

National Association of State Energy Officials

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Residential Labeling and Financing –
Real Estate Market Perspectives

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Role of Appraisers in the United States

Basic Obligations of U.S. Appraisers

- Impartial and unbiased
- Required to be independent and objective
- No advocacy, no contingent compensation
- Loss of license or civil/criminal penalties



Common Services Provided

- Support for real estate lending decisions
- Litigation support
- Property tax appeals
- Corporate accounting/portfolio valuation
- Consulting and advisory services




Real Estate Financing

- Mortgage Lending 101 and the “Three C’s”
 - Credit, Capacity, Collateral
 - Appraiser is answering the question, “if everything goes bad with the loan, what do we have left?”
 - The thing about opinions
 - You can have two differing opinions that are well supported
 - Data and analysis is essential

Tools to the Profession



- The Appraisal profession has been a leader within the real estate sector in addressing green/high performance issues
 - Professional development program
 - Professional resources (guidance, articles, forums)
 - Forms
 - Residential Green and Energy Efficient Addendum
 - Commercial Green and Energy Efficient Addendum

 <p>AI Reports® Form 820.04*</p>	Client File #:		Appraisal File #:	
	Residential Green and Energy Efficient Addendum			
	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.org/education/green_energy_addendum.aspx				

Available to all appraisers for free through appraiser software programs and off the Appraisal Institute website at <http://www.appraisalinstitute.org/assets/1/7/ai-residential-green-energy-effecient-addendum.pdf>



Green Features					
The following items are considered within the appraised value of the subject property:					
Certification	Year Certified:	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
		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 <i>National Green Building Standard</i> Certified: <input type="checkbox"/> Bronze <input type="checkbox"/> Silver <input type="checkbox"/> Gold <input type="checkbox"/> Emerald					
Green Certifying Organization URL (website)					
Additions	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 organizations.					

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 and analysis of the features. Builders, contractors, homeowners, and third party verifiers are encouraged to complete this Addendum and present to appraisers, agents, lenders, and homeowners.

AI Addendums

- Goals
 - Research tool for appraisers
 - Communication tool between appraiser clients (mortgage lenders)
- Acceptance Issues
 - Engagement process
 - Mortgage lending process
- Other issues
 - Data availability

Labeling

- Can be beneficial in researching comparables and to the sales comparison approach
- Important to understand that appraisers value the property, not the paper
- Cost vs. value
- Label “mania” and standardization

THANKS!



Questions?

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