Investm	$1636	$1,080	2014	No
80 Sherman St	Burlington	VT	49	Crosby Hard	Vermont Energy Investm	$1632	$1,084	2014	No
151 S Champlain St Apt 2	Burlington	VT	51	South River, LLC	Vermont Energy Investm	$1012	$750	2016	No

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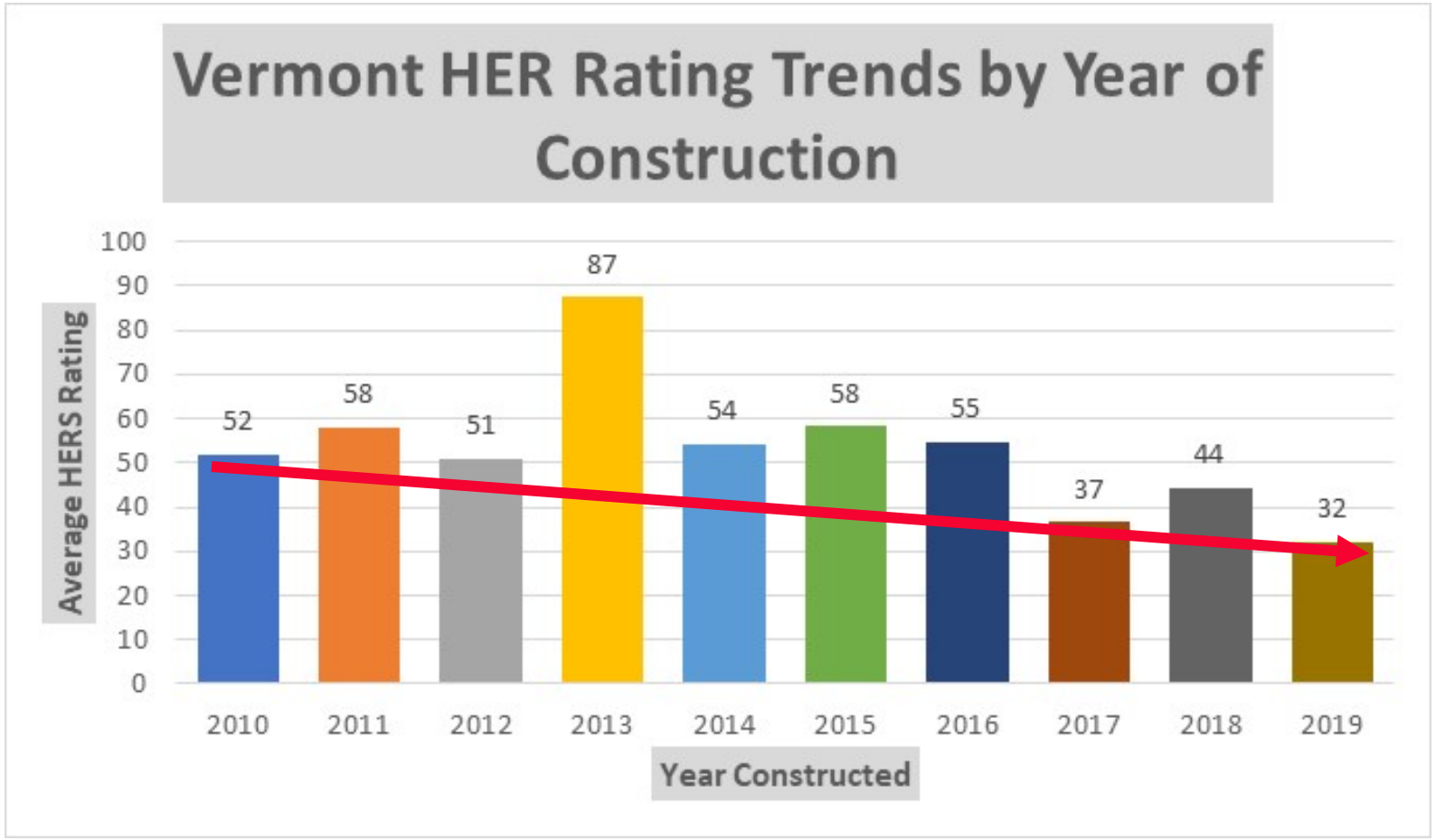
Energy Efficient Trends Based on Verifiable Data



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Apply the trends to the appraisal report

NEIGHBORHOOD

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics				One-Unit Housing Trends				One-Unit Housing			Present Land Use %	
Location	[X] Urban	[ ] Suburban	[ ] Rural	Property Values	[X] Increasing	[ ] Stable	[ ] Declining	PRICE		AGE	One-Unit	60 %
Built-Up	[ ] Over 75%	[X] 25-75%	[ ] Under 25%	Demand/Supply	[ ] Shortage	[X] In Balance	[ ] Over Supply	$(000)		(yrs)	2-4 Unit	%
Growth	[ ] Rapid	[X] Stable	[ ] Slow	Marketing Time	[ ] Under 3 mths	[X] 3-6 mths	[ ] Over 6 mths	185	Low	0	Multi-Family	1 %
Neighborhood Boundaries	Bound on the west by Lake Champlain and south of the Canadian							500	High	100	Commercial	10 %
Border.								235	Pred.	25	Other	%

Neighborhood Description: Burlington is the City and neighborhood as well.

Market Conditions (including support for the above conclusions): A growing trend emerging over the last 10 years in Burlington is more energy efficient housing construction and energy retrofits on existing homes. The HERS Rating Charts in the Addenda of this report shows the trend is for the HERS ratings of 32-44 over the last 3 years. Adding a solar PV system, these homes would be Net Zero.

Trends

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ENERGY STAR® Trends

ENERGY STAR® Certified Homes	
Vermont	
Year Constructed	Count
2010	1
2011	10
2012	2
2013	2
2015	57
2017	3
2018	6
2019	5
Total	**86**

Only database to identify ES Homes by address

https://portal.resnet.us/APS

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Describe Energy Features in the Improvement Description Section

IMPROVE

Additional features (special energy efficient items, etc.). See attached AI Residential Green and Energy Efficient Addendum - The subject property has a HERS Rating of 38 indicating it is 62% more efficient than a home built to the 2006 IECC Requirement.

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). C1;No updates in the prior 15 years;The subject is recently completed new construction.

Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? ☐ Yes ☒ No If Yes, describe. The subject is built to the current building code, Residential Building Energy Standards based on the 2015 IECC.

Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? ☒ Yes ☐ No If No, describe. The style, floor plan, size, and quality of construction is like other homes in the neighborhood. The energy efficiency of this house exceeds existing housing and those more than 3 years old. The 38 HERs Rating shows it should save the owner $1,714 annually. This home also earned the ENERGY STAR Certification that exceeds the current building code requirement.

Freddie Mac Form 70 March 2005 UAD Version 9/2011 Produced using ACI software, 800.234.8727 www.aciweb.com Page 1 of 6 Fannie Mae Form 1004 March 2005 1004_05UAD 12182015

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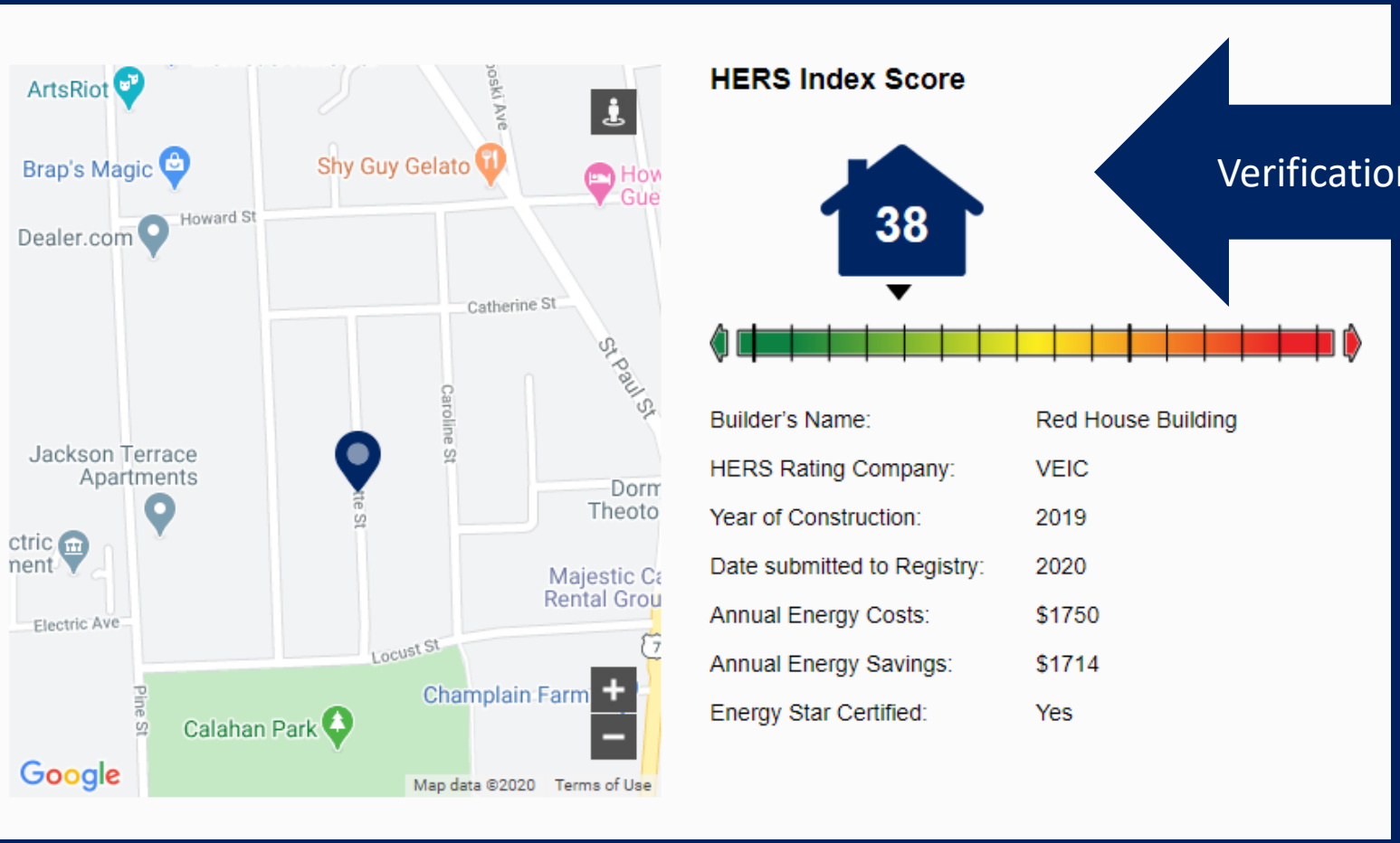

RESNET Verification Entered In Report as a Photo

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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.

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For Further Information…

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Setting the Standards for
Home Energy Efficiency

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