A Realty, Appraiser, Builder Outreach Committee Presentation: Jeannette Moore, Chair

The Florida Green Building Coalition and Sandra K. Adomatis, SRA, LEED Green Assoc., NAR GREEN present a Webinar on Pitfalls to Avoid in Marketing, Financing and Valuing Green Homes.

• With over 22,900 certifications and registrations to date, FGBC is by far the state’s largest certifier of green residential and commercial construction, communities and local governments.

For More Information
Email: info@floridagreenbuilding.org
Visit: www.FloridaGreenBuilding.org
Webinar Recording: www.GreenTrends.org
The Florida Green Building Coalition (FGBC) is a nonprofit 501(C)3 Florida corporation dedicated to improving the built environment. Our mission is to lead and promote sustainability with environmental, economic, and social benefits through regional education and certification programs.

The FGBC website has a search feature for all certified projects. This search feature is available via our website at: www.floridagreenbuilding.org

Sandra K. Adomatis, SRA, LEED Green Assoc., NAR Green
Avoiding pitfalls can increase your profit and decrease stress. Did you ever have trouble in the appraisal of a green built home? If you answered no, you are unique! Did you ever consider that the marketing of a green home may be the first pitfall to avoid? That could start a domino effect that trickles down to the valuing and financing steps. Connecting the dots of marketing, financing and valuing green homes will make your transaction happen with more money to the Seller at the closing table!
Top Issues Appraisers Face

• Lending world relying on automated valuation models instead of appraisals.
• Fees that are not commensurate with the skill, time, and liability involved in valuation.

- Regulation

Top Issues Facing Builders & Contractors

The public and RE Professionals have Limited knowledge of your product or credentials – No paper trail resulting in...

Energy Upgrades are omitted from real estate transactions and...

High performance features are given no consideration in the list price, sale price, and the appraisal. It is a domino effect.

Lack of understanding how appraisals and MLS effect home sales and builder marketing can influence consumer decisions.
Top 3 Reasons Consumers Get Involved in Energy Efficiency

- 59% Save Money
- 27% Healthier Home
- 35% Comfort

Source: Energypulse™ 2016 Special Report

Who makes the buying decision?

What is important to the decision maker?

- Safety
- Comfort
- Control
- Lower cost to maintain
- Durable
- Healthy

Relate your blogs, advertising, presentations to the things that matter.
Do buyers know the FGBC label will give them

- lower utility costs,
- healthier indoor air
- quality, and
- COMFORT?

Marketing Must Convey Value Proposition

How does your advertisement measure up?

What do New Home Builders find is most important?

[Images of homes with HERS ratings]

How does your preferred lender measure up?

Energy Efficient Mortgages

• Green CHOICE Mortgage™ by Freddie Mac
• HomeStyle Mortgage by Fannie Mae
• Energy Efficient Mortgage (EEM) by FHA/HUD
• Veteran’s Administration - $6,000 over mortgage amount to make energy improvements
Lending Guidelines require appraisers to analyze energy features

• Appraisers must compare energy efficient features to those of comparable sales and if analysis determines an adjustment is warranted, it must be made.
• Fannie Mae, Freddie Mac, FHA, and VA have appropriate guidelines that allow appraisers to analyze and value energy/green features. The appraiser must describe the features and support their conclusions.
• Support must come from the documentation YOU can provide. Without the documentation, support is very difficult.

Freddie Mac Study

• In 2019 Freddie Mac did a national random sample on energy efficient home sales versus similar homes that were NOT energy efficient for the period 2013-2017.
• The Study found the following:
  • That energy efficient homes sold for an average of 2.7% more than comparable non-energy efficient homes and,
  • That higher rated (energy rated) homes sold 3% to 5% more than lesser-rated comparable homes
  • Loans in the high debt-to-income (DTI) bucket (45% and above) with ratings, however, appear to have a lower delinquency rate than unrated homes.

http://www.freddiemac.com/search/?query=Energy%20Efficient%20Homes
Appraiser Studies Should Be Part of The Package You Give to Agents and Appraisers

http://www.adomatisappraisalservice.com/

When a potential new home buyer asks a real estate agent who to call for a new home, would you be one of the first three names?

• Does the agent know you exist?
• Does the market know FGBC?
• Do the real estate market participants know the FGBC Brand may influence the appraised value.
• Interview the appraiser that calls to make an appointment.
• If they are not familiar with FGBC, High Performance Features, or HERS, politely tell them you’ll have to call them back.
• Call lender and ask them to reassign to an appraiser with “requisite knowledge”

Document the upgrades in the home as well as the AIRGEEA.

• Insert a sticker in the electrical box showing the date, your name, and date certified.
• Include a link to the FGBC Website where the certification can be found.
• Insist all advertising has the FGBC Brand.
Does the homeowner know about the public database at RESNET.US?

Looking for a HERS Rated Home?

Lower HERS Rated homes sell for 3-5% more than non rated homes!

Competition is good amongst homeowners.

 Builders or Raters have the data to complete the AI Res. Green & EE Addendum

When you complete the Addendum, you are connecting your Brand to marketing, lending, and valuation.
Letter is a must!

This letter should go with a sales contract to the lender.

If the builder completes this and puts it with the AIRGEEA, it will be available for the real estate community.

[Text from the image is not legible or transcribed accurately.]
• With over 22,900 certifications and registrations to date, FGBC is by far the state’s largest certifier of green residential and commercial construction, communities and local governments.

• Florida Green are the only standards developed with Florida-specific criteria, addressing Florida’s hot-humid climate, environment, unique topography, geology and natural disasters.

Website: www.FloridaGreenBuilding.org

Thank You For Joining Us Today!

Sandra Adomatis, SRA:
Email: adomatis@hotmail.com
www.AdomatisAppraisalService.com

Jeannette Moore, Broker, Green:
Email: JM@GreenFLBroker.com
www.GreenFLProperties.com

A Realty, Appraiser, Builder Outreach Committee Presentation: Jeannette Moore, Chair

For More Information
Email: info@floridagreenbuilding.org
Website: www.FloridaGreenBuilding.org
Webinar Recording: www.GreenTrends.org

The Florida Green Building Coalition (FGBC) is a nonprofit 501(C)3 Florida corporation dedicated to improving the built environment. Our mission is to lead and promote sustainability with environmental, economic, and social benefits through regional education and certification programs.
For More Information

Sandra K. Adomatis, SRA, LEED Green Associate, GREEN
E-Mail: Adomatis@Hotmail.com
Twitter: https://twitter.com/sadomatis