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## GEO leads new partnership to add energy and green features to real estate listings

### *Diverse interests join to ensure proper valuation for energy-efficiency and renewable energy improvements*

The energy-efficiency and renewable energy features of Colorado homes will soon be factored into a home's valuation as part of a new initiative led by the Governor's Energy Office (GEO). The initiative, which includes leaders in the real estate, lending and appraising industries and energy efficient experts, will add energy and related "green" features to various multiple listing services (MLS) across the state.

The unfolding effort to add the "green" factor to real estate listings will make it easier for buyers, appraisers and lenders to understand a home's energy efficiency qualities, as well as reward sellers for the energy efficiency and renewable energy upgrades in which they've invested.

"This is an important step for our New Energy Economy. Homes that save energy, or produce their own, need to be recognized for the value they provide the owner through utility bill savings and greater comfort," said GEO director Tom Plant. "We salute the diverse group of interests who have joined together to build, promote and grow this effort and once again put Colorado in a leadership position nationally."

Colorado's largest multiple listing service (MLS) providers, Information and Real Estate Services, LLC, has already started the process of including energy features in its listings for the northern Colorado region. Architects of this effort to "green the MLS" are suggesting that among the most important data listing services provide include whether a home is ENERGY STAR Qualified, its home energy rating (if audited by a home energy rater), its status as a Leadership in Energy and Environmental Design (LEED) for Homes certified property and other certifications available for homes that meet various energy efficiency guidelines. In every case, the MLS is asked to capture the date of measurement or certification and listing agents are instructed to upload copies of the confirming documents, whenever possible, and incorporate that into assessing the value of residential properties.

Other data fields to be added could include homes with solar photovoltaic and thermal systems, with the size of the system and the year installed. In addition, a check box to be labeled as "energy/green features addendum" could alert agents and appraisers that the listing has additional features or documentation of a home's energy benefits.

"Capturing market information about the transactions involving these properties will allow appraisers and lenders to recognize the value of higher performing homes in appraisals and loans," said John K. Stovall of EcoBroker International. Stovall is part of the group that has worked on developing and

implementing the new MLS features. "The end result will be more economical, comfortable and safe homes marketed for their high quality features. Accurate representation with searchable market data will make this work."

The process has been led by a subcommittee of the Residential Retrofit Working Group, a task force brought together by the GEO to reduce the barriers to energy-efficient building and energy retrofits for existing residential properties. The working group quickly established an "Appraisal and MLS Subcommittee" to address the need to generate proper valuation for homes with energy improvements.

The subcommittee is comprised of appraisers, real estate brokers, lenders, representatives from Colorado's two largest MLS systems, representatives from the US Green Building Council (USGBC-Colorado), a large local electric and gas utility, local and state government staff, builders and retrofit contractors. From mid-April to mid-July, the group developed a brief set of guidelines that the GEO could propose to the nearly 20 different MLS groups in the state.

The subcommittee agreed that agents, lenders, and appraisers also need education to understand the proper use of these data fields. The group is drafting a training module for delivery through webinars. The training materials will be designed to adapt readily to the needs of different MLS systems that may implement these changes in different ways

For more information about this initiative, contact Jamil Dillon, Residential Program Senior Associate at 303-866-2343.

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