



From Data to Decision: Green Data Making its Mark in the Real Estate Market

Most consumers wouldn't buy a car without all the facts or buy food or beverages without nutrition labels, so why do homebuyers and renters buy and rent homes without all relevant home energy information? This piece of the puzzle has historically been missing from major American real estate listing websites. With a multitude of home energy labels, certifications, and solar PV data available for homes, it is critical for real estate agents, appraisers, homebuyers, and home sellers have access to this information in order to facilitate smoother, more effective transactions. The Home Energy Labeling Information eXchange ([HELIX](#)) bridges this gap by making a central repository of home energy labels, certifications, and solar PV data accessible to local Multiple Listing Service (MLS) and other market interests.

As the cost of energy remains volatile and the cost of homes continues to rise, more home buyers are valuing energy efficiency to better manage their energy use, decrease operational costs, and increase overall comfort of their living environments. The purpose of this report is to analyze green real estate trends and impacts of HELIX in the real estate market. Data drives real estate decision making and can deliver results that will allow real estate professionals to bring added value to their work. Providing real estate professionals with access to home energy information enables sellers to better market and evaluate their properties, enables buyers to make better-informed decisions regarding investments, and reveals the hidden benefits of energy efficiency.

Green Real Estate Overview

As energy efficiency drives greater cost savings through improvements, we increasingly hear more phrases like "greening the earth", "greening the economy", and even "greening the operating room" of hospitals. Over the years, greening the MLS and real estate market have found its place in our everyday lingo.

The real estate market is at the forefront of the growing green building movement. Real estate professionals are increasingly coming into contact with home energy labels, solar PV, and smart homes throughout their work. To date in the U.S., there are [2,934,195 HERS rated homes](#), [145,862 completed Home Energy Scores](#), over [two million homes with solar PV](#), and more than [400,000](#) single-family, multifamily, and affordable housing LEED-certified homes. At the same time, building science and advanced technologies like cold climate air source heat pumps and smart thermostats, have paved for way for buildings and homes to be even smarter, more efficient, and comfortable. As such, real estate professionals need better tools for their tool belts.



The American Council for an Energy-Efficient Economy (ACEEE) recently released its report on a controlled study in which results showed that efficiency information can influence both simulated home purchase decision-making and willingness to pay for efficiency.

In the Northeast, consumers were willing to increase the price of the home by eight percent for one additional Home Energy Score point.



According to a study from the Institute for Market Transformation (IMT) and the District of Columbia's Department of Energy and Environment (DOEE), homebuyers are not only increasingly interested in high-performance homes or homes with green features, but they are also willing to pay more for them.



Elevate Energy was crucial in updating Chicago's ordinance on disclosing a home's energy cost during the real estate transaction by auto-populating energy usage and cost information into the local MLS. Elevate's study revealed attached homes that disclosed energy costs sold at a higher price and spent 25 percent less time on the market than did homes that did not disclose costs to the MLS.

Real estate professionals often ask us, "Efficiency is mostly invisible, so how am I supposed to sell that?" Real estate professionals sell homes not climate change solutions, but there is an obligation to serve clients who are increasingly interested in hearing about the energy profile of homes. It is evident that the energy efficiency and real estate worlds are now intersecting. In the National Association of Realtors (NAR) [2020 REALTORS® and Sustainability Report](#), responses from real estate professionals show a drastic 11 percent increase from 2019 to 2020 in clients that were at least somewhat interested in sustainability. With 61 percent of clients interested in sustainability in 2020, 70 percent of respondents stated energy efficiency promotions in listings were somewhat to very valuable.

On a different but related note, solar PV may be visible but comes with unique challenges when it comes to properly marketing and evaluating those systems. As reported in LAER Realty Partners' [Sustainability Report 2019](#), Massachusetts residential solar PV grew by over 80,000 customers in 10 years after passing the Green Communities Act in 2008. Preliminary analysis via a collaboration between Berkeley Lab and Fannie Mae finds that premiums do exist for solar homes where systems are owned by the homeowner. The study also found premiums on a cost/installed watt basis have shrunk over time as installed prices of PV systems have decreased. Results were not able to uncover any additional value added for third-party owned (i.e., leased) systems. A final paper on these results is due out early next year.

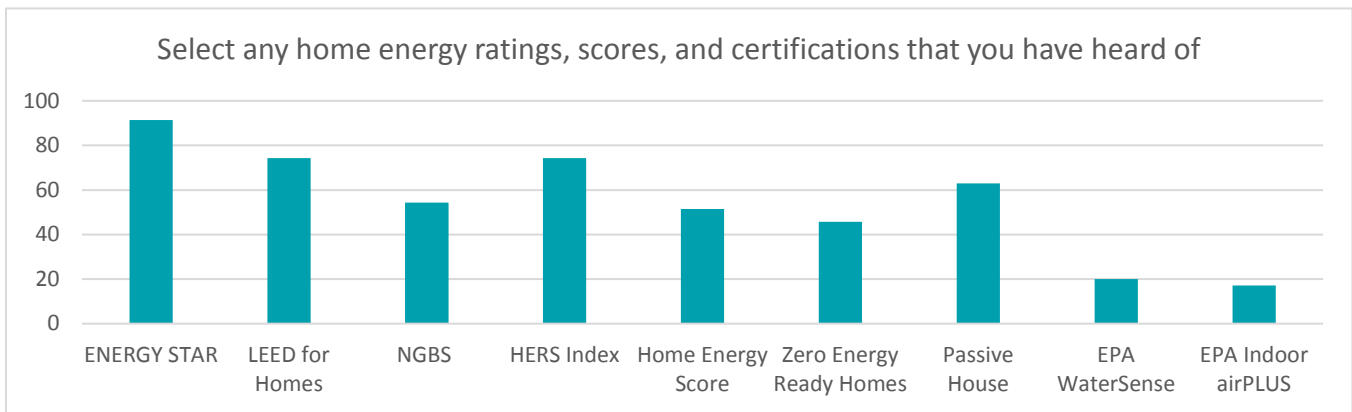
It's clear that homes are selling faster, greener, and for higher prices. So how can real estate professionals address this information gap in the real estate market? To better understand the green real estate market, NEEP distributed a Real Estate Professional Energy Efficiency survey to real estate professionals across the region. Taking a look at the responses and the data in HELIX, we can begin to develop necessary resources and envision the next steps to bridge the information gap. HELIX is poised to have a greater impact in the market.



Real Estate Professional Energy Efficiency Survey Results

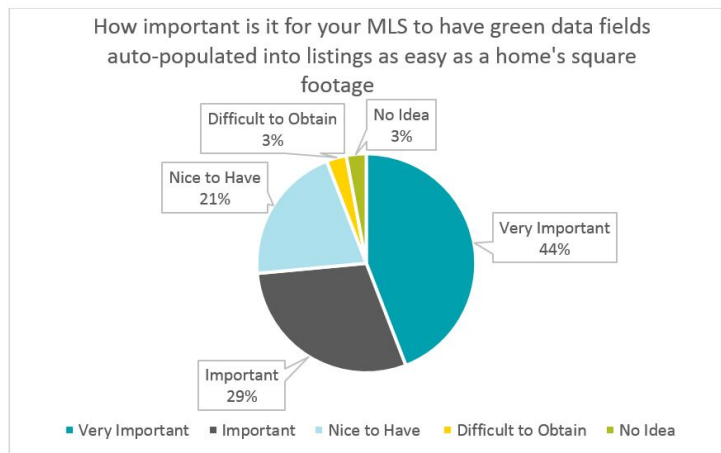


Responses from real estate professionals across the region are as expected. As was the case in the NAR Sustainability Report, respondents showed an increased interest from home buyers and sellers in home operating cost/utility bills (62.9 percent), solar PV (60 percent), smart/connected homes (54.3 percent), insulation (51.4 percent), healthy comfortable living space (48.6 percent) and HVAC systems (45.7 percent). To put it another way, make some space for energy efficiency, health, and comfort in your home selling points.



The table above demonstrates that general knowledge of these ratings and scores exist in the market. More than half (67.6 percent) of respondents have taken part in transactions with homes that are marketed as energy efficient, green, or possess some kind of high-performance feature. Although this may be true, results were split when asked if the respondent has the right level of training in buying and selling “green” or high-performance homes. When we spoke to a local realtor, she exclaimed she no longer wants to sell homes with solar and would steer her clients away from buying ones with solar on it because the process is too complicated and there isn’t enough information available to make the process easy. They were concerned about the risk of liability from misinformation is not worth it, it’s just not easy to find reliable information. The lack of access to data has created an unwillingness to embrace green homes.

Given this knowledge, the survey asked real estate professionals how important it is for their MLS to have green data fields. The pie graph to the right further emphasizes the importance of easily accessible home energy information in the MLS. Unfortunately, NAR reported only 42 percent of respondents stated that MLS had green data fields. Though, this doesn’t always mean they are populated. A local appraiser





reached out exclaiming, “It is so frustrating that MLS has high performance fields and none are populated.” Ultimately, MLS need to embrace the green data fields and recognize the evolving needs of real estate professionals and consumers. The trend is an everlasting one, it’s time to institutionalize green data in listings.

A “Permanent” Trend

Data is at the heart of every real estate decision, whether you’re an appraiser, seller or buyer. Real estate professionals must live up to a variety of expectations, from accurately valuing a home to suggesting selling points. These drivers, combined with the state of the green real estate market, reveal the growing importance of accessible data. The more comprehensive the real estate property data, the more competitive edge real estate professionals have in the market.

Today’s real estate professionals have access to a variety of data on location and environment. Typical listings and selling points range from neighborhood stats, local crime rates, data on local schools, and many general home features. On the other hand, the industry has been slow to value green data fields and solar PV. Without a centrally-located database to track green home data, this creates more work for real estate professionals to find and include this data in listings. Integrating home energy labels, certifications, and solar PV data will allow homeowners to identify homes that have features consistent with lower cost of ownership as well as greater comfort and durability. This is where HELIX becomes important.

MLS Spotlight: New England Real Estate Network (NEREN)

The NEREN MLS that covers all of New England currently uses HELIX to auto-populate solar PV data in Vermont, New Hampshire, and northern parts of Massachusetts. NEREN is currently working to integrate green data fields for labels and certifications. The PV Auto-Pop work NEREN has undertaken is part of a larger and growing collaboration between the renewable and energy efficiency industries and the real estate industry.

GREEN / POWER PRODUCTION	
Power Production 1	Type: Photovoltaics
	Size: 6.48
	Annual: 8483
	Year Install: 2015
	Verification Source: Public Records

Active Listing in NH through NEREN MLS

Home Energy Labeling Information eXchange (HELIX)

For real estate professionals, it’s imperative to know the trends and data that will impact the market and to stay ahead of the curve in order to remain successful. HELIX is a secure, open-source data platform that allows for a more accurate valuation of homes based on their energy efficient and renewable attributes. HELIX can be a tool for MLS to match the rapidly increased clientele demand for power production and green data fields. HELIX’s ability to auto populate this information, including populating the Green Addendum, streamlines the process for buyers and renters to better understand energy features and costs of homes.

HELIX helps real estate agents better serve their clients, better represent their clients’ interests, and close transactions more quickly.



Be Part of the Solution

HELIX continues to grow the available data with over 371,000 records across the Northeast and Mid-Atlantic regions. As we begin to scale up market transformation goals and reach beyond our region to provide a replicable model for others states and MLS, real estate professionals have the opportunity to be part of the solution. It is important to keep up with trends in the housing market and be able to accurately value and sell healthy, green homes.

With COVID-19 forcing many homeowners and renters to spend more time at home, it is very likely their energy consumption has increased, which may reveal comfort issues and possible health issues (i.e. asthma). The green real estate market is certain to keep growing with increased interest from clientele in green features, comfortability, and energy cost savings. Respondents to the NEEP survey showed a split between real estate professionals stating they either teach or are certified and knowledgeable in selling green homes and professionals seeking additional trainings and support from the MLS.

There's data to back up the rise of green homes. There's a willingness of the real estate professionals community to learn more. The last piece is for the industry to take action.

Interested in HELIX, trainings, and green real estate resources? Reach out to the [HELIX team!](#)