

“RESNET Appraiser Portal Free to Appraisal Institute Members, Candidates for Designation, Practicing Affiliates Only

June 5, 2020

By Sandra K. Adomatis, SRA, LEED Green Assoc., GREEN



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What is RESNET?



- An industry-based, not for profit organization founded in 1995
- A national standards making body for building energy efficiency rating and certification systems in the USA (ANSI Accredited Standards Development Organization)
- Created and maintains the Mortgage Industry National Home Energy Rating System Standards
- Set the standards for certification of Home Energy Raters and Quality Assurance of HERS Ratings

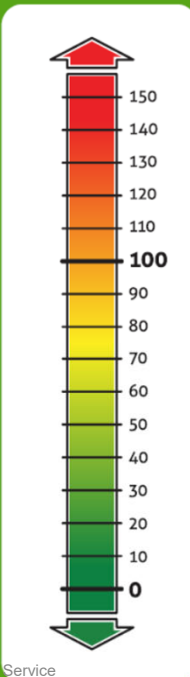
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What is the HERS Index?




- ✓ The **national standard** by which a home's energy efficiency is inspected and rated.
- ✓ A typical home built to 2006 energy efficiency standards scores 100 on the HERS Index.
- ✓ A 1-Point change in the HERS Index represents a 1% change in energy use.
- ✓ A lower Index Score means a home uses less energy.
- ✓ A home with a HERS Index Score of 0 produces as much energy annually as it uses.

A simple, easy to understand system for prospective homebuyers, Realtors, Appraisers and utilities to compare the energy performance of homes.



The HERS Index accounts for a home's energy consumption of heating, cooling, water heating, lighting and some appliances.



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The Concept of an Energy Rating

HERS Rating

Reference Home

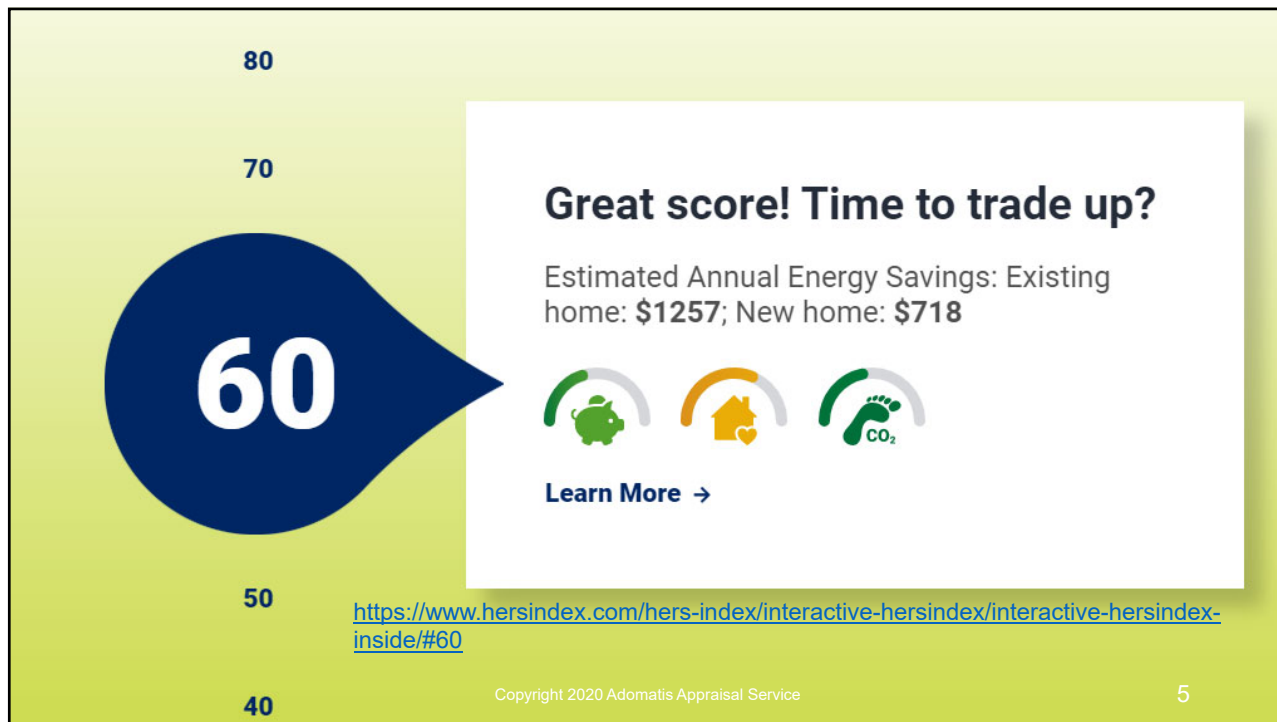
- Automatically generated by software
- Establishes baseline to compare rated home to
- Minimum requirements established in the 2006 IECC and Federal law
- Scores ~100 on HERS Index scale

Rated Home

- The "as-built" home
- Components entered by the Rater
- Each component that is more efficient than the reference home will reduce energy use and Index score in the rated home.
- Less efficient components will do the opposite.

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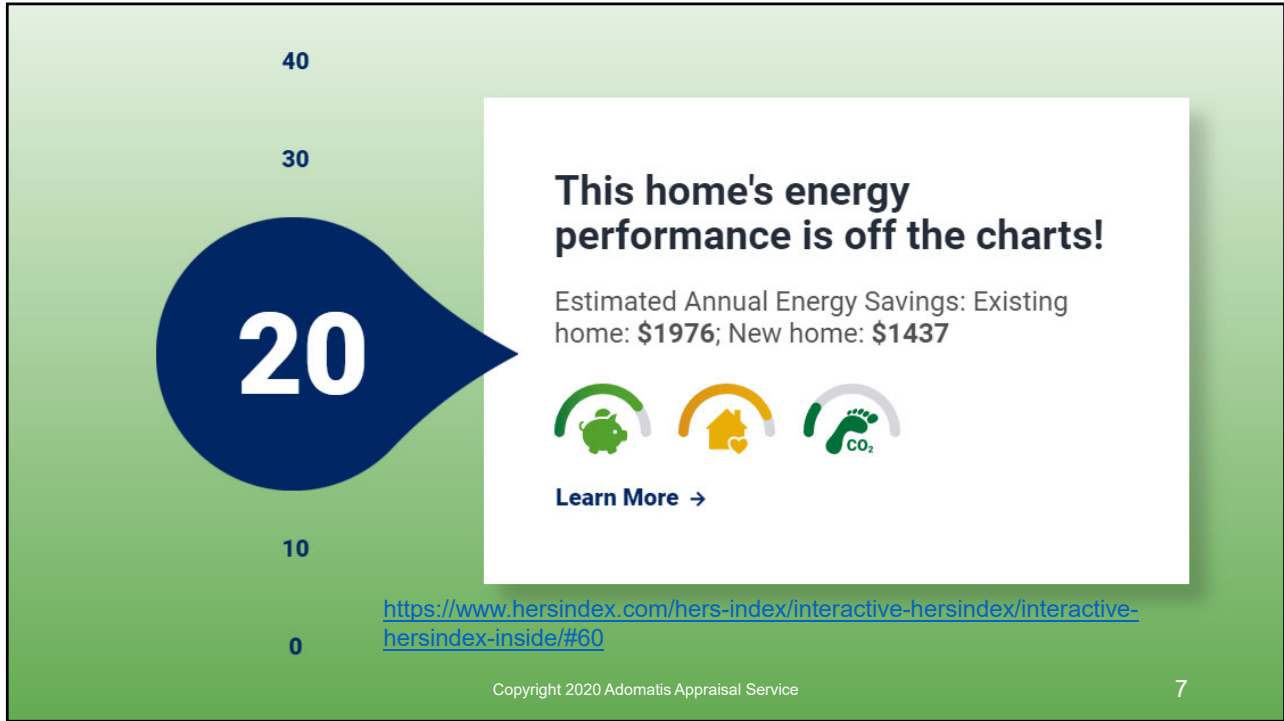
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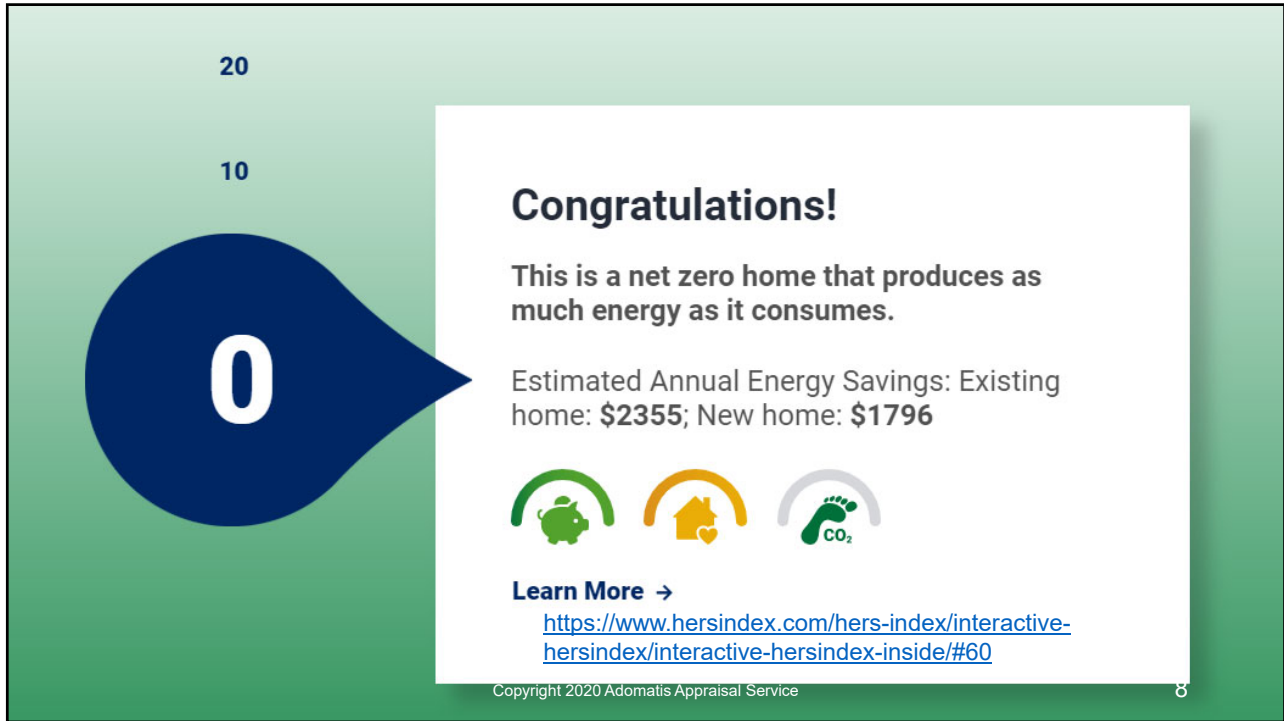
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The RESNET Appraiser Portal

Secured Portal URL:

<https://portal.resnet.us/>

Private Portal for Appraisal Institute Members, Candidates for Membership, Practicing Affiliates

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The RESNET Public Portal


Secured Portal URL:

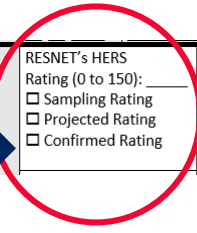
<https://www.hersindex.com/hers-rated-home-search/>

No Excuses for Agents or Appraisers!

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RESNET's Appraisal Portal Includes Confirmed Ratings Only

 <p>AI Reports® Form 820.05*</p>	Client File #:	Appraisal File #:	
	Residential Green and Energy Efficient Addendum		
	Client:		
	Subject Property:		
City:		State:	Zip:
<p>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</p>			

Energy Label Labels disclose the state of the home's energy assets.	RESNET's HERS Rating (0 to 150): _____ <input type="checkbox"/> Sampling Rating <input type="checkbox"/> Projected Rating <input type="checkbox"/> Confirmed Rating	Estimated energy savings for this home: \$____/year ____ckWh rate dated __/__/____ <i>Energy Savings includes electricity, heating & Cooling.</i> <i>Score below 100 indicates energy costs are expected to be lower than average code-built home. HERS Index Report occupancy estimates energy cost based on number of bedrooms plus one. Only a "confirmed rating" is diagnostically tested.</i>
		

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Differences in HERS Ratings

	Sampling	Projected	Confirmed
Random Testing of a number of houses built by same builder.	X		
Rating based on plans and specifications – preliminary – not tested		X	
Diagnostically tested with blower door and duct blaster			X

A Sampling or Projected rating requires an extraordinary assumption in an appraisal report. Builders should provide a Projected Rating for mortgage lending work to allow appraisers to understand the energy efficiency. A Confirmed Rating cannot be done until the house is completed.

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Appraising from Plans & Specifications

- Ask for a projected HERS Rating.
- It may cost a little more but will give the appraiser support for the energy efficiency rating and a savings amount to develop one indication of the value of the efficiency.
- Make the appraisal subject to a confirmed rating and completion per plans and specifications.

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GreenCHOICE Mortgages – Require Energy Rating

APPRAISAL AND ENERGY REPORTS

- The Seller must obtain an interior and exterior inspection appraisal. See Guide Section 5601.12 (p) for appraisal specific requirements.
- A completion report is required to verify completion of the improvements.
- The Seller must obtain a copy of an energy report. The following are acceptable energy reports.
 - A Home Energy Rating Systems (HERS) report
 - A Department of Energy Home Energy Score Report
 - Comparable rating report or audit
- For basic energy and/or water efficiency improvements with an aggregate cost less than or equal to \$6,500, an energy report is not required.

<https://sf.freddiemac.com/working-with-us/origination-underwriting/mortgage-products/greenchoice-mortgages>

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RESNET

AI Members must register a username and password.

Its Free! An AI member benefit!

RESNET Portal Login

Remember me [Forgot password?](#)

Database contains only Confirmed Ratings!

<https://portal.resnet.us/>

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Comparable Sales Search Starts Here

RESNET

Home > RESNET HERS Index Search Tool

RESNET HERS Index Search Tool

The tool allows appraisers to search for home HERS Index scores by state, city, zip code or address. Simply start your search below.

By State/City
 By Zip Code
 By Address

State:
 Zip Code:
 Address:

City:

You can search by State, City, Zip Code, and/or Address

If you believe a home has re the Portal, please email the

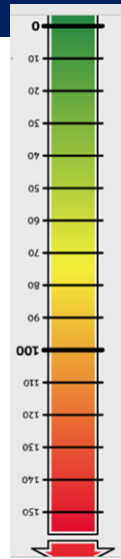
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Merge RESNET Address with MLS Sales Search

- By State
- By City
- By Zip Code
- By Address



Trends

Do lower ratings produce higher value?

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Filter Results

4D Appraiser

Additional Search Filters!

FILTERS

Use the filters below to refine your search results lorem ipsum dolor sit amet.

HERS Index Score Range



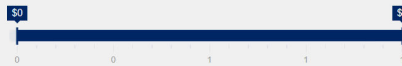
Builder Name

Select One

HERS Rating Company Name

Select One

Estimated amount for annual energy costs (\$)



Annual savings over reference home (\$)



Year of Construction Range

From Date to To Date

Update

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Results – Market Reaction?

Single
Family
Only

RESNET HERS Index Search Data

Home Address	City	State	HERS Score	Builder Name	HERS Rating Company	Annual Energy Costs	Annual Savings	Year of Constr.	Energy Star Certified
8 Proctor Pl	Burlington	VT	-3	[REDACTED]	Vermont Energy Investm	\$-11	\$3,865	2018	Yes
26 Avenue B	Burlington	VT	4	[REDACTED]	Vermont Energy Investm	\$171	\$1,491	2017	Yes
176 N Winooski Ave	Burlington	VT	9	[REDACTED]	VEIC	\$604	\$3,168	2019	Yes
6 Proctor Pl	Burlington	VT	12	[REDACTED]	Vermont Energy Investm	\$419	\$2,413	2017	Yes
20 Germain St	Burlington	VT	14	[REDACTED]	Vermont Energy Investm	\$744	\$3,148	2015	No
196 S C South Union St	Burlington	VT	16	[REDACTED]	Vermont Energy Investm	\$943	\$4,169	2014	No
147 S Cove Rd	Burlington	VT	31	[REDACTED]	VEIC	\$826	\$1,273	2019	Yes
69 Charlotte St	Burlington	VT	38	[REDACTED]	VEIC	\$1750	\$1,714	2019	Yes
68 Staniford Rd Unit 2	Burlington	VT	39	[REDACTED]	-VEIC	\$1598	\$1,208	2019	Yes
44 Overlake Park	Burlington	VT	42	[REDACTED]	Vermont Energy Investm	\$2150	\$1,823	2013	Yes
42 Alexis Dr	Burlington	VT	43	[REDACTED]	Vermont Energy Investm	\$3420	\$3,055	2018	Yes
68 Staniford Rd Unit 1	Burlington	VT	43	[REDACTED]	-VEIC	\$1232	\$644	2019	Yes
4 Rock Point Rd	Burlington	VT	44	[REDACTED]	ModVEIC	\$1436	\$818	2018	No
105 Glen Rd	Burlington	VT	45	[REDACTED]	Vermont Energy Investm	\$2209	\$1,920	2016	No
370 Colchester Ave	Burlington	VT	46	[REDACTED]	VT Energy Investment C	\$2593	\$2,463	2013	Yes
120 Lori Ln	Burlington	VT	47	[REDACTED]	Vermont Energy Investm	\$2143	\$1,607	2015	No
43 Staniford Farms Rd	Burlington	VT	48	[REDACTED]	Vermont Energy Investm	\$2326	\$1,534	2015	No
84 Bittersweet Ln	Burlington	VT	48	[REDACTED]	Vermont Energy Investm	\$1504	\$966	2015	No
183 Appletree Point Rd	Burlington	VT	49	[REDACTED]	Vermont Energy Investm	\$3272	\$2,297	2011	Yes
33 Adams Ct	Burlington	VT	49	[REDACTED]	Vermont Energy Investm	\$1136	\$349	2012	Yes

Download Excel File

As of March 31, 2020 there were 165 HERS Rated Homes in Burlington, VT

You can download the search results into an excel spreadsheet! It takes less than 5 minutes to search your subject and comparables.

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Now I have addresses to research

The HERS addresses give appraisers a place to start the sales search for not only comparable data but for...

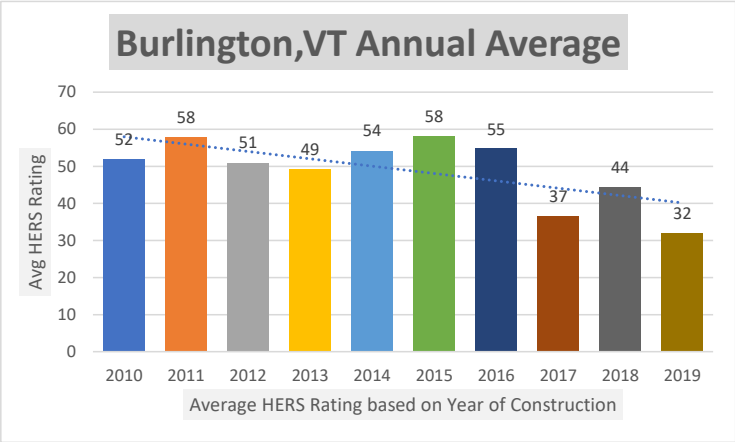
Paired-data analysis. Pairing sales with differing HERS Ratings may provide direct market support for the value of the energy efficient features.

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Market Reaction Trend for Higher Efficiency Homes



Single-Family Homes Only

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Exhibit for appraisal

Home Address	HERS Score	Annual Energy Costs	Annual Savings	Year of Constr.	Energy Star Certified	
176 N Winooski Ave	9	\$604.00	\$3168.00	2019	Yes	View

<https://portal.resnet.us/APS/HERSIndexSearch>

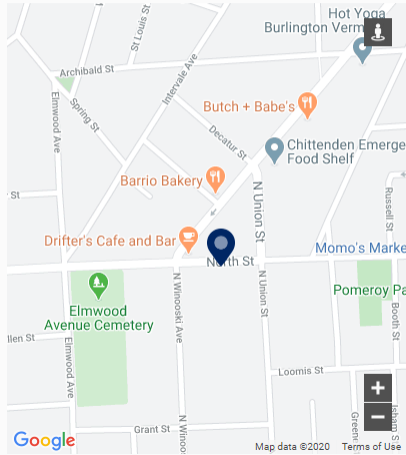
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176 N Winooski Ave, Burlington, VT 05401

Clip for the Appraisal or Listing MLS Photo Gallery



HERS Index Score



Builder's Name: [Redacted]

HERS Rating Company: VEIC

Year of Construction: 2019

Date submitted to Registry: 2020

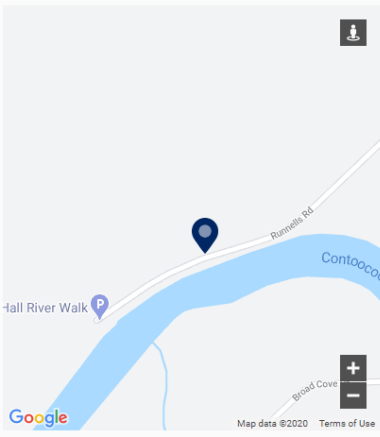
Annual Energy Costs: \$604

Annual Energy Savings: \$3168

Energy Star Certified: Yes

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92 Runnells Rd, Concord, NH 03303



HERS Index Score



Builder's Name: [Redacted]

HERS Rating Company: [Redacted]

Year of Construction: 2019

Date submitted to Registry: 2019

Annual Energy Costs: \$-217

Annual Energy Savings: \$6319

Energy Star Certified: Yes

Lowest HERS in Concord, NH



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Vermont ENERGY STAR® Certified Homes by Address

ENERGY STAR® Certified Homes	
Vermont	
Year	
Constructed	Count
2010	1
2011	10
2012	2
2013	2
2015	57
2017	3
2018	6
2019	5
Total	86

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Count of Zero Energy Ready Home® (ZERH) Certified Homes as of 4/2020

	Vermont	New Hampshire
ZERH®	78	61
ENERGY STAR®	9,024	8,054

Source: RESNET Portal for ES
Sam Rashkin for ZERH

https://www.energystar.gov/index.cfm?fuseaction=new_homes_partners.showStateResults&s_code=NH

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Brands Requiring a HERS Rating

- ENERGY STAR®
- ZERH®
- Zero Energy Home (ZEH)
- LEED®
- National Green Building Standard (NGBS)

Always check the RESNET database to verify the HERS Rating. If no rating is shown, chances are the house is not a verifiable labeled brand.

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If the typical homeownership in VT is 12 Years & you save \$1,600 Yr = \$19,200 total savings over the ownership period.

Vermont Annual Savings Amount	
Year of Construction	Avg. Annual Savings
2010	\$2,403
2011	\$798
2012	\$1,519
2013	\$383
2014	\$912
2015	\$658
2016	\$1,041
2017	\$1,400
2018	\$1,575
2019	\$1,601

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What's the Present Value of \$1,600 Yr Savings?

Key Stroke	Input	Result
12 n	12 years (Ownership)	
5 i	5% Discount Rate	
\$1,600 PMT	Annual Savings (HERS)	
PV	Present Value	\$14,180 rounded

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What is the return on the investment?

- Cost over the local building code to achieve the rating - \$18,000
- Annual savings amount based on HERS Rating - \$ 1,600

$\$1,600/\$18,000 = 9\%$ annual return on the additional money spent.

This type of calculation requires the cost over code requirements and should be available on new construction. Ask your builder for the cost new over code. A true high-performance house will exceed code.

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What else should
be analyzed
besides the
savings amount?



- Marketing
- Will the house sell for more on a resale?
- Will it sell quicker?

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Marketing – Does it meet market value definition?

- Review the marketing of the home – MLS or other
- Is the energy efficiency visible in marketing?
 - If not, why not? Does agent feel energy efficiency is not valuable?

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Case Study

Sales Comparison Approach

	Subject	Sale 1	Sale 2	Sale 3
Sale Date	5/2020	3/2020	2/2020	11/2019
Year Built	New-2020	26 yrs-1994	9-2011	39-1981
Living Area	950 SF	1050 SF	1100 SF	925 SF
Energy Eff.	HERS 43 \$1011 Savings Annually	None	None	None

Do these sales compete for the same buyer?

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Scope of Work

- Expand the scope of work when appraising homes with high performance features.
- Verify the HERS ratings shown in the MLS – Trust but Verify
- Address what documents you did or did not see

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Learn more about how to implement green into appraisals & marketing



A Guide to the Residential Green and Energy Efficient Addendum

By Sandra K. Adomatis, SRA, LEED Green Associate, NAR GREEN
May 2018

Reviewed by Ben Hoen of Lawrence Berkeley National Laboratory

<https://www.appraisalinstitute.org/appraisal-institute-releases-guide-to-residential-green-addendum/>

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Guide Addresses Appraiser, Listing, & Lender Relevance for each section.

- Where does it go on the 1004?
- Why is it important?
- How can it be used in marketing?
- How can lender use in underwriting?

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Appraiser Education Opportunities

Valuation of Sustainable Buildings

Title	Hours	State Approval
Introduction to Green Buildings	8	State Approval
Case Studies in Appraising Green Residential Buildings	8	State Approval
Residential and Commercial Valuation of Solar	15	State Approval
Case Studies in Appraising Green Commercial Buildings	15	State Approval
Practical Applications in Appraising Green Commercial Properties	15	State Approval

FAQs

[Program Registry – Residential](#)
[Program Registry – Commercial](#)

<https://www.appraisalinstitute.org/education/your-career/professional-development-programs/#Valuation%20of%20Sustainable%20Buildings>

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Setting the Standards for
Home Energy Efficiency
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