Valuing Energy Efficiency Improvements, Certifications and Savings

Presenter
Sandra K. Adomatis, SRA, LEED Green Associate
Real Estate Appraiser
Adomatis Appraisal Service
www.adomatisappraisalservice.com
Adomatis@Hotmail.com
Appraisal Institute “Green” Courses

Valuation of Sustainable Buildings

- Course Descriptions and Online Registration
  - Introduction to Green Buildings
  - Case Studies in Appraising Green Residential Buildings
  - Residential and Commercial Valuation of Solar
  - Case Studies in Appraising Green Commercial Buildings

- FAQs
- Green/Sustainability Program Registry
  - Residential
  - Commercial

http://www.appraisalinstitute.org/education/your-career/professional-development-programs/#Valuation of Sustainable Buildings
Valuation of Sustainable Buildings: Residential

Professional Development Program Registry
NOTE: This Registry lists the names of Designated Members, Candidates, Practicing Affiliates, Affiliates and other individuals not in one such category who have successfully completed (attended and passed the examinations) the courses in this section of the Valuation of Sustainable Buildings Professional Development Program examinations.

There may be other qualified Appraisal Institute Designated members who may handle green/sustainability assignments but have not taken the Valuation of Sustainable Buildings Professional Development Program. Visit the Find an Appraiser directory to find Designated members who have identified green/sustainability as a specialty.

View Program FAQs

Please read this notice regarding Professional Development Programs

* Has not completed the Residential and Commercial Valuation of Solar course. Those on the registry have until December 31, 2014 to complete Residential and Commercial Valuation of Solar to remain on the registry.

http://www.myappraisalinstitute.org/findappraiser/
RESNET Announcement

AI Webinars Recorded

- Valuation of Solar Photovoltaic Systems
- Residential Solar Photovoltaic Leases: Market Value Dilemma
- Residential Green Valuation: Tools for Valuing High Performance Properties

http://www.appraisalinstitute.org/search/?keyword=recorded%20webinars#keyword=recorded%20webinars&pg=3
Coming Soon

April 2014

www.appraisalinstitute.org

Residential Green Valuation Tools

by Sandra K. Adomatis, SRA, LEED Green Associate
http://pv.sandia.gov/pvvalue

- Free tool for valuing solar photovoltaic systems

- Inputs follow AI Res. Green & EE Addendum
Progress in High Performance Market

- More AI Educational Green Courses are being held.
- AI Green Registry numbers are increasing.
- AMCs are beginning to send appraisers to valuation courses or call seeking appraisers with education.
- Builders are beginning to understand documentation necessary for appraisal – AI Green Addendum.
- RESNET agreement to complete Addendum will provide more accurate data.
- AI Res. Green and EE Addendum provides standardization of information – alerts appraiser selection warning.
NAHB – Builder/Lender Agreement

Seek lender willing to hire appraiser with minimum of 14 hours of qualified green education!

For buyers preferring to use their own lender, Belcher developed a clause for his sales contract for the requirement. The language, which has been reviewed and enhanced by the Appraisal Institute, states:

“This Home is being built/renovated/updated to nationally recognized standards above prevailing code. It is designed and constructed with unique features and materials and with high efficient equipment and in accordance with high efficiency standards. The Lender shall choose an Appraiser educated and knowledgeable in this type of valuation of these specialized Homes, preferably an appraiser who holds a professional appraisal designation that requires advanced education on such issues as the valuation of sustainable buildings (e.g. MAI or SRA designations from the Appraisal Institute). The appraiser shall provide verification of green valuation education of 14 hours or more from a qualified educational provider and knowledge to be permitted to conduct the appraisal for this project.”

Challenges in Appraising High Performance

1. Limited data

2. MLS is main source for appraisers – inadequately populated or no green fields

3. Lack of proper documentation for houses – No standardization in reporting
4. Lack of high-performance knowledge  
(appraiser/agents/underwriters/lenders/builders/buyers/sellers/AMC)

5. Inadequate appraiser fees and process for selecting competent appraiser - Need closer monitoring of appraiser selection
Clarification of Appraisers Role

- Appraisers do not **ADD** value
- Appraisers develop value based on market data
- In the absence of sales, more than one alternative method should be used to provide tests of reasonableness and credible results
- If Green does not sell for more, we can’t appraise it for more than the competitive code-built house
Steps to improve high-performance transfers

- Educate the public on the benefits
- Educate the real estate professionals on how to document and explain the benefits
- Promote use of the AI Res. Green & EE Addendum
- Open access to databases – DOE-EPA-RESNET
- Develop verifiable statistics on high performance counts – Need one central place for statistics
- Implement more expeditious method of delivering energy reports to owners/buyers/agents/appraisers/lenders
- Closer monitoring of appraiser selection