

Appraising Energy-Efficient Properties



Presented by: Amy McClellan



Appraising Energy Efficient Properties:

- The bottom line for appraisers is competency.
- To appraise an Energy Efficient residential or commercial property, an appraiser requires additional knowledge and skill above and beyond what is required for the typical property.
- Competency can be gained in several ways, through education, experience or by partnering with an individual who is competent to assist and guide you.



The Problem:

- Obtaining the needed competency to appraise Energy Efficient properties is expensive, there is a cost.
- The costs are the cost of education, the cost of hiring additional assistance and the cost of doing significant additional research and analysis.
- Many lenders are not willing to pay the additional appraisal fees for appraisers who have obtained competency in appraising Energy Efficient properties which reduces the incentives for appraisers to obtain the needed competency.
- Many lenders do not consider appraiser competency when they order appraisals for residential Energy Efficient properties. I believe that there is a larger awareness on the part of the lenders when ordering appraisals for commercial Energy Efficient properties due to the importance of the Income Approach where energy savings will be reflected. The Income Approach is not typically used in residential appraisals.



Appraisal Institute Courses for Appraisers

<http://www.appraisalinstitute.org/education/education-resources/green-building-resources>

- The Appraisal Institute offers courses and certifications for appraisers who are interested in becoming qualified to appraise Energy Efficient Properties. Both residential and commercial appraisers need to take three classes and pass the exams to be listed on the national registry.





Valuation of Sustainable Buildings Professional Registry

Select State/Province

AI	Name	Company	City, State	Accepts Fee Assignments
Designated Member	Charles M. Andrews, SRA	CMA Appraisals, Inc.	Montpelier, VT	Yes
Designated Member	Edward J. Friihauf, MAI	Friihauf Appraisal Associates	Montpelier, VT	Yes
Designated Member	Michael W Gammal, MAI	Gammal Real Estate Services, P.C.	Essex Junction, VT	Yes
Designated Member	Amy C. McClellan, SRA	Milne-Allen Appraisal Company	Sugar Hill, NH	Yes
Designated Member	Sean A. Sargeant, MAI, SRA	Sargeant Appraisal Service	Rutland, VT	Yes
Designated Member	George C. Sargeant, SRA	Sargeant Appraisal Service	Rutland, VT	Yes
Designated Member	John T. Waldo, SRA		Montpelier, VT	Yes
Practicing Affiliate	Robert B. Taylor	Bruce A Taylor Appraiser	Fairlee, VT	No

Currently in NEEP States		
Residential	Commercial	State
3	1	CT
1	1	DC
0	0	DE
3	5	MA
4	5	MD
5	0	ME
1	1	NH
6	0	NJ
9	1	NY
2	2	PA
1	1	RI
7	6	VT




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The objective of this Addendum is to standardize the communication of the high performing features of residential properties.

Identifying the features not found on the 1004 form provides a basis for comparable selection & analysis of the features.

Builders, contractors, homeowners, and third party verifiers are encouraged to complete this Addendum and present to appraisers, agents, lenders, & homeowners.

		Client File #:	Appraisal File #:
Residential Green and Energy Efficient Addendum			
Form 820.04*		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.com/resources/green_addendum.pdf			
<p>The appraiser hereby certifies that the information provided within this addendum:</p> <ul style="list-style-type: none"> has been considered in the appraiser's development of the appraisal of the subject property only for the client and intended user(s) identified in the appraisal report and only for the intended use stated in the report. is not provided by the appraiser for any other purpose and should not be relied upon by parties other than those identified by the appraiser as the client or intended user(s) in the report. is the result of the appraiser's routine inspection of and inquiry about the subject property's green and energy efficient features. Extraordinary assumptions: Data provided herein is assumed to be accurate and if found to be in error could alter the appraiser's opinion or conclusions. is not made as a representation or as a warranty as to the efficiency, quality, function, operability, reliability or cost savings of the reported items or of the subject property in general, and this addendum should not be relied upon for such assessments. 			
<p>Green Building: The practice of creating structures and using processes that are environmentally responsible and resource-efficient throughout a building's lifecycle from siting to design, construction, operation, maintenance, renovation, and deconstruction. This practice expands and complements the classic building design concerns of economy, utility, durability, and comfort. High Performance building and green building are often used interchangeably.</p>			
<p>Six Elements of Green Building: A green building has attributes that fall into the six elements of green building known as (1) site, (2) water, (3) energy, (4) materials, (5) indoor air quality, and (6) maintenance and operation. A Green Building will be energy efficient but an energy efficient building is not synonymous with Green Building.</p>			
Green Features			
The following items are considered within the appraised value of the subject property:			
Certification	Yes/No	Certifying Organization: <input type="checkbox"/> Home Innovation Research Labs (ICC-700) <input type="checkbox"/> USGBC (LEED) <input type="checkbox"/> Other:	<input type="checkbox"/> Verification Reviewed on site <input type="checkbox"/> Certification attached to this report
Rating	Score:	<input type="checkbox"/> LEED Certified <input type="checkbox"/> LEED Silver <input type="checkbox"/> LEED Gold <input type="checkbox"/> LEED Platinum <input type="checkbox"/> ICC-700 National Green Building Standards/Certified: <input type="checkbox"/> Bronze <input type="checkbox"/> Silver <input type="checkbox"/> Gold <input type="checkbox"/> Emerald Green Certifying Organization URL: (website)	
Additional	Explain any additions or changes made to the structure since it was certified:		
	Do changes require recertification to verify rating is still applicable? <input type="checkbox"/> Yes <input type="checkbox"/> No		
Comments	If a property is built green but not formally certified, it still deserves proper description and analysis to value the features. The market analysis is of the structure's physical, economic, and locational attributes and not an analysis of its label alone.		
	Attach the rating worksheet that provides the ratings for each element to provide a better understanding of the features. The worksheet will assist in comparing the subject to sales rated by different		

Calypso Continuing Education New Local Initiative



- Calypso Continuing Education has partnered with the Vermont Realtors® (VR®)
- 4 hour, on line introductory class on Energy Efficient properties for both appraisers and Realtors
- 8 hour, on line class for appraisers



An exam will demonstrate the residential appraiser has the tools needed to competently appraise and Energy Efficient home.

My Contact Information

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There are local partnerships in both VT and NH where appraisers are working with lenders, builders, Efficiency organizations and Relators to increase awareness of Energy Efficiency, understand what each interested party needs, find ways to obtain needed data and understand and work towards ways to improve the process.

VT Contact – Jeff Gebhart, E mail: vtwise@together.net

NH Contact – Autumn Curilla. E mail: Autumn.Curilla@gdsassociates.com