



Appraisal Institute®

Professionals Providing Real Estate Solutions®

The RESNET-Appraisal Institute Partnership

Stephen S. Wagner, MAI, SRA, AI-GRS
Appraisal Institute President

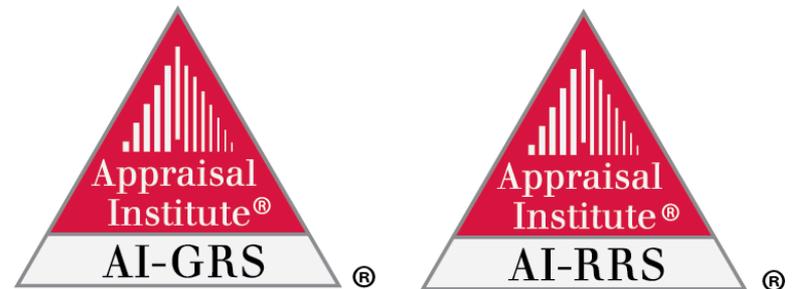
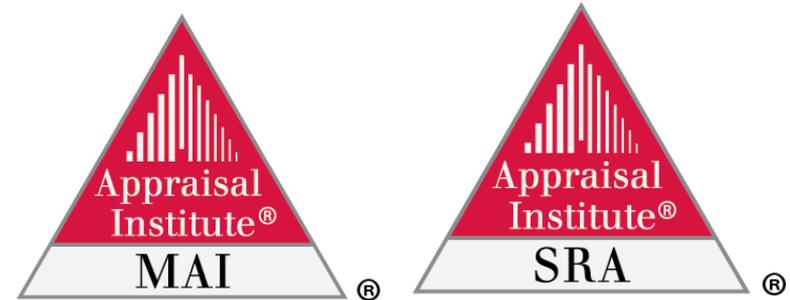
RESNET Conference
Feb. 27, 2019

- Introduction to AI
- AI's Green Addendum
- Green and energy-efficient valuation
- HERS Ratings

Introduction to AI

What is the Appraisal Institute?

- Serves the public
- Minimum requirements
- Confers designations



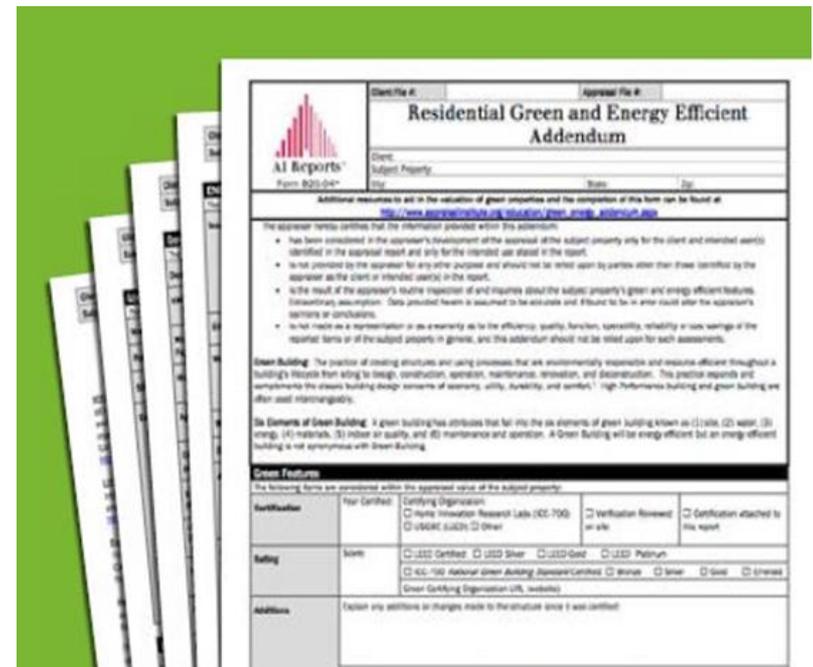
What is the Appraisal Institute?

- Standards and ethics
- Professionalism
- More than 85-year history
- 18,000 professionals

AI's Green Addendum

Appraisal Institute Green Addendum

- Analyze home features
- Fannie Mae form 1004
- Addendum updates
- Data limitations
- USGBC, NAHB input
- New energy fields
- Solar section
- Value to builders, others



The image shows a stack of forms, with the top one being the 'Residential Green and Energy Efficient Addendum' form. The form is titled 'AI Reports' and 'Form 820-04*'. It includes fields for 'Client', 'Subject Property', 'State', and 'Year'. The form contains several sections of text and checkboxes, including a disclaimer, a definition of 'Green Building', and a 'Green Features' section with checkboxes for various certifications and features.

Residential Green and Energy Efficient Addendum

AI Reports®
Form 820-04*

Client: _____
Subject Property: _____
State: _____ Year: _____

Additional resources to aid in the valuation of green properties and the completion of this form can be found at <http://www.appraisalinstitute.com/industry/green-energy-addendum.asp>

The appraiser hereby certifies that the information provided within this addendum:

- has been considered in the appraiser's development of the appraisal of the subject property only for the client and intended users 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 users in the report.
- is the result of the appraiser's routine inspection of and inquiries about the subject property's green and energy efficient features. (Ordinary assumption) Data provided herein is assumed to be accurate and if found to be in error should alter the appraiser's opinions or conclusions.
- is not meant as a representation or warranty as to the efficiency, quality, function, operability, reliability or new savings of the reported items or of the subject property in general, and the addendum should not be relied upon for such assessments.

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.

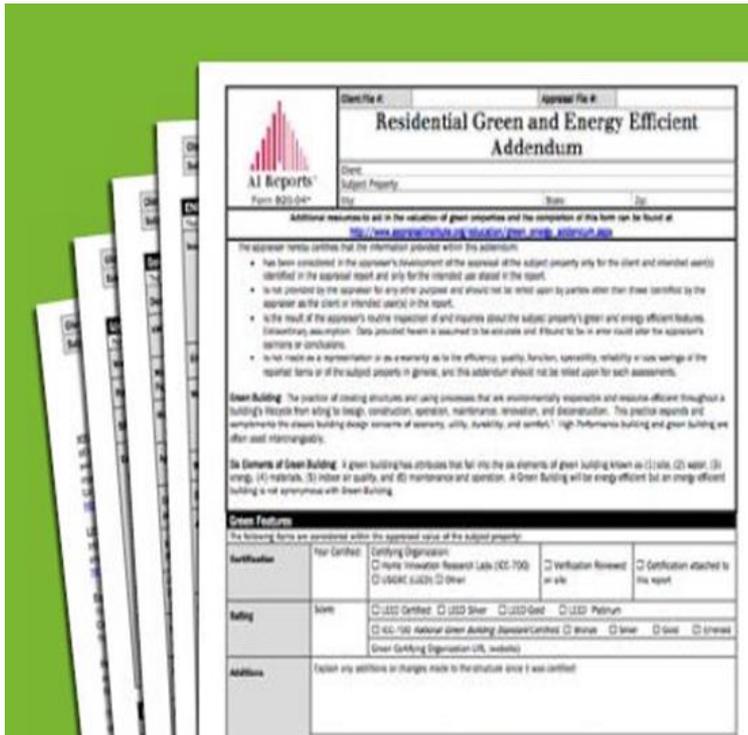
Six Elements of Green Building: A green building has attributes that fall into the six elements of green building known as (1) site, (2) water, (3) energy, (4) materials, (5) indoor air quality, and (6) maintenance and operation. A Green Building will be energy efficient but an energy efficient building is not synonymous with Green Building.

Green Features

The following items are annotated within the appropriate areas of the subject property:

Verification	Not Certified	Certifying Organization: <input type="checkbox"/> Home Innovation Research Labs (ICC-700) <input type="checkbox"/> USGBC LEEDS <input type="checkbox"/> Other	<input type="checkbox"/> Verification Requested on file	<input type="checkbox"/> Certification attached to this report
Rating	None	<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 Specification Certified <input type="checkbox"/> Green <input type="checkbox"/> Silver <input type="checkbox"/> Gold <input type="checkbox"/> Emerald Green Certifying Organization (URL, website)		
Address	Explain any additions or changes made to the structure since it was certified.			

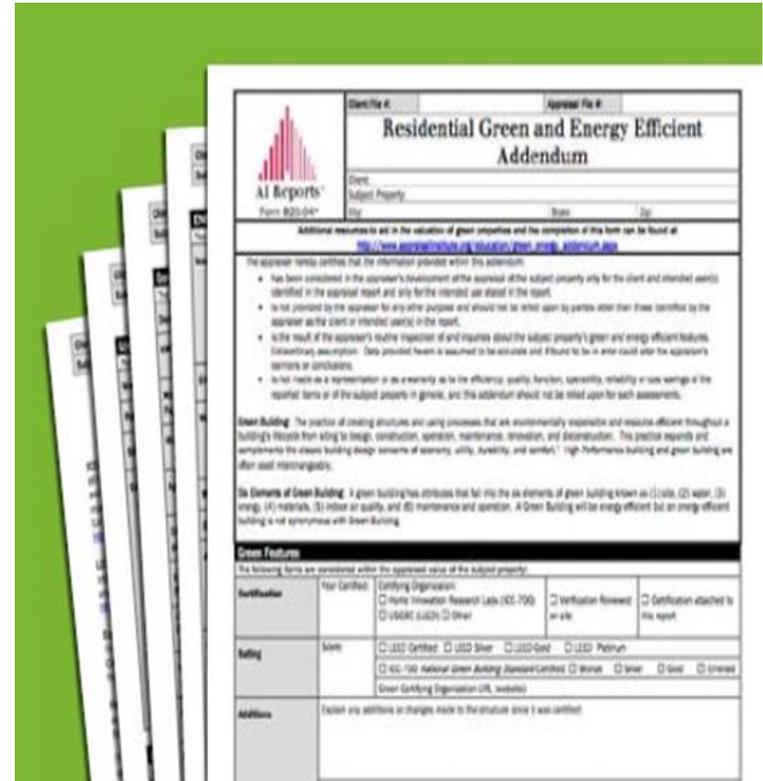
Appraisal Institute Green Addendum



- Alerts lender property is special
- Recognize special features
- Credible value opinion
- Brag sheet

Appraisal Institute Green Addendum

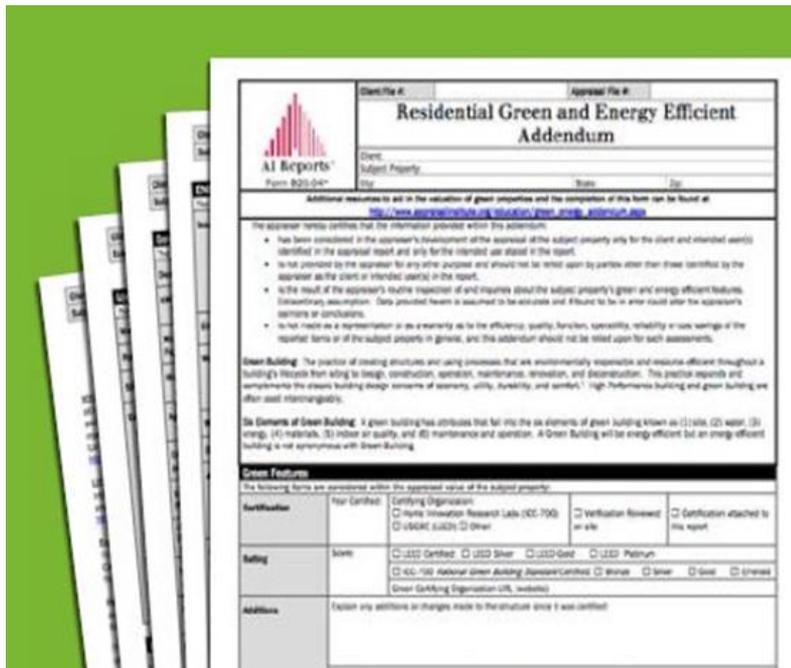
- Standardize the communication of residential high performance features
- Enhance current appraisal forms
- Provide a basis for the comparable sales search



The image shows a stack of appraisal forms, with the top one being the 'Residential Green and Energy Efficient Addendum'. The form includes a header with the Appraisal Institute logo and 'AI Reports' branding. It has fields for 'Client File #', 'Appraisal File #', 'Client', 'Subject Property', 'Year', and 'Zip'. Below the header, there is a section for 'Additional resources to aid in the valuation of green properties and the completion of this form can be found at' with a URL. The main body of the form contains a disclaimer, a definition of 'Green Building', and a section for 'Green Features' with checkboxes for various certifications and standards.

Green Features			
The following items are assessed within the appraised value of the subject property:			
Certification	Year Certified:	Certifying Organization:	Verification Reviewed:
	<input type="checkbox"/> LEED Platinum	<input type="checkbox"/> U.S. Green Building Council (USGBC) LEED	<input type="checkbox"/> None
Rating	Green Building:	Green Building:	Green Building:
	<input type="checkbox"/> LEED Certified	<input type="checkbox"/> LEED Silver	<input type="checkbox"/> LEED Gold
Address	Enter any additions or changes made to the structure since it was certified:		

Appraisal Institute Green Addendum

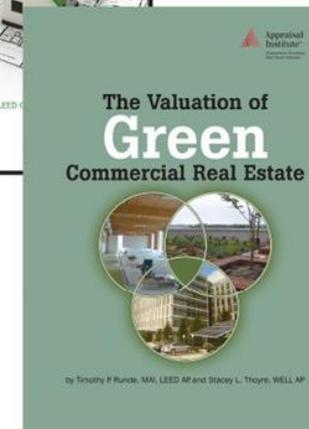
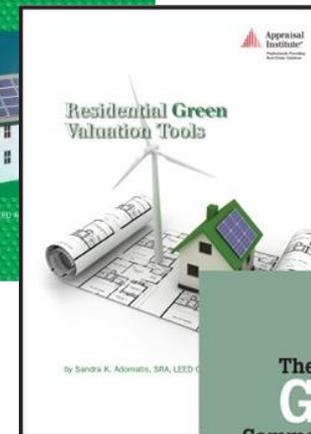
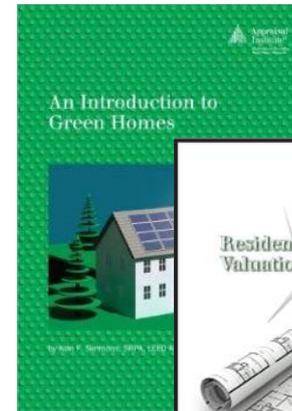


- Rater
- Builder
- Architect
- Owner
- Developer

Green and Energy-Efficient Valuation

Appraisal Institute Green Initiatives

- Appraisal Institute education
- AI books



Appraisal Institute Green Initiatives

- Professional development program
- Commercial addendum

Appraisal Institute Green Partnerships

- AI-BCAP partnership
- Institute for Market Transformation
- Build It Green
- Colorado Energy Office



Appraisal Institute Green Endorsements

- PV Value
- Sensible Accounting to Value

- U.S. Department of Energy
- Solar PV systems



AI-RESNET Partnership

- Current initiative
- Research and studies
- Joint leadership

AI-RESNET Partnership

- Previous initiatives
- Licensing agreement

- <http://ow.ly/YHoDJ>

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.

Select State/Province

- <http://ow.ly/aWxu30nHL7N>

Valuation of Sustainable Buildings: Commercial

Professional Development Program Registry

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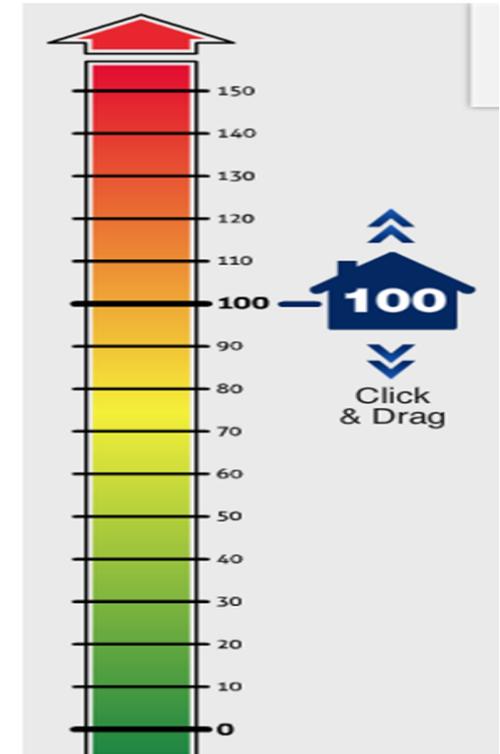
* Has not completed the Residential and Commercial Valuation of Solar course.

Select State/Province

HERS Ratings

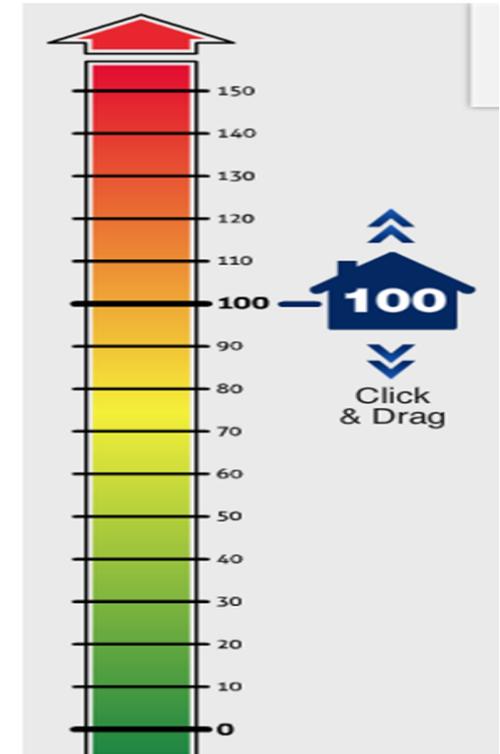
HERS Rating and the Valuation Process

- HERS and valuation
- Role of HERS Rating
- Growth in number of HERS Ratings



HERS Rating and the Valuation Process

- RESNET making a difference
- Energy raters
- Quality energy ratings



HERS Rating and the Valuation Process

- 3-year HERS history

State	AVG HERS			# HERS			Total #	% of	% of	% of	% of
	2013	2014	2015	2013	2014	2015	Building Permits 2013-2015	Permits w/HERS 2013-2015	Permits w/HERS 2013	Permits w/HERS 2014	Permits w/HERS 2015
NM	55	56	59	1093	1348	1622	11575	35.1%	30.6%	33.2%	41.0%
NV	65	62	62	2699	4317	5065	28278	42.7%	30.1%	48.6%	48.6%
CT	56	53	55	899	819	1194	8048	36.2%	31.5%	29.7%	49.1%
AZ	61	62	63	3049	9597	11244	57847	41.3%	16.6%	57.0%	49.7%
CO	60	59	57	7093	8382	10146	52698	48.6%	45.0%	49.0%	51.2%
OH	60	59	60	7325	5995	6894	38461	52.6%	57.6%	47.8%	52.2%
MD	60	59	57	6300	5741	5903	32182	55.8%	59.1%	54.5%	53.8%
DE	59	57	55	1764	1586	2332	12127	46.9%	46.9%	38.3%	55.2%
DC	66	65	67	129	112	166	876	46.5%	38.7%	38.9%	65.1%
IA	61	60	59	4099	4078	4871	21920	59.5%	54.1%	58.3%	66.2%
IN	68	67	66	8805	8364	9196	36555	72.1%	72.8%	68.9%	74.6%
MA	58	62	56	4879	5333	5692	21277	74.7%	68.7%	72.8%	83.1%

HERS Rating and the Valuation Process

- Appraisal Institute efforts
- Feedback from instructors

HERS Rating and Market Understanding

- Market needs to understand HERS
- Measure of value
- Populating MLS
- Appraisers and HERS
- Lenders and HERS



HERS Rating and Market Understanding

- Market education
- Quality control



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