

2020

REALTORS® & Sustainability Report

National Association of REALTORS®
Research Group



NATIONAL
ASSOCIATION OF
REALTORS®

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REALTOR® Sustainability Program

The National Association of REALTORS® (NAR) is a leader in the dialogue on real estate sustainability among real estate agents, brokers, trade associations, and consumers. Identifying the growth of sustainability in real estate, the REALTOR® Sustainability program conducts outreach to members, trade associations, and agencies to raise awareness and engagement in NAR sustainability efforts. The program coordinates association benefits and resources for its members. It also introduces corporate social responsibility and triple bottom line concepts into NAR's decision-making practices, allowing NAR to educate and support sustainability in real estate through environmental, social, and economic contexts.

- **Vision Statement:** REALTORS® thrive in a culture of sustainability that promotes viability, resiliency, and resource efficiency.
- **Member Mission:** Provide leadership and strategies on topics of sustainability that benefit members, REALTOR® associations, and communities.

To find out more, visit www.nar.realtor/sustainability.



Residential Executive Summary

In March 2020, NAR surveyed its members pertaining to sustainability issues facing the industry. The findings are as follows:

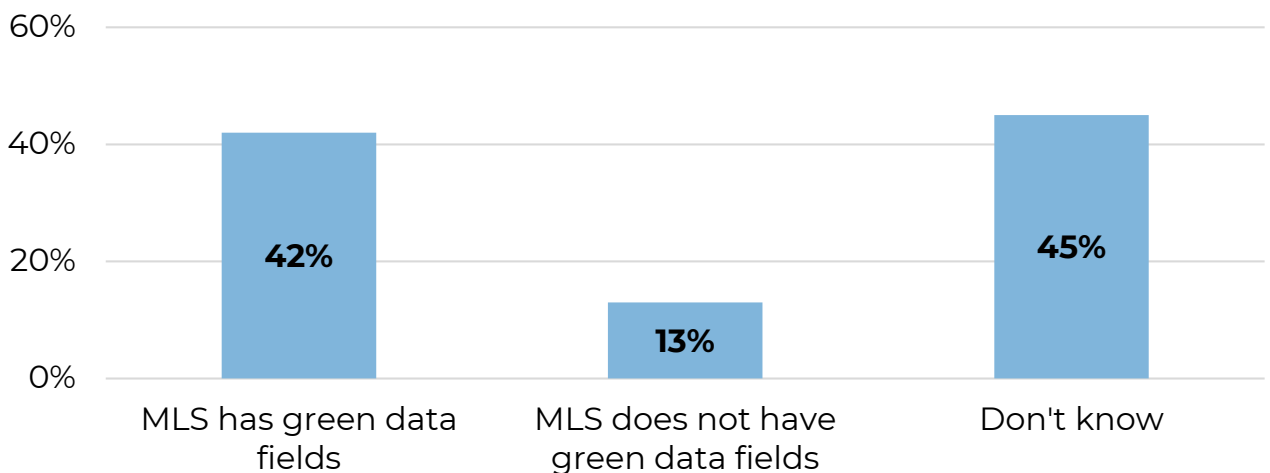
Residential Highlights:

- Forty-two percent of respondents reported their MLS has green data fields, and respondents typically used the green data fields to promote green features and energy information.
- Seventy percent said energy efficiency promotion in listings was very or somewhat valuable.
- Sixty-one percent of respondents found clients were at least somewhat interested in sustainability.
- Forty-one percent of homes with green certifications spent neither more or less time on market.
- Eighty-five percent of respondents said properties with solar panels were available in their market. Forty percent said properties with solar panels increased the perceived property value.
- The home features clients listed as very important to their agent or broker included a comfortable living space, proximity to frequently visited places, and windows, doors, and siding.
- Seventeen percent of respondents said that a high performance home (defined as a systematic building science approach to home improvements that increase indoor comfort, health, operational efficiency, and durability) had an increase of one to five percent of the dollar value offered compared to other similar homes.
- Twelve percent of brokerage firms had experience working with residential building repurposing.
- Thirty-nine percent of respondents said that in the past 12 months they had been directly involved with a property that had green features, either on the buyer or seller side.

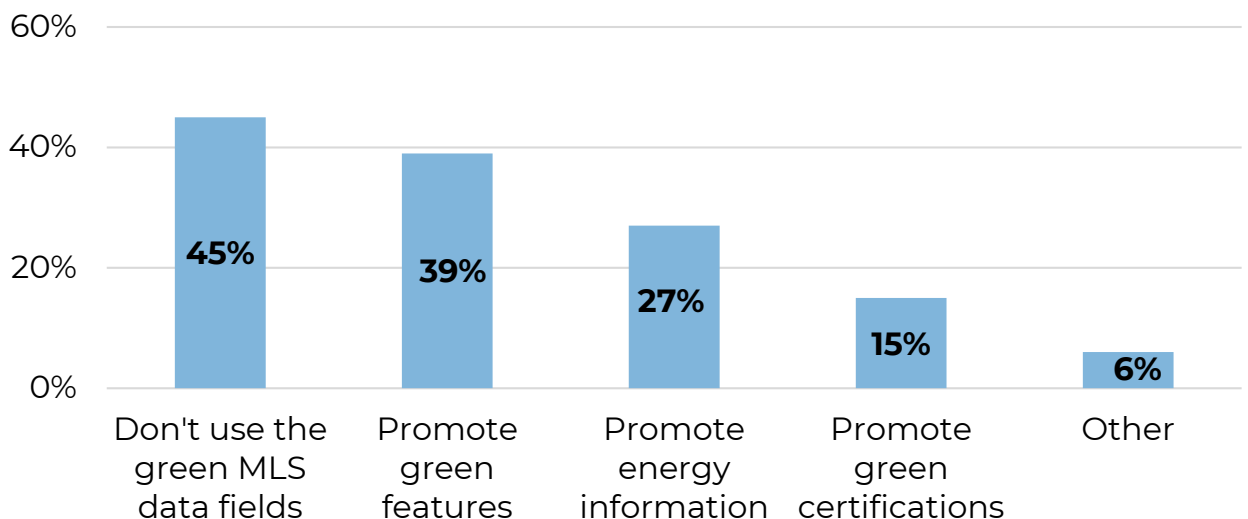
Multiple Listing Service

- Forty-two percent of respondents reported that their Multiple Listing Service (MLS) had green data fields, compared to 13 percent that did not have green data fields.
- Among respondents who did have MLS green data fields, 39 percent used them to promote green features, 27 percent to promote energy information, and 15 percent to promote green certifications.

MLS Green Data Fields



Uses of MLS Green Data Fields



Note: Respondents were permitted to select as many responses as they felt applicable.

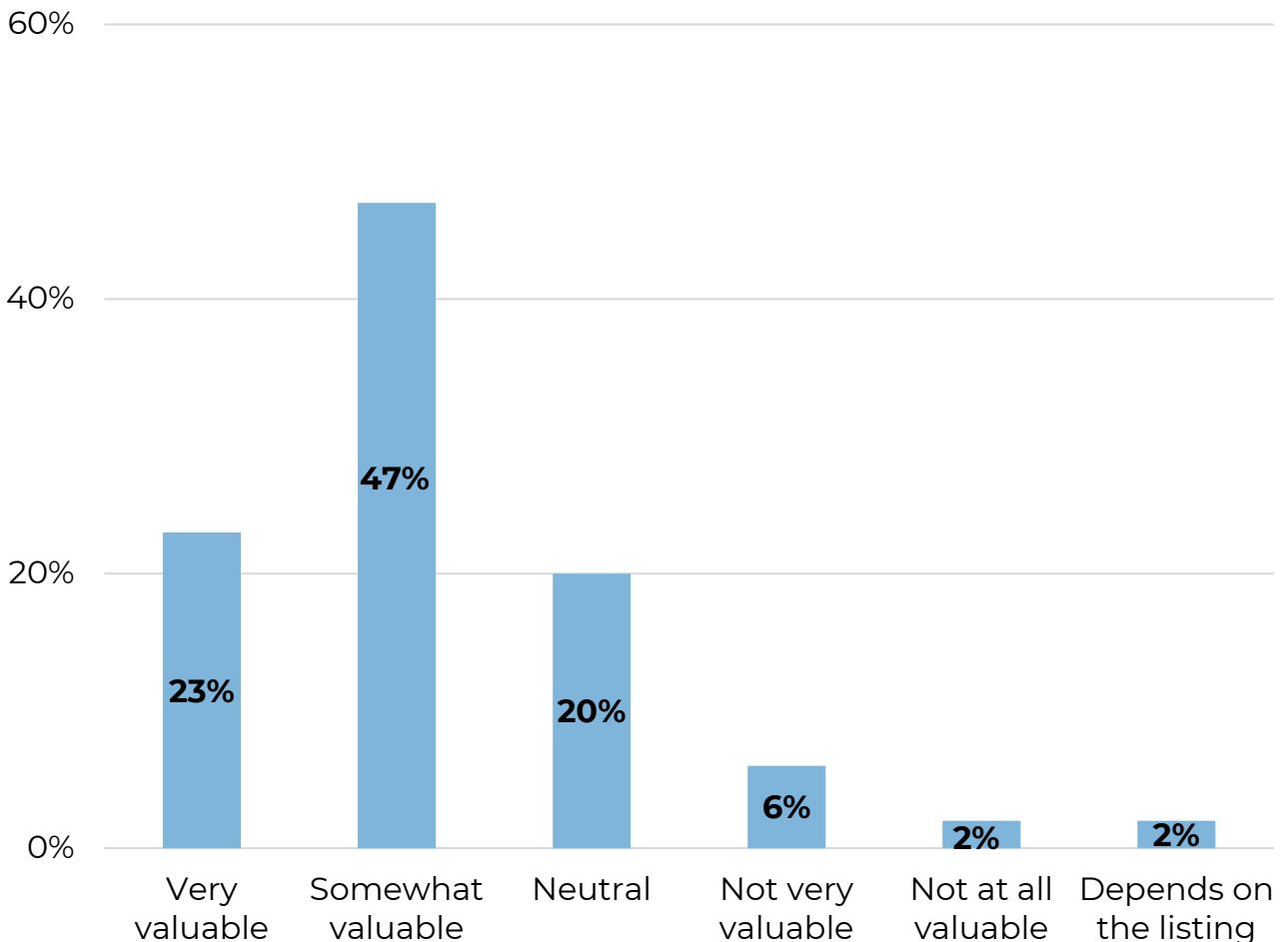
The percentage distribution may therefore sum to more than 100 percent.

Value of Energy Efficiency Promotion in Listings

- A majority of agents and brokers (70 percent) said that energy efficiency promotion in listings was very or somewhat valuable.

Thirty-nine percent of respondents said that in the past 12 months they had been directly involved with a property that had green features, either on the buyer or seller side. Sixty-one percent of respondents said that in the past 12 months they have not been directly involved with a property that had green features.

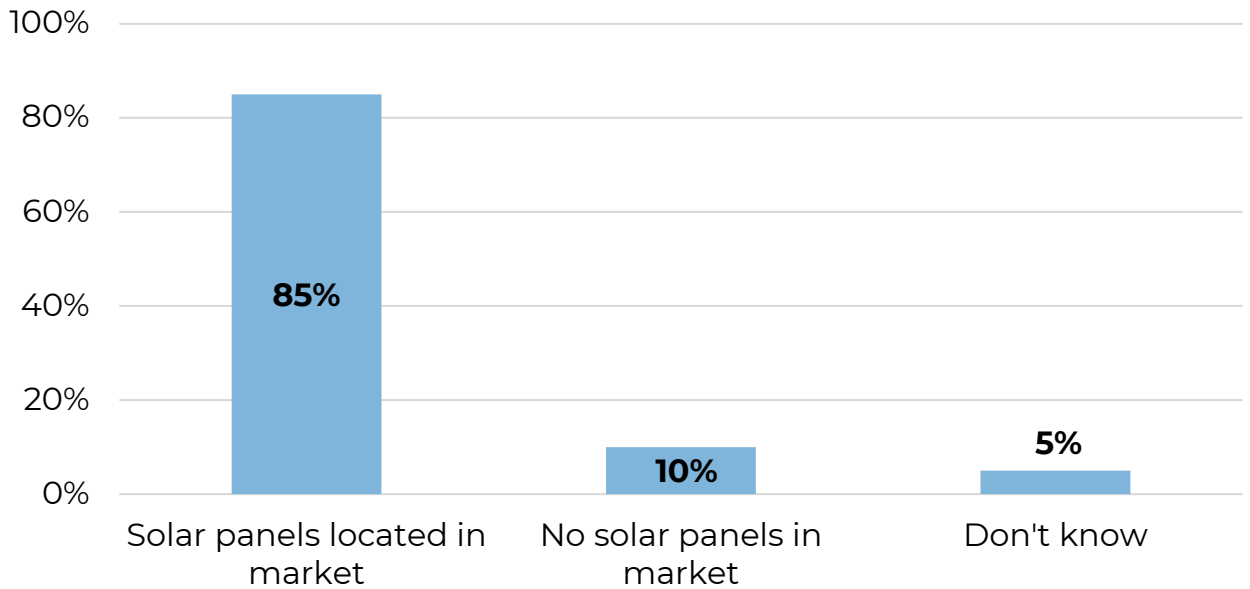
Value of Energy Efficiency Promotion



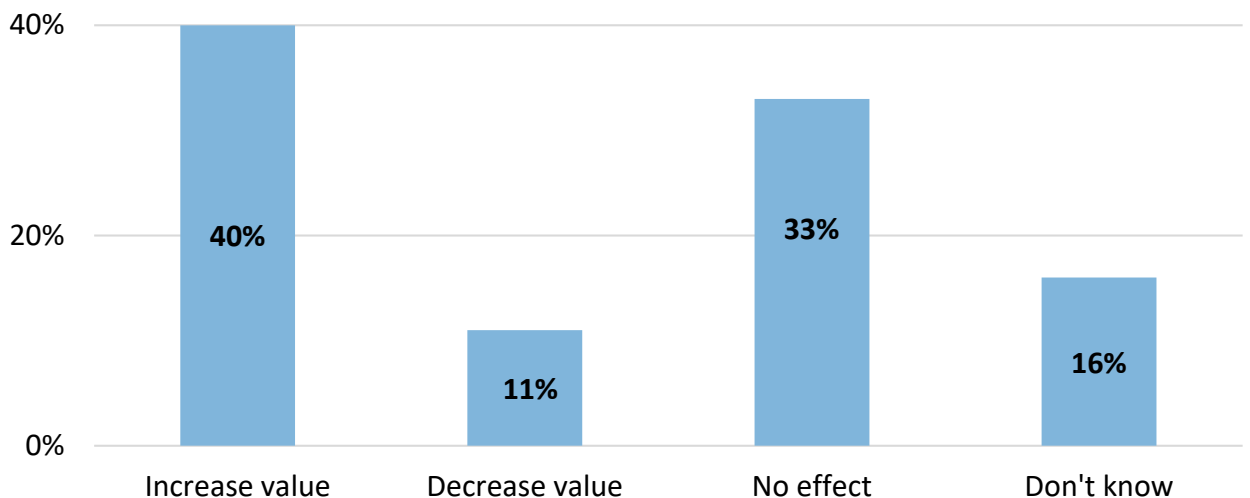
Solar Panels

- A majority of agents and brokers (85 percent) said that properties with solar panels were available in their market.
- Forty percent said properties with solar panels increased the perceived property value, compared to 33 percent that said they had no effect.

Solar Panels in Market



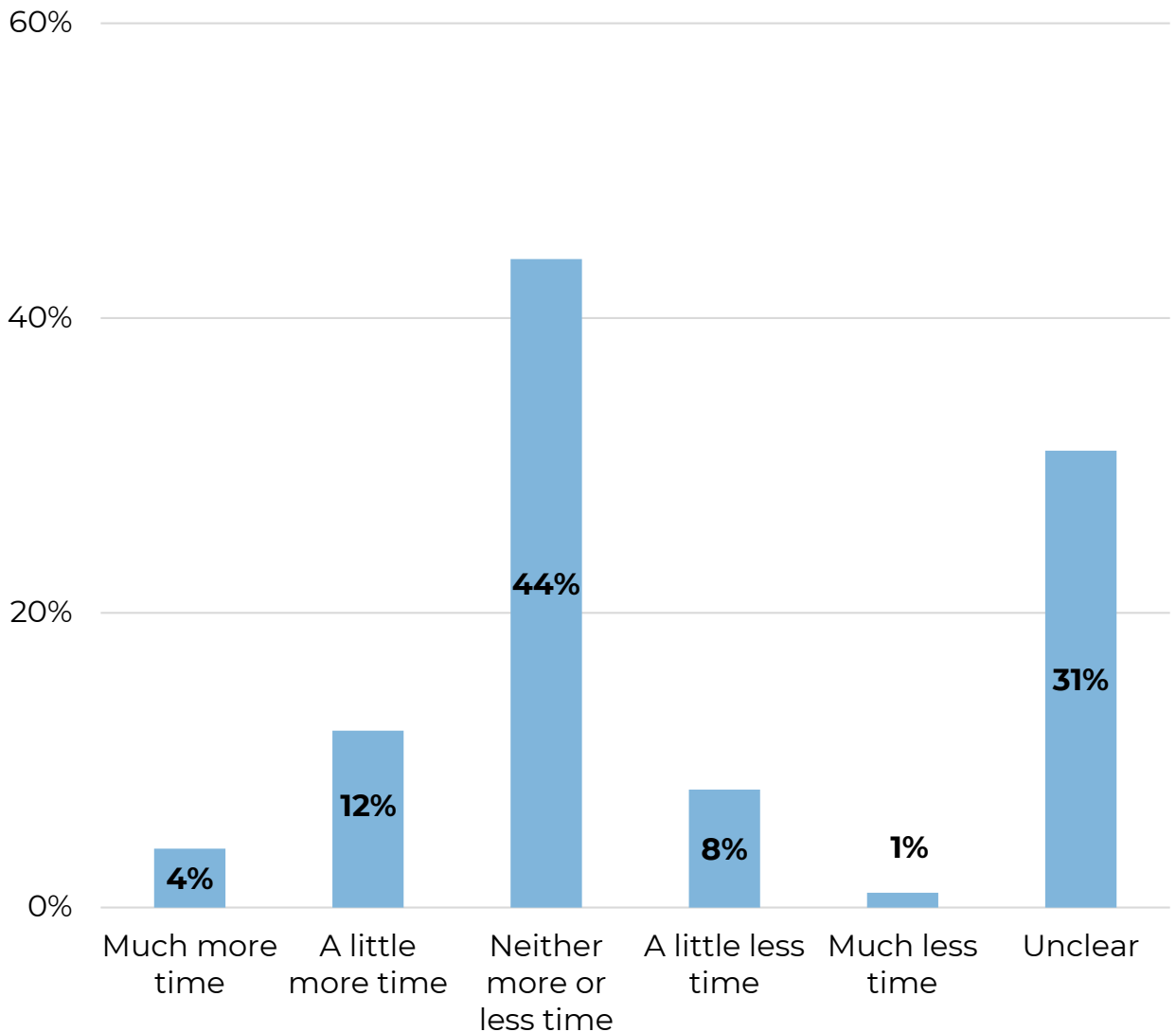
Solar Panels Perceived Effect on Property Value



Perceived Time on Market with Solar Panels

- Forty-four percent of agents and brokers said that the time on market was neither longer or shorter for properties with solar panels.
- Thirty-one percent believed the difference of time on market due to the solar panels was unclear.

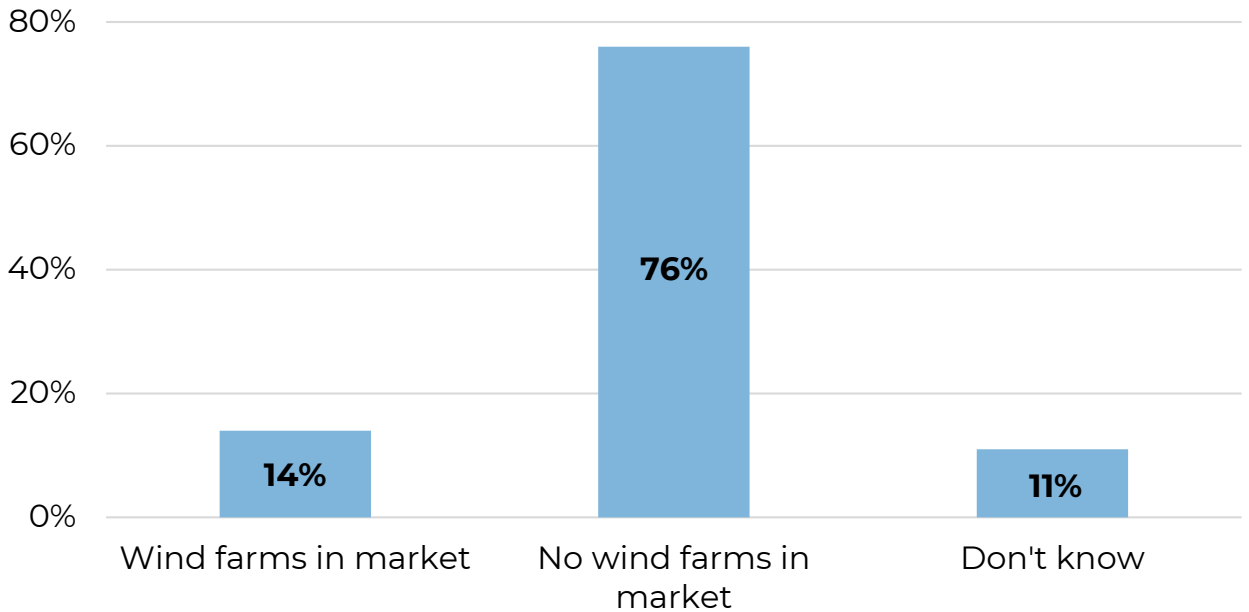
Perceived Time on Market with Solar Panels



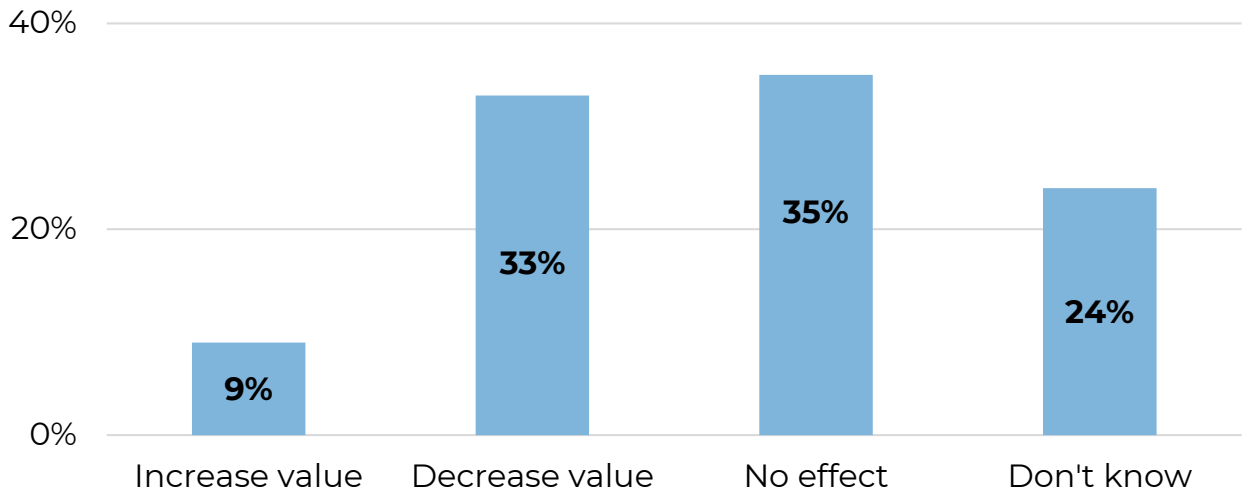
Wind Farms

- Fourteen percent of respondents said that wind farms were available in their market.
- Nine percent said wind farms increased the perceived property value, compared to 35 percent that said they had no effect.

Wind Farms in Market



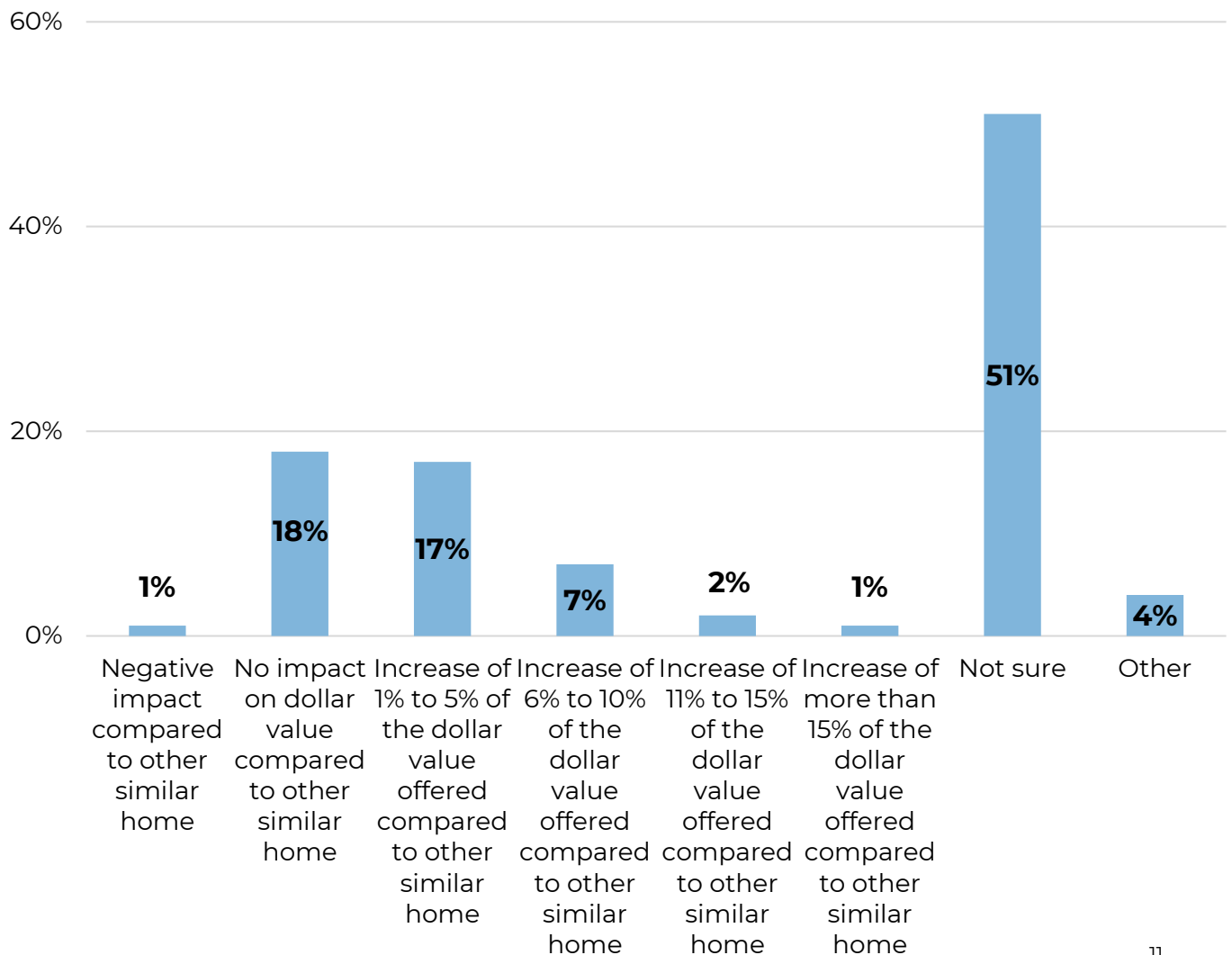
Wind Farms Perceived Effect on Property Value



High Performance Home

- Seventeen percent of respondents said that a high performance home (defined as a systematic building science approach to home improvements that can increase indoor comfort, health, operational efficiency, and durability) had an increase of one to five percent of the dollar value offered compared to other similar homes.
- Seven percent said that a high performance home had an increase of six to 10 percent of the dollar value offered.
- Fifty-one percent were not sure of the impact on dollar value that a high performance home had compared to other similar homes.

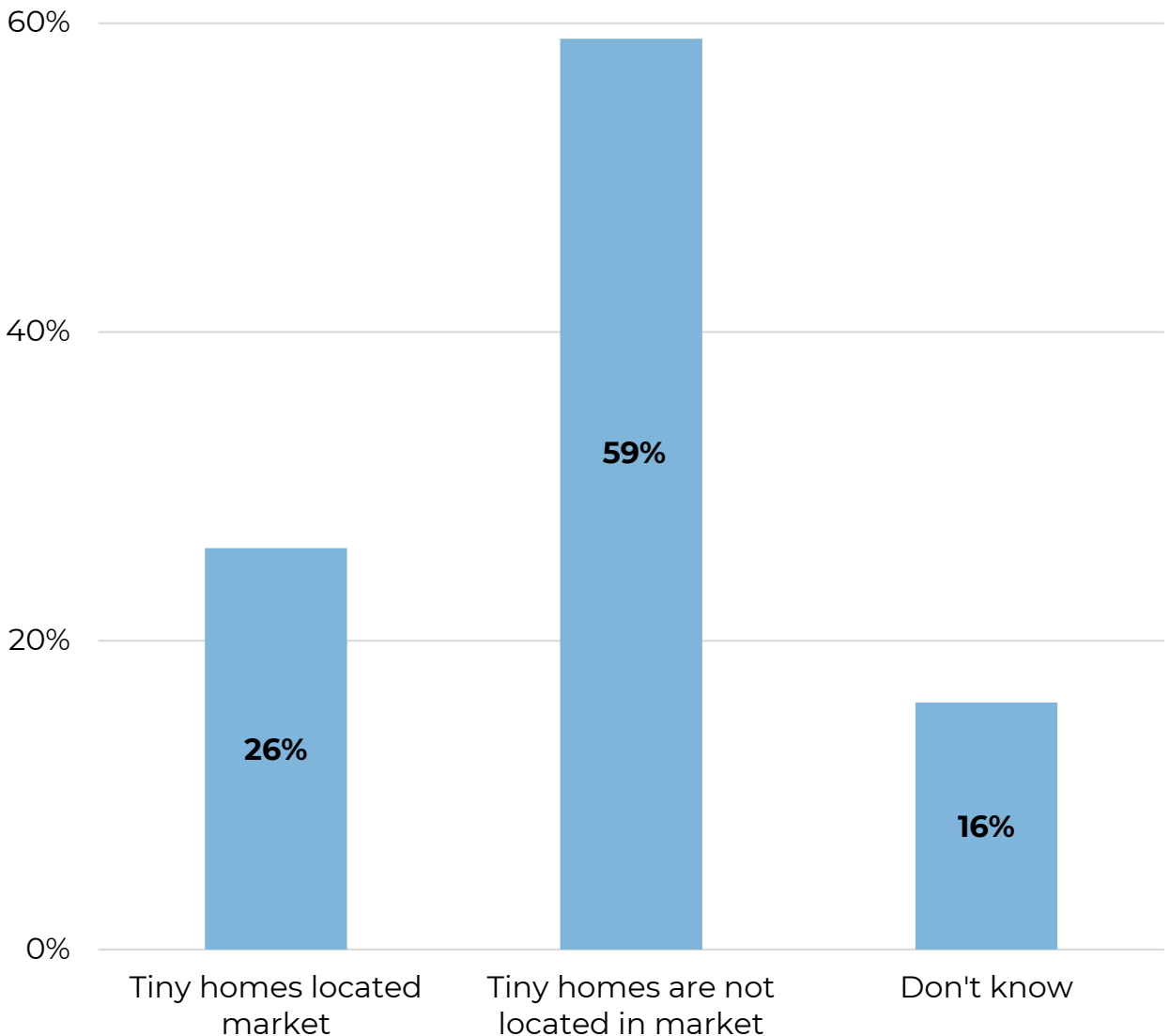
High Performance Home Impact on Dollar Value



Tiny Homes

- Twenty-six percent of brokers said that tiny homes were available in their market, compared to 59 percent that reported tiny homes were not available. Tiny homes are defined in the survey as homes that are 600 square feet or less.

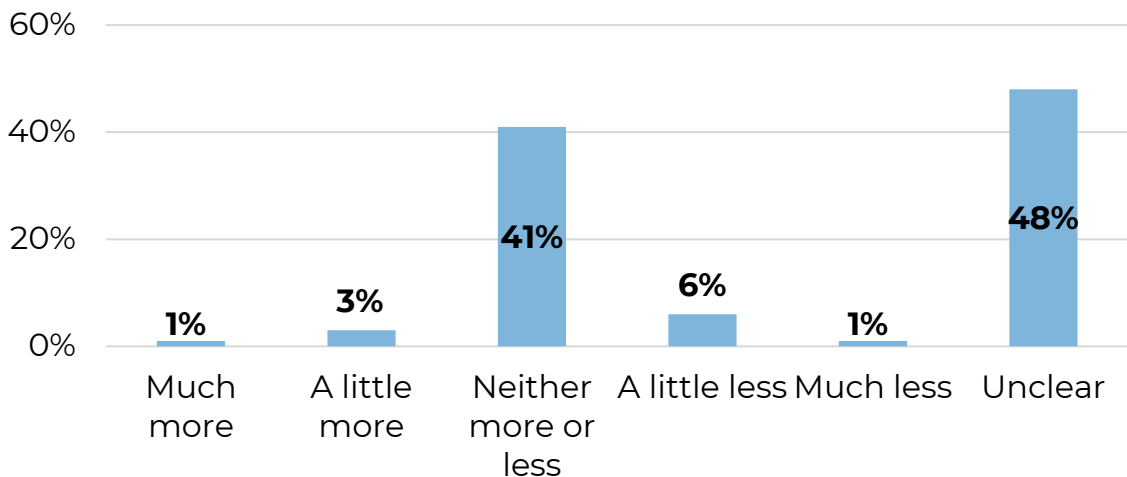
Tiny Homes (600 sq. ft. or less) in Market



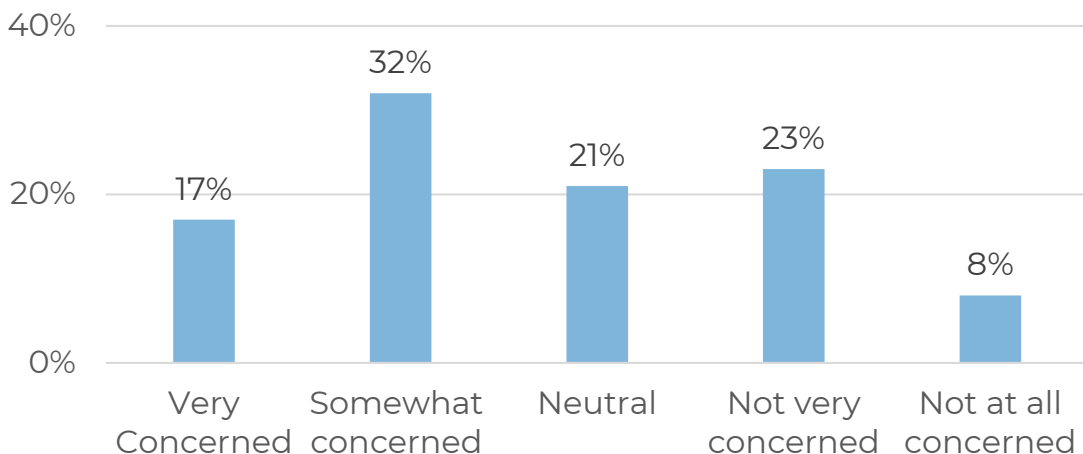
Time on Market – Homes with Green Certifications

- Forty-one percent of respondents said that they believed homes with green certifications, such as LEED, Energy Star, or NGBS, spent neither more or less time on market.
- Seven percent of respondents said they believed homes with green certifications spent a little less or much less time on the market.

Homes With Green Certifications Time on Market



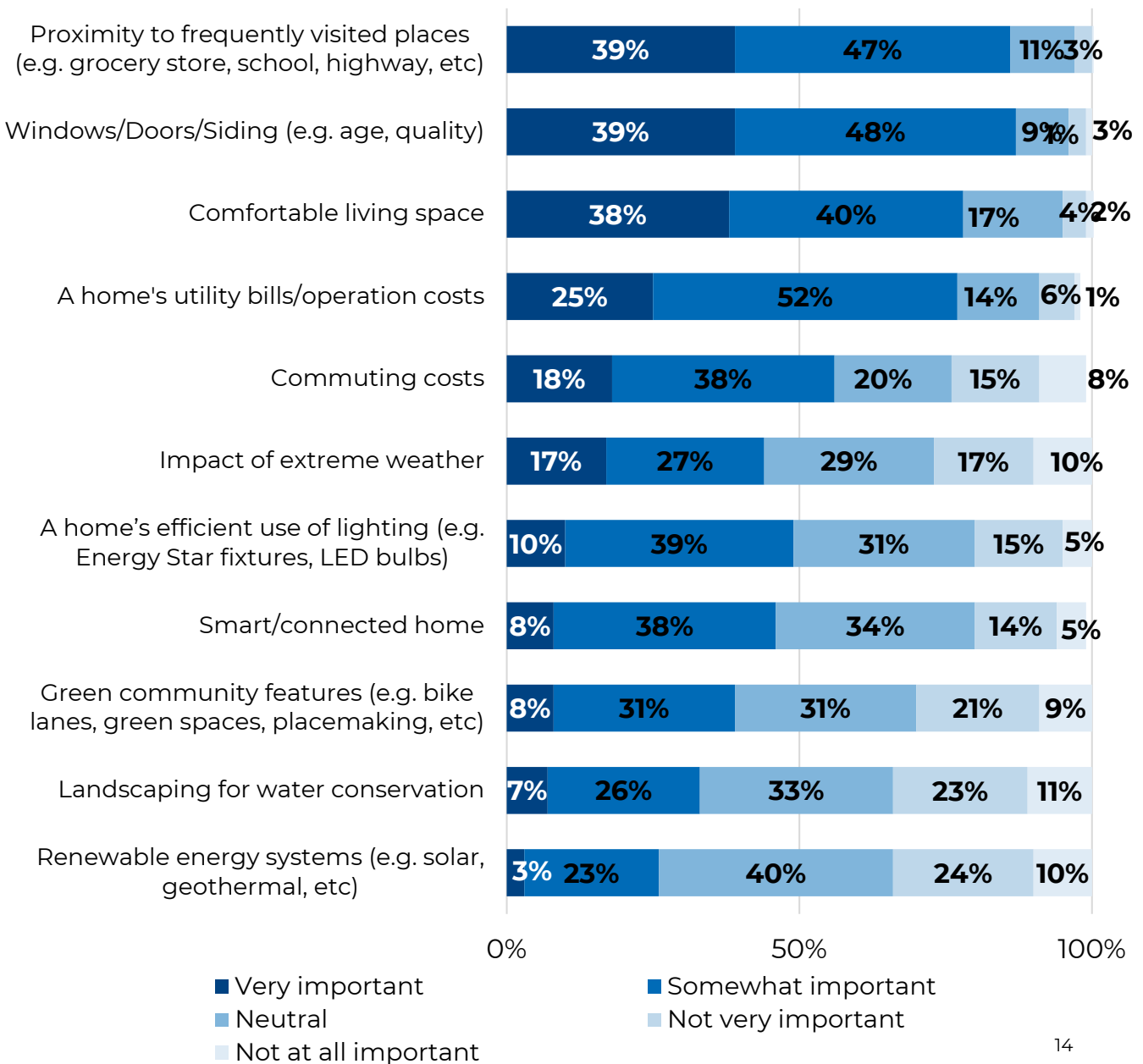
Concern About the Impact of Extreme Weather Events on Market



Home Features

- The home features that respondents believed were most important to clients included a comfortable living space (38 percent), proximity to frequently visited places (39 percent), windows, doors, and siding (39 percent), and a home's utility bills and operating costs (25 percent).

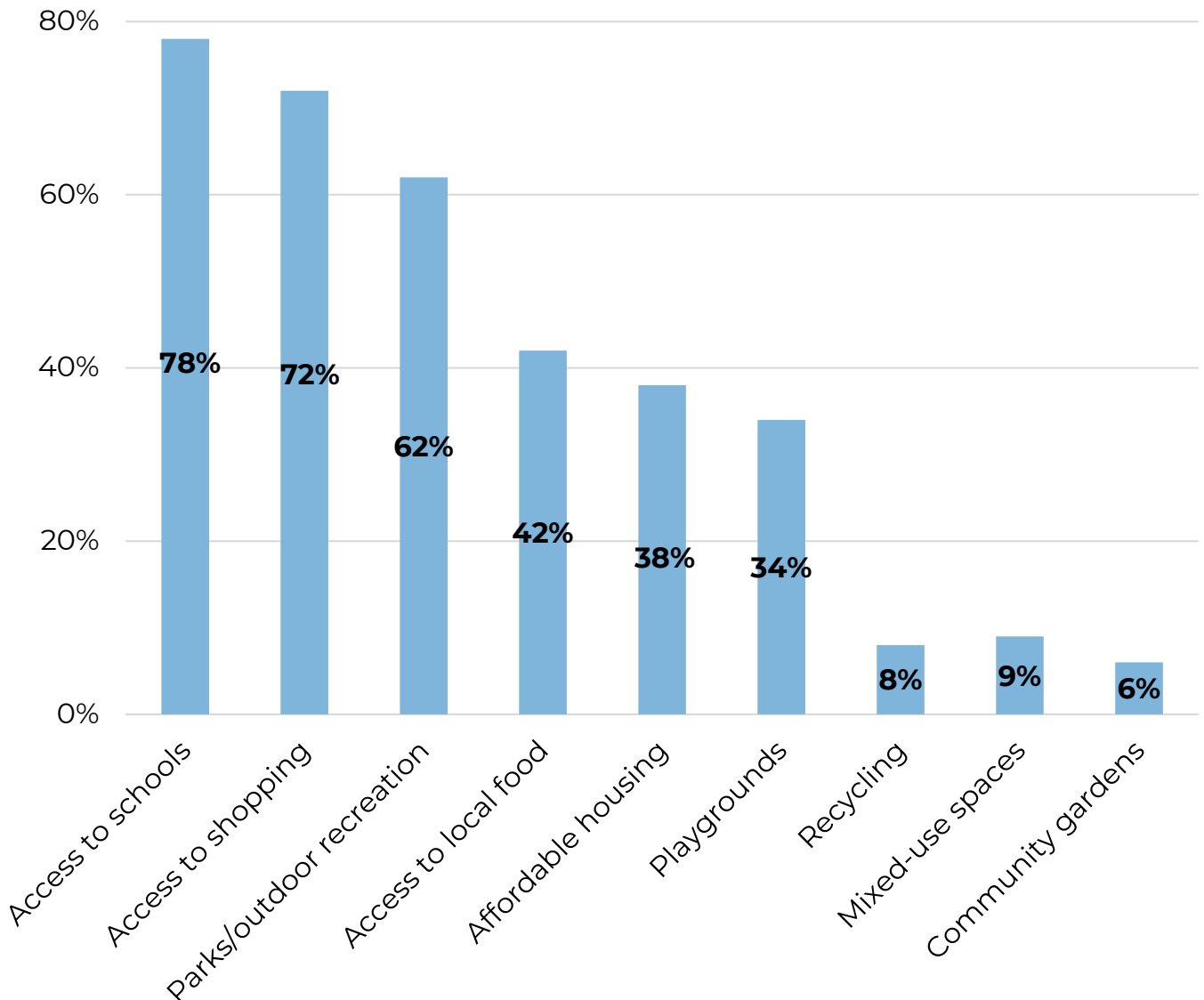
Importance of Home Features to Clients



Neighborhood Features

- The neighborhood features that clients looked for included access to schools (78 percent), access to shopping (72 percent), parks and outdoor recreation (62 percent), and access to local food (42 percent).

Neighborhood Features Clients Look For

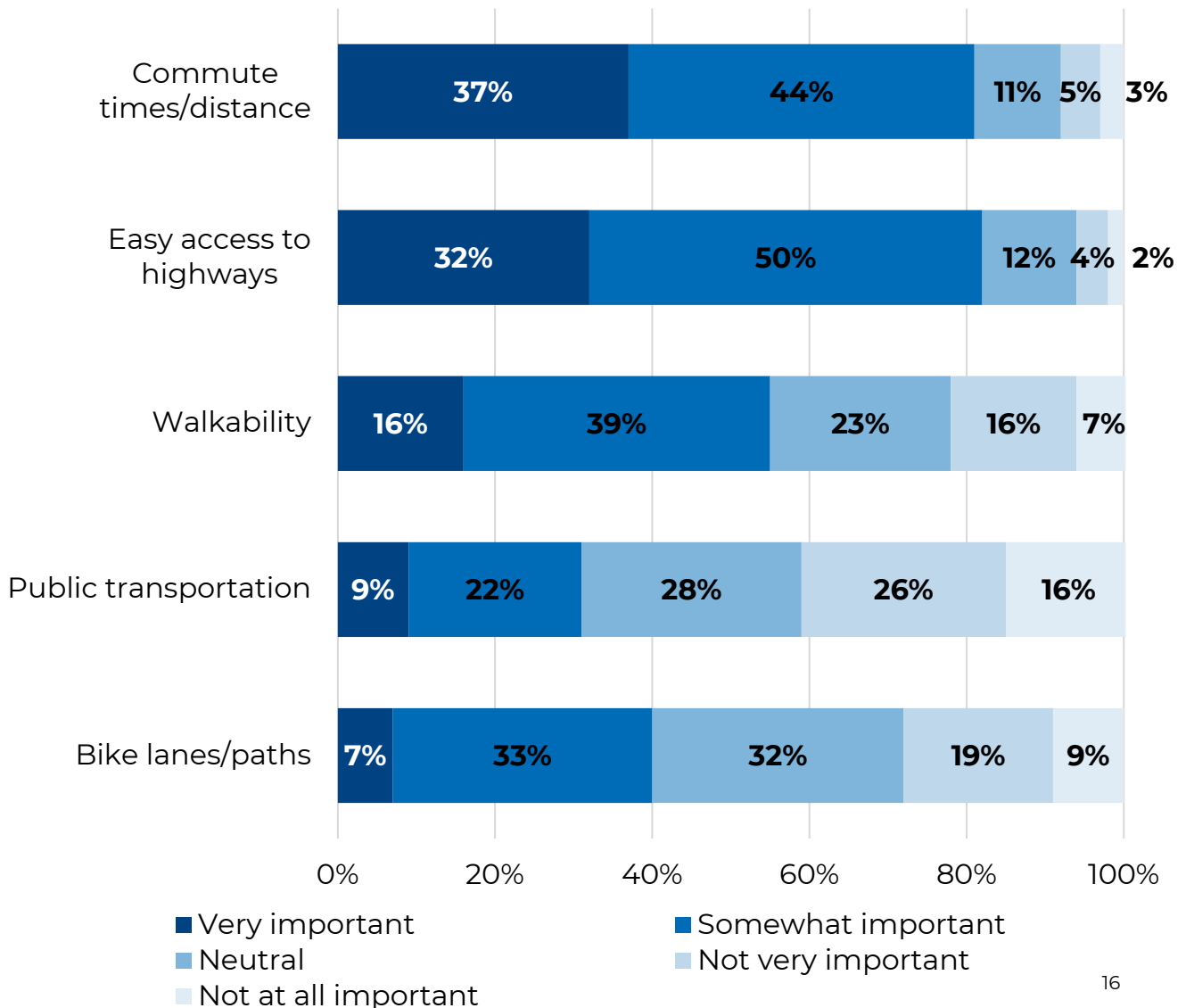


Note: Respondents were permitted to select as many responses as they felt applicable. The percentage distribution may therefore sum to more than 100 percent.

Transportation and Commuting Features

- The transportation and commuting features that clients listed as very or somewhat important included easy access to highways (82 percent), commute times and distance (81 percent), and walkability (55 percent).

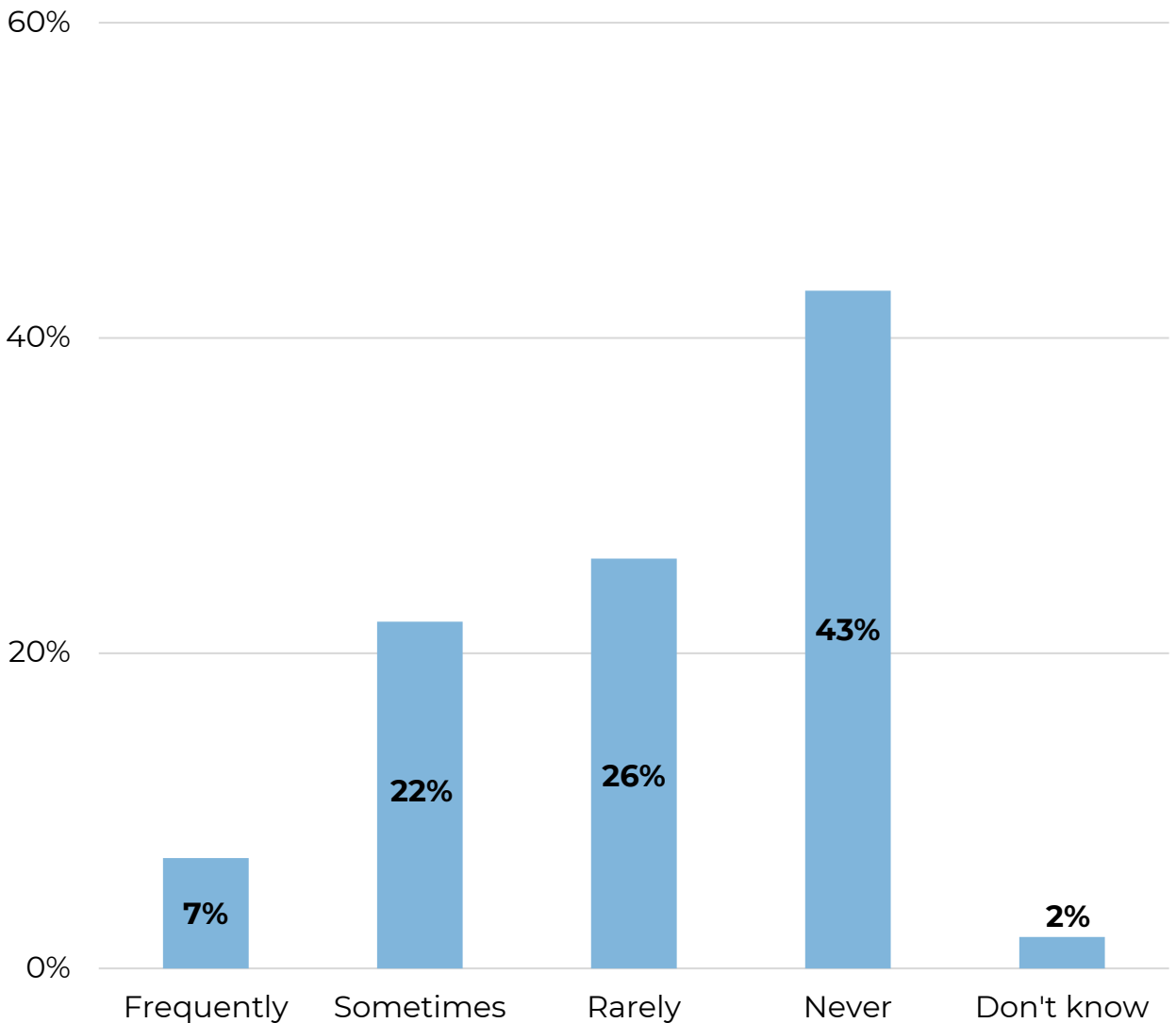
Importance of Transportation and Commuting Features to Clients



Public Transportation

- Seven percent of respondents frequently had clients who requested to see properties close to public transportation, 22 percent sometimes had clients who made the request, and 26 percent rarely had clients who made the request.

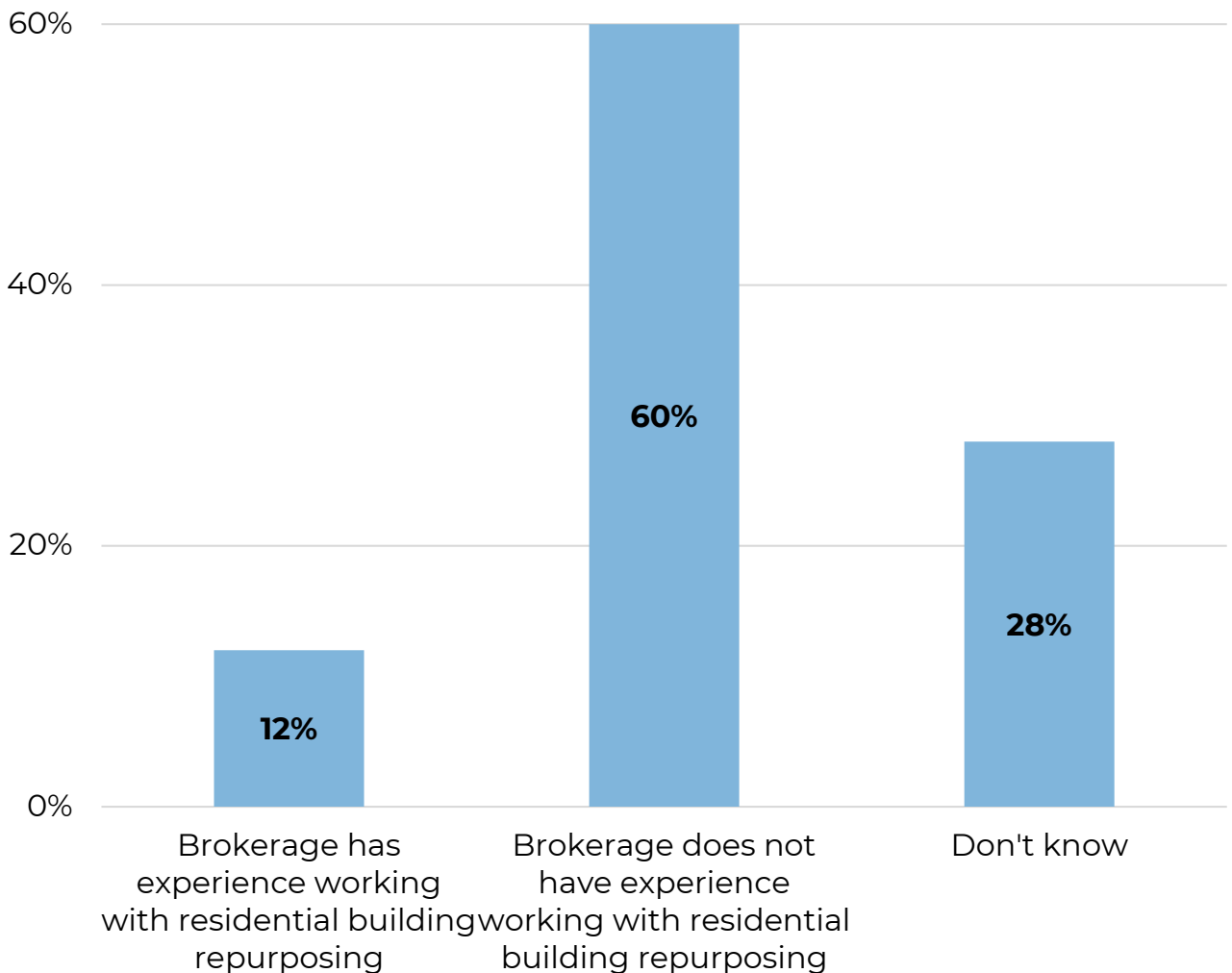
Clients Request to See Properties Close to Public Transportation



Residential Building Repurposing

- Twelve percent of brokerage firms had experience working with residential building repurposing. Repurposing occurs when markets reuse space in buildings that once served a different purpose altogether, such as factories which have been converted to lofts or apartments.

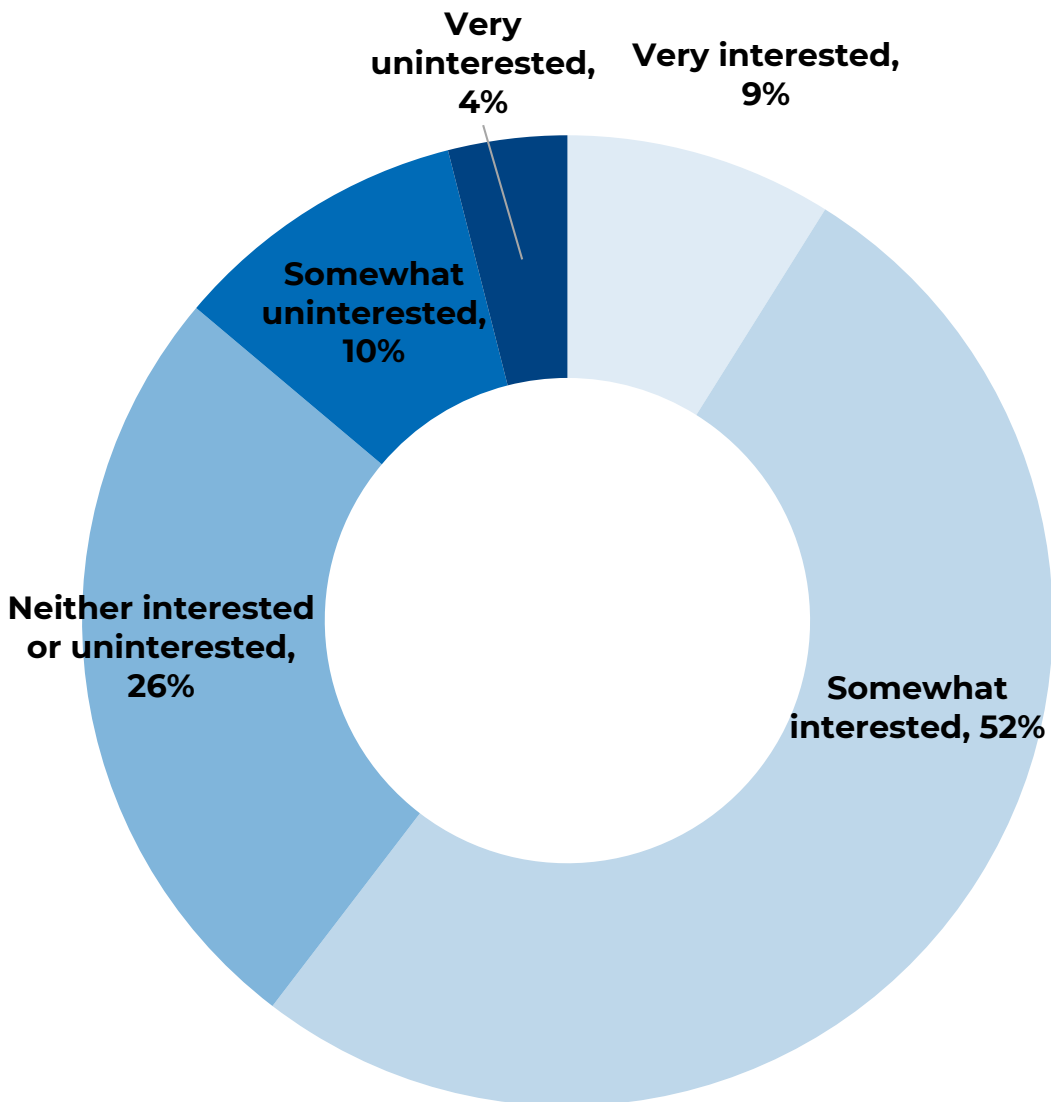
Residential Building Repurposing



Perception of Consumer Interest in Sustainability

- Over half of agents and brokers found that consumers (52 percent) were somewhat interested in sustainability, and nine percent were very interested.

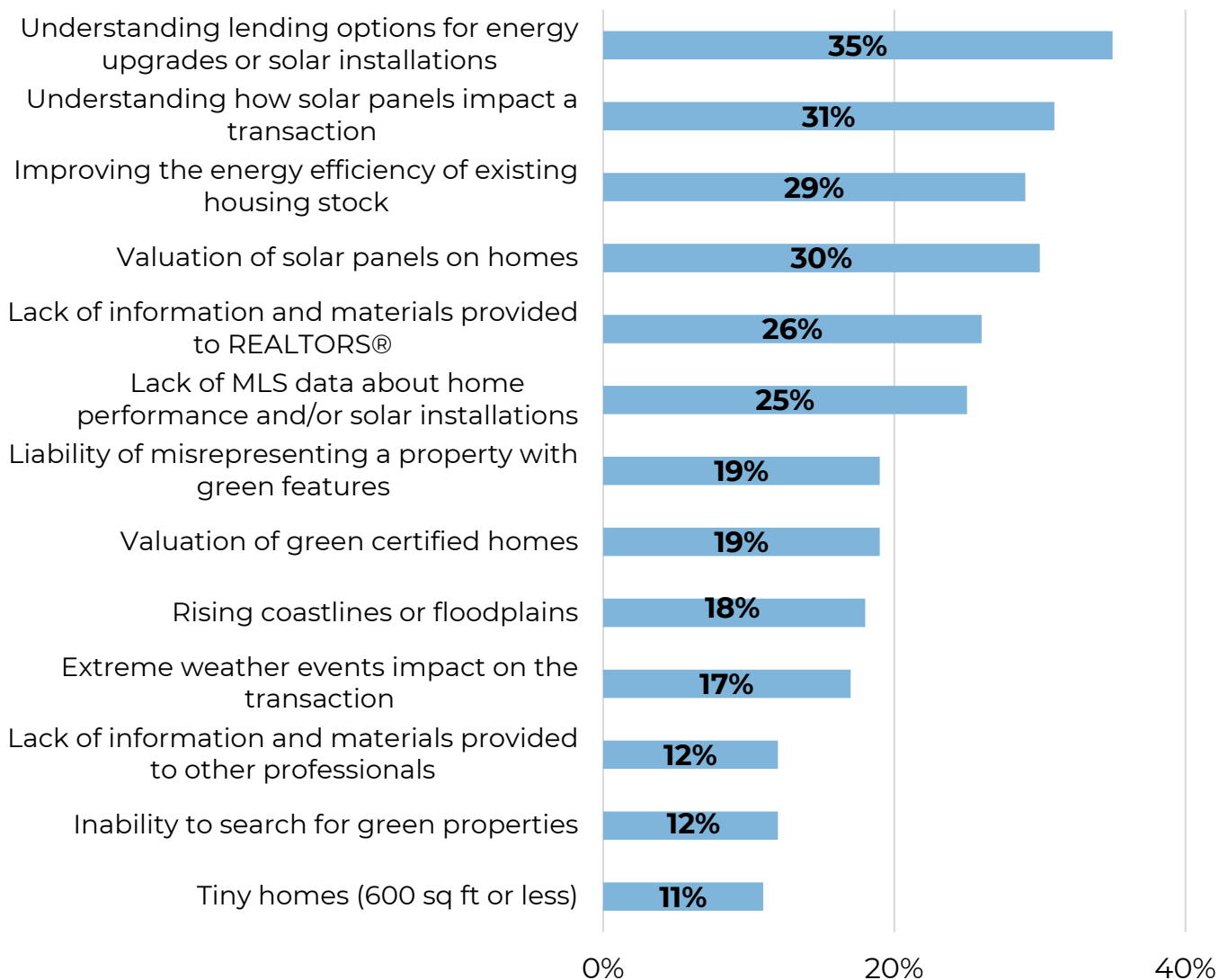
Perception of Consumer Interest in Sustainability



Market Issues and Considerations

- Market issues and considerations that agents and brokers listed included understanding lending options for energy upgrades or solar installations (35 percent), lack of information and materials provided to REALTORS® (26 percent), and improving energy efficiency of existing housing stock (29 percent).

Issues and Considerations in Market



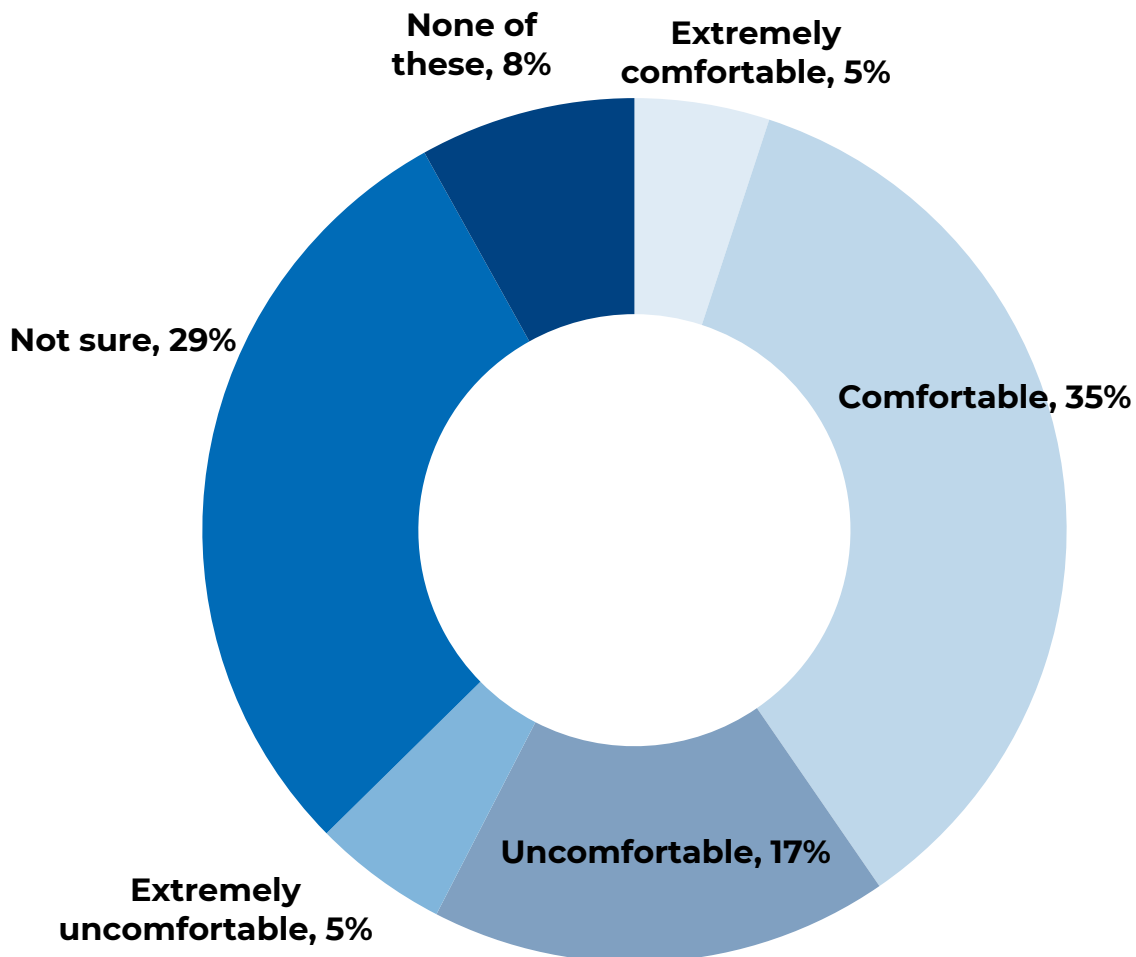
Note: Respondents were permitted to select as many responses as they felt applicable. The percentage distribution may therefore sum to more than 100 percent.

Comfort with Clients' Questions About Home Performance

Eighteen percent of respondents had clients ask for advice about energy efficiency upgrades very often or often.

- Forty percent of respondents were extremely comfortable or comfortable answering clients' questions about home performance, while 22 percent said they were uncomfortable or extremely uncomfortable.

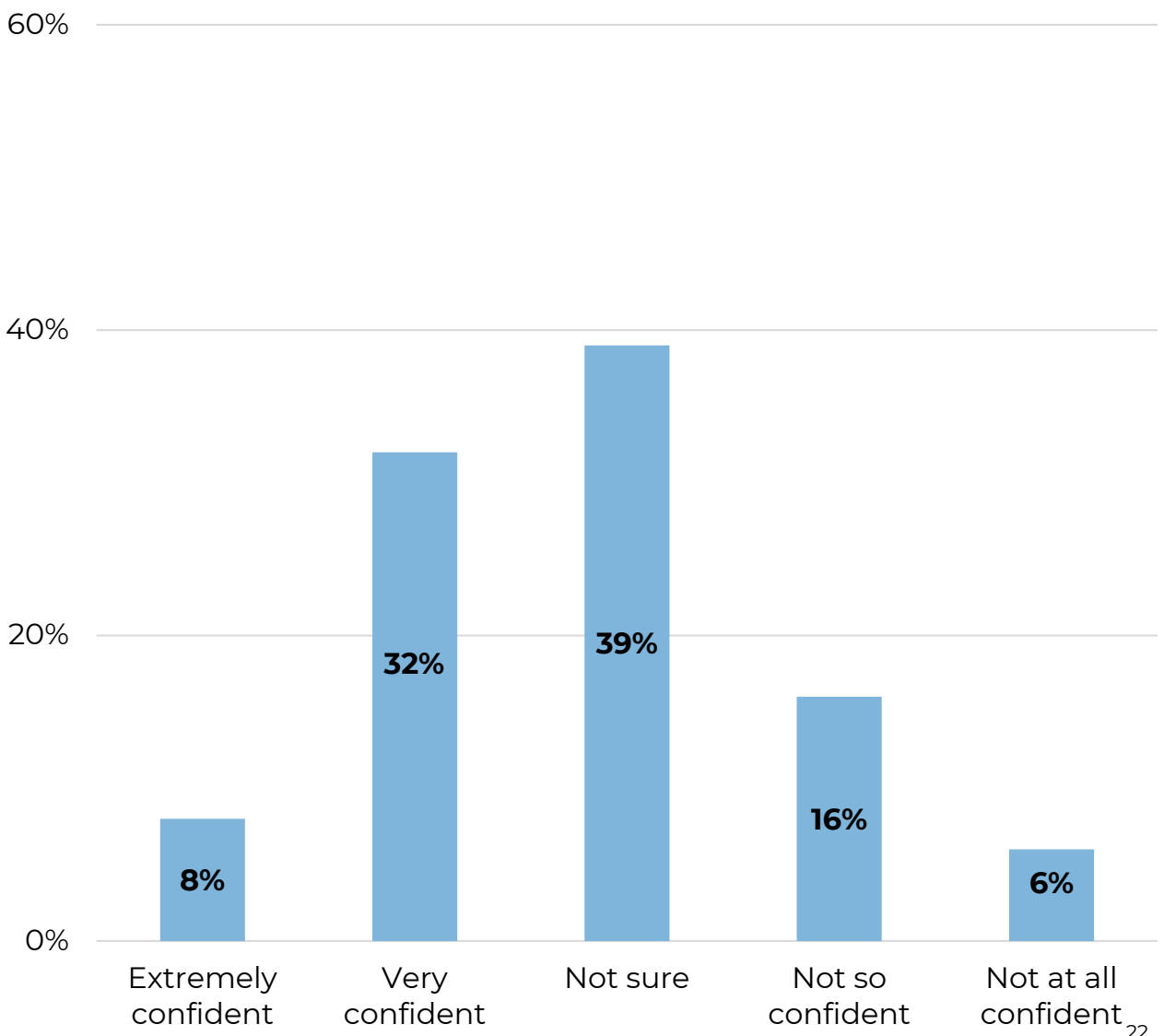
Comfort Answering Clients' Questions About Home Performance



Confidence in Connecting Clients with Green Lenders

- Forty percent of respondents were extremely confident or very confident with connecting a client to a lender who could provide lending products that encourage energy efficient improvements to existing homes.
- Twenty-two percent of respondents were not so confident or not at all confident with connecting clients to lenders.

Connecting Clients with Lenders



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Regional Breakouts

Rooftop Solar Panels in Market

Region:	Northeast	Midwest	South	West
Rooftop solar panels in market	94%	84%	80%	93%
No rooftop solar panels in market	4%	12%	13%	5%
Don't know	2%	4%	7%	2%

Rooftop Solar Panels Affect on Property Values

Region:	Northeast	Midwest	South	West
Increase value	36%	34%	42%	46%
No effect	34%	33%	33%	33%
Decrease value	16%	12%	9%	13%
Don't know	14%	20%	16%	9%

Homes' Time on Market with Rooftop Solar Panels

Region:	Northeast	Midwest	South	West
Much more	5%	4%	4%	5%
A little more	17%	11%	10%	15%
Neither more or less	44%	38%	44%	48%
A little less	7%	7%	7%	11%
Much less	1%	1%	1%	1%
Unclear	25%	39%	34%	20%

Regional Breakouts

Value of Energy Efficiency Promotion in Residential Listings

Region:	Northeast	Midwest	South	West
Very valuable	23%	24%	23%	22%
Somewhat valuable	49%	47%	47%	47%
Neutral	20%	19%	20%	21%
Not very valuable	5%	6%	6%	6%
Not at all valuable	1%	2%	2%	1%
Depends on the listing	1%	2%	2%	2%

Experience with Residential Building Repurposing

Region:	Northeast	Midwest	South	West
Experience with Residential Building Repurposing	14%	14%	12%	10%
No Experience with Residential Building Repurposing	57%	63%	60%	64%

Client Interest in Sustainability Topics

Region:	Northeast	Midwest	South	West
Very interested	8%	8%	9%	9%
Somewhat interested	51%	51%	50%	55%
Neither interested or uninterested	28%	25%	25%	25%
Somewhat uninterested	10%	11%	12%	8%
Very uninterested	3%	4%	4%	3%

Commercial Executive Summary

In March 2020, NAR surveyed its members pertaining to sustainability issues facing the industry. The findings are as follows:

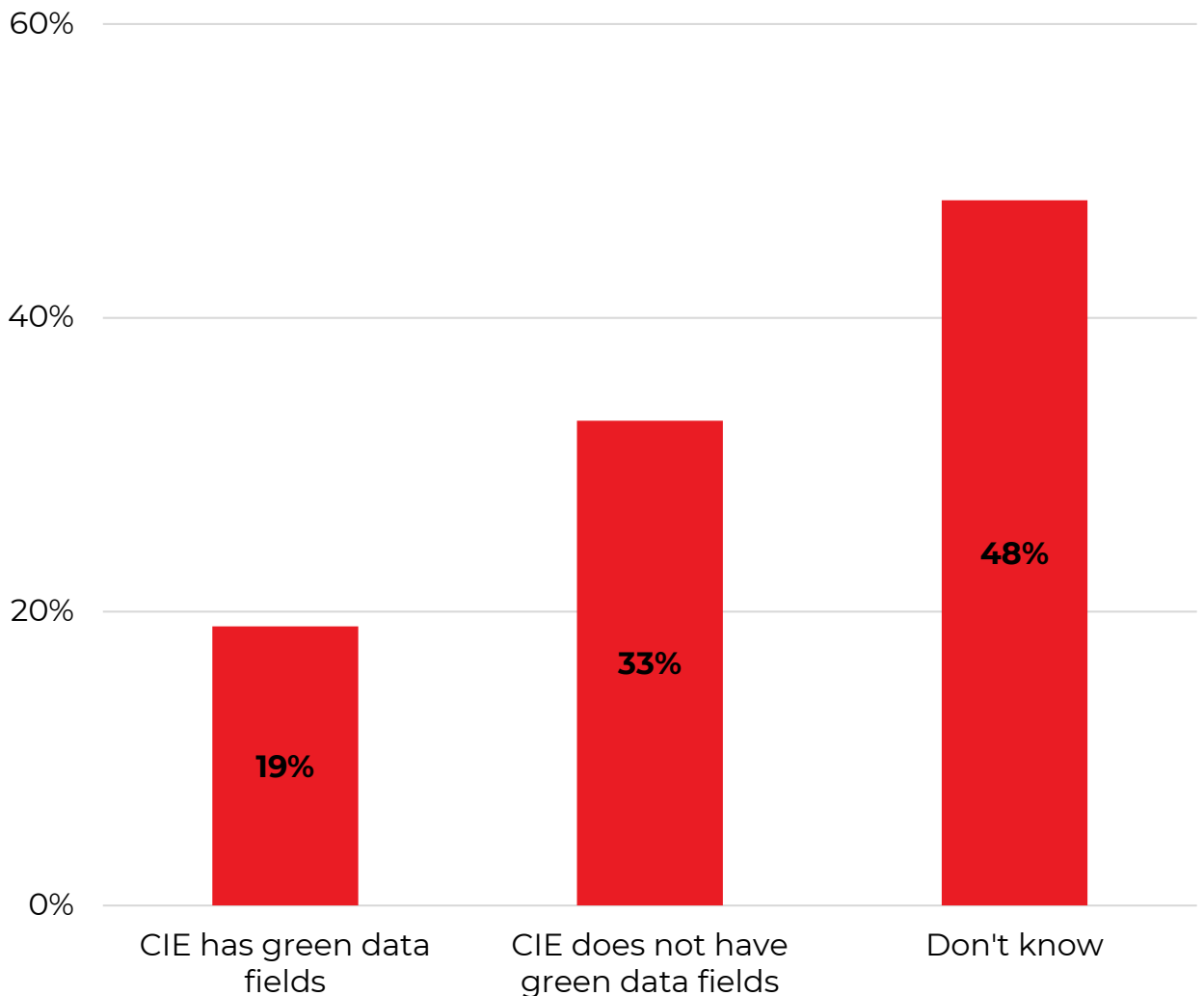
Commercial Highlights:

- Nineteen percent of respondents reported that their Commercial Information Exchange (CIE) had green data fields, and the CIE green data fields were used to promote energy information and green features.
- A majority of agents and brokers (74 percent) said that energy efficiency promotion in listings was very or somewhat valuable.
- Thirty percent of buildings with green certifications, such as LEED, Green Globes, or Living Building Challenge, spent neither more nor less time on market.
- Thirty-nine percent of brokerage firms had experience working with commercial building repurposing, such as converting empty malls into technical schools.
- Fifty-eight percent of respondents were extremely comfortable or comfortable answering clients' questions about building performance.
- The building features that REALTORS® believed were most important to clients included utility and operations costs, indoor air quality, efficient use of lighting, and windows, doors, and furnishings.
- Thirty-seven percent of respondents said that in the past 12 months they had been directly involved with a property that had green features, either on the buyer or seller side.

Commercial Information Exchange

- Nineteen percent of respondents reported that their Commercial Information Exchange (CIE) had green data fields, compared to 33 percent that did not have green data fields.

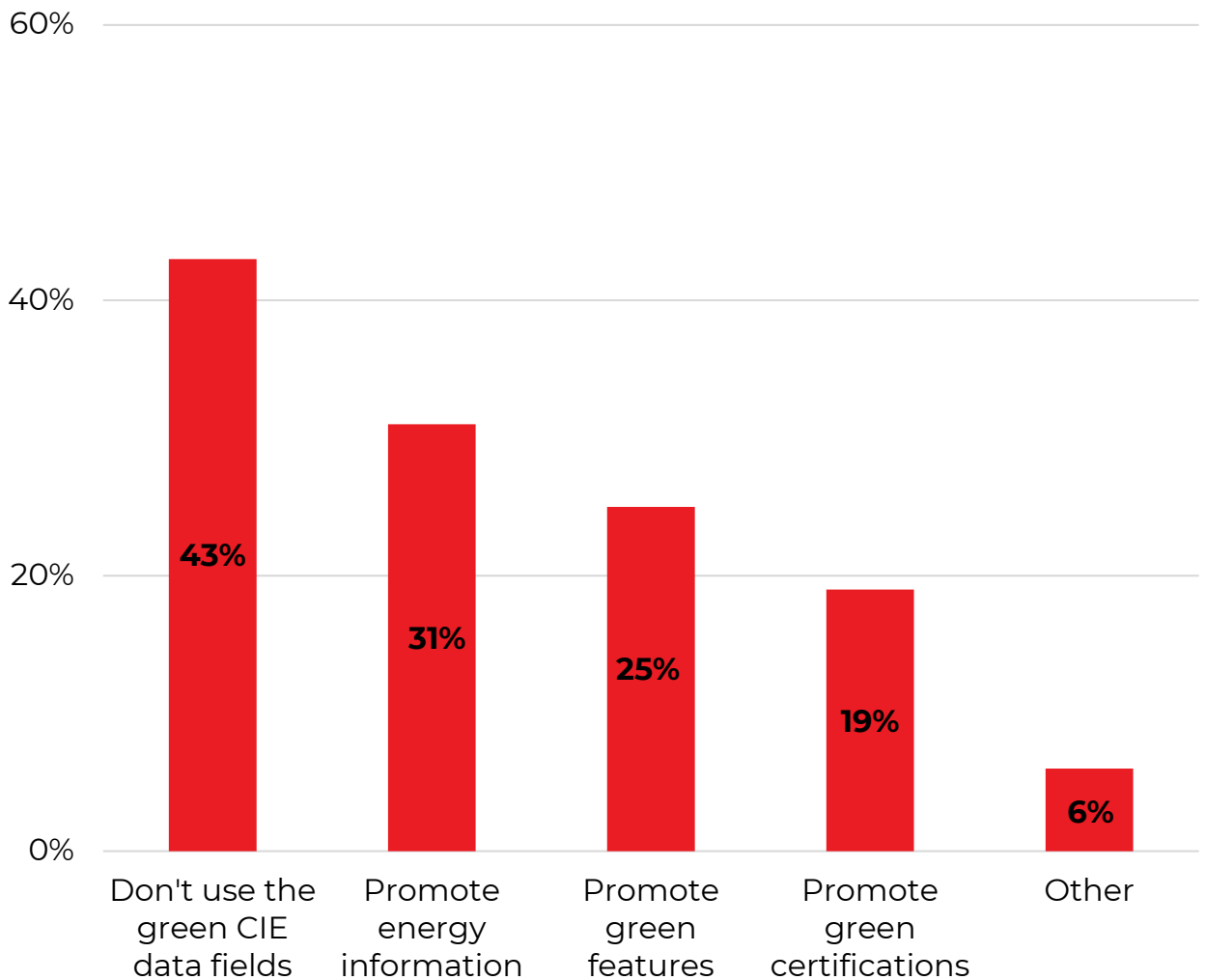
CIE Green Data Fields



CIE Green Data Field Uses

- Among those respondents who did have CIE green data fields, 31 percent used them to promote energy information, 25 percent to promote green features, and 19 percent to promote green certifications.

Uses of CIE Green Data Fields



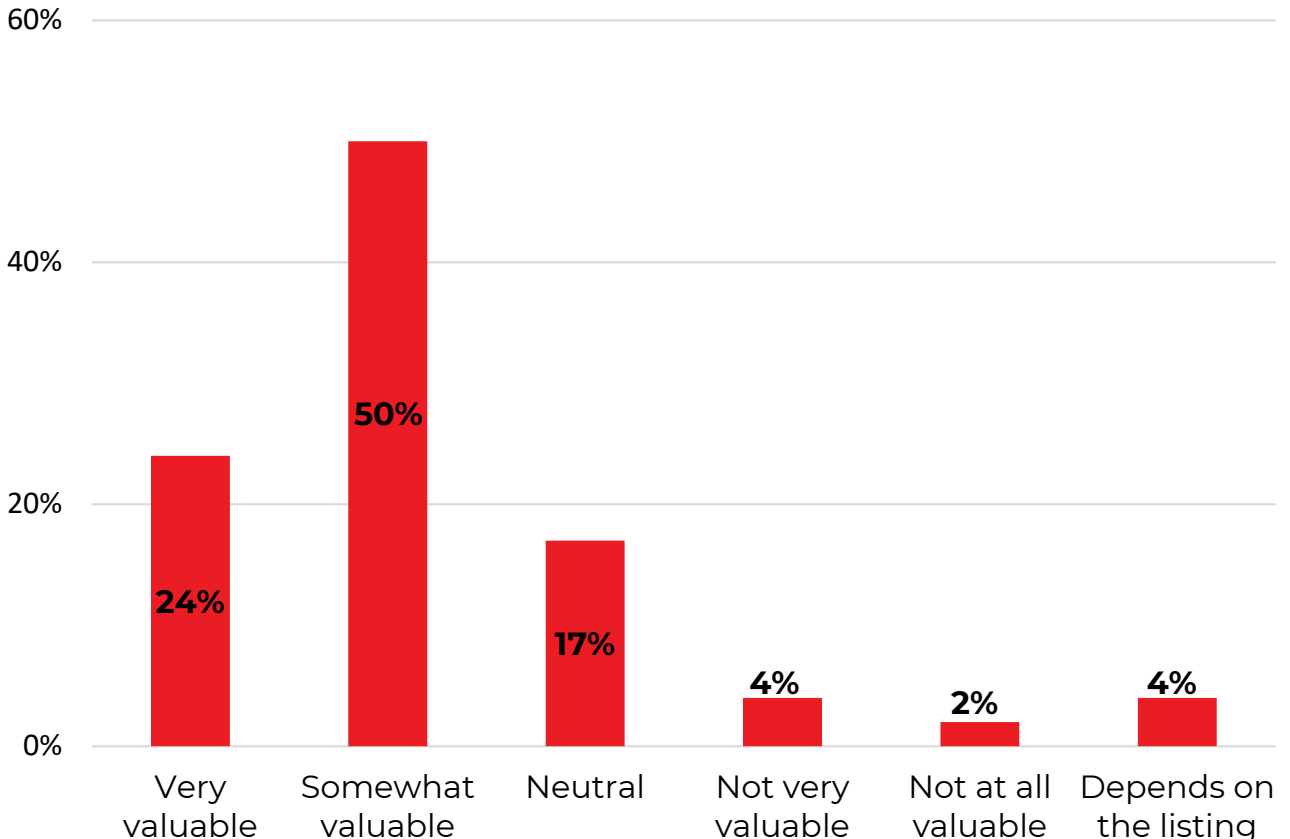
Note: Respondents were permitted to select as many responses as they felt applicable. The percentage distribution may therefore sum to more than 100 percent.

Value of Energy Efficiency Promotion in Commercial Listings

- A majority of agents and brokers (74 percent) said that energy efficiency promotion in listings was very or somewhat valuable.

Thirty-seven percent of respondents said that in the past 12 months they had been directly involved with a property that had green features, either on the buyer or seller side.
Sixty-three percent of respondents said that in the past 12 months they had not been directly involved with a property that had green features.

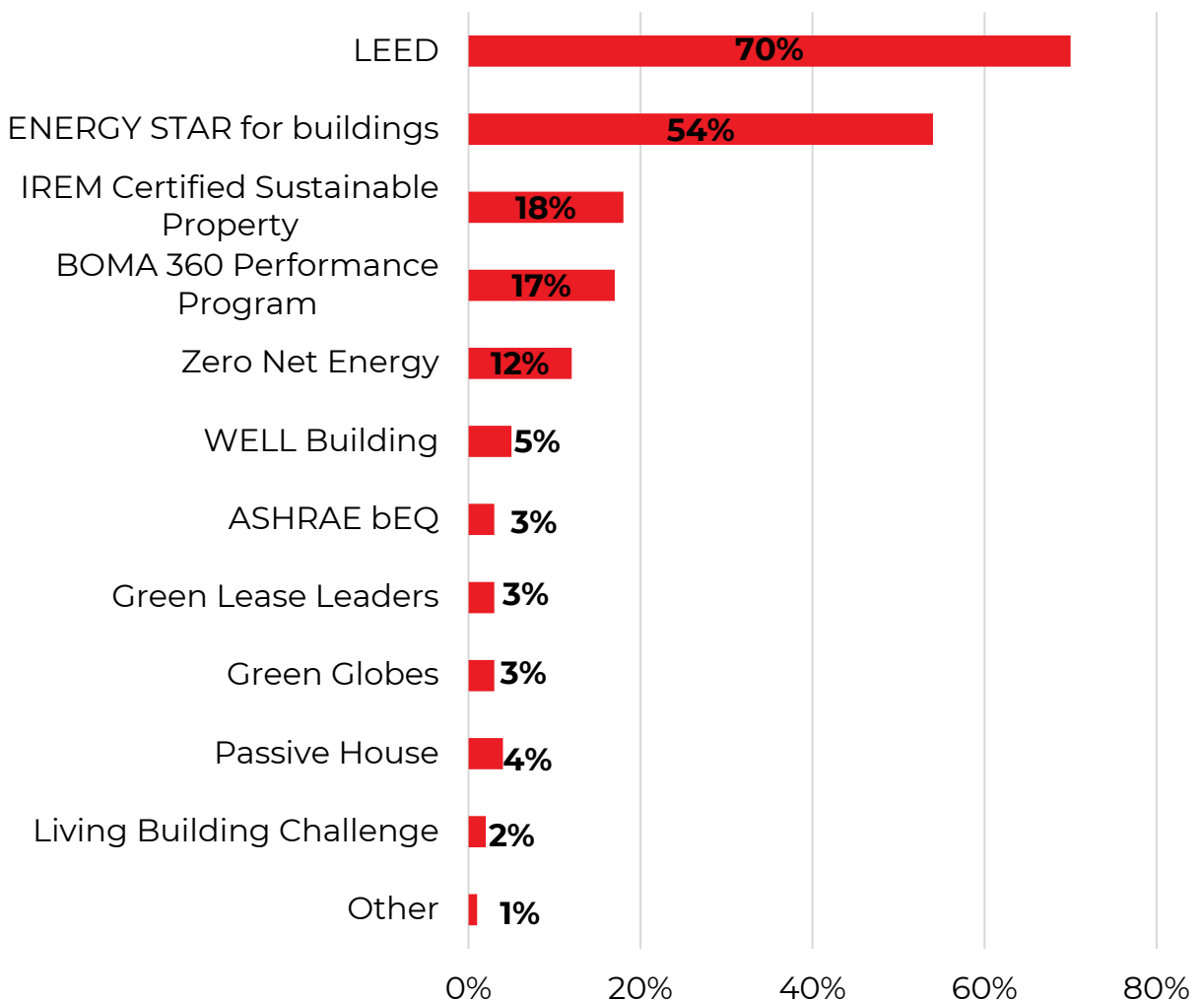
Value of Energy Efficiency Promotion



Green Building Certifications

- Respondents were most familiar with LEED (70 percent), ENERGY STAR for buildings (54 percent), IREM Certified Sustainable Property (18 percent), and the BOMA 360 Performance Program (17 percent).

Familiarity With Green Building Certifications



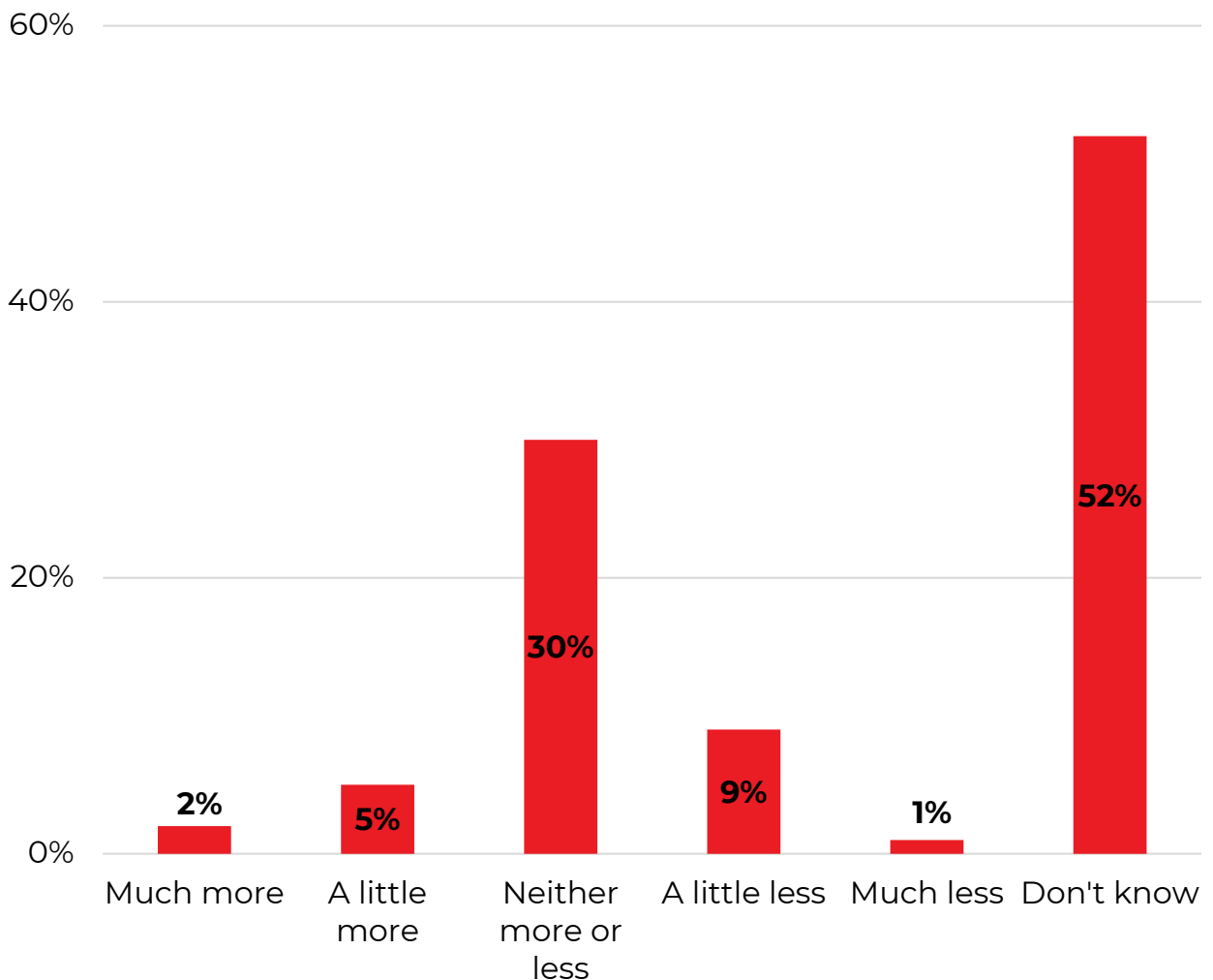
Note: Respondents were permitted to select as many responses as they felt applicable. The percentage distribution may therefore sum to more than 100 percent.

Among those green building certifications, respondents typically had experience working with LEED (35 percent), ENERGY STAR for buildings (24 percent), and the BOMA 360 Performance Program (five percent).

Time on Market – Buildings with Green Certifications

- Thirty percent of REALTORS® said buildings with green certifications, such as LEED, Green Globes, or Living Building Challenge, spent neither more nor less time on market.
- Ten percent of respondents said buildings with green certifications spent a little less or much less time on market.

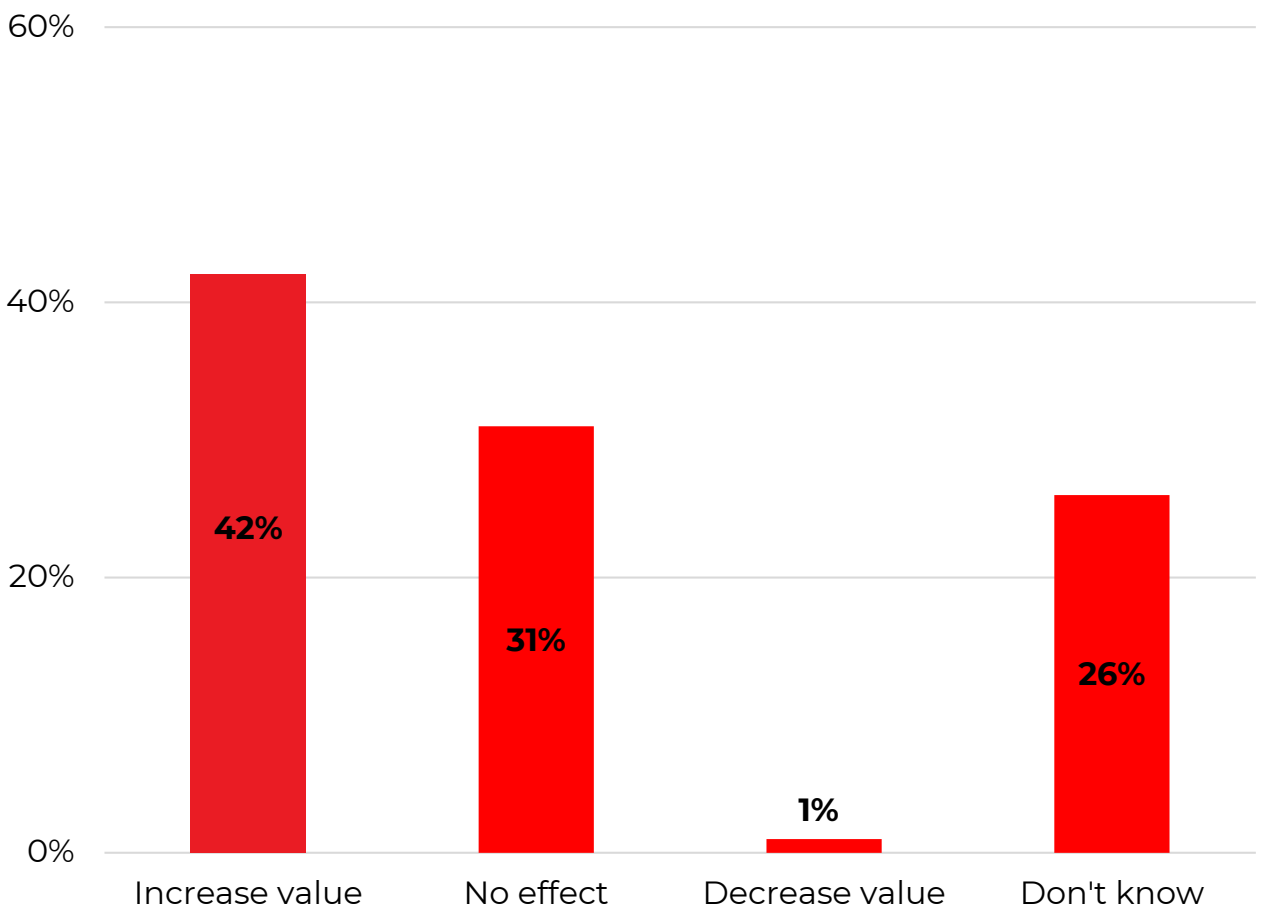
Buildings With Green Certifications Time on Market



Commercial Property Values

- Forty-two percent of REALTORS® said buildings with green certifications, such as LEED, Green Globes, or Living Building Challenge, had increased commercial property values.
- Thirty-one percent of respondents said buildings with green certifications had no effect on the commercial property value.

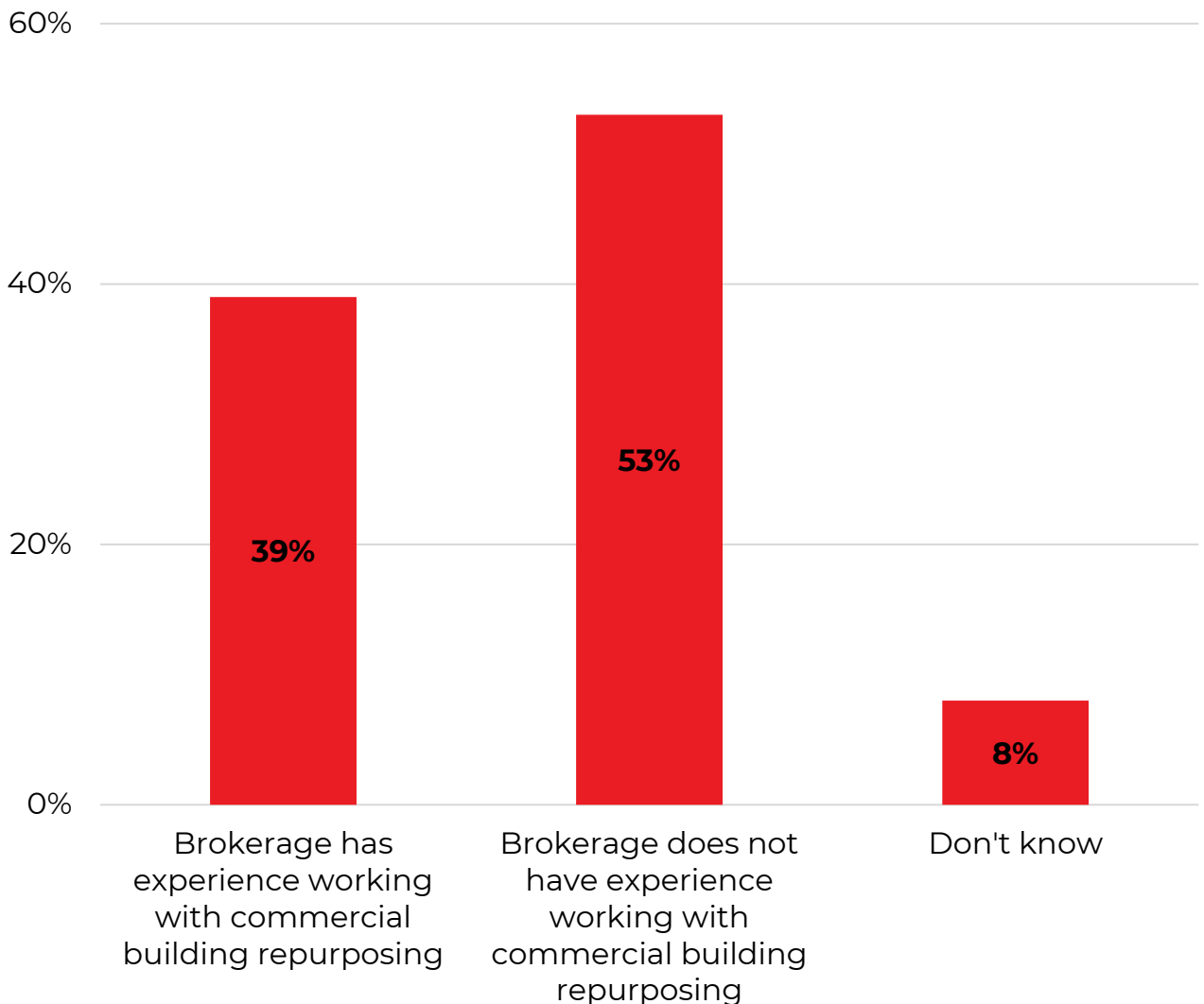
Buildings With Green Certifications Property Values



Commercial Building Repurposing

- Thirty-nine percent of brokerage firms had experience working with commercial building repurposing, such as converting empty malls into technical schools.

Commercial Building Repurposing

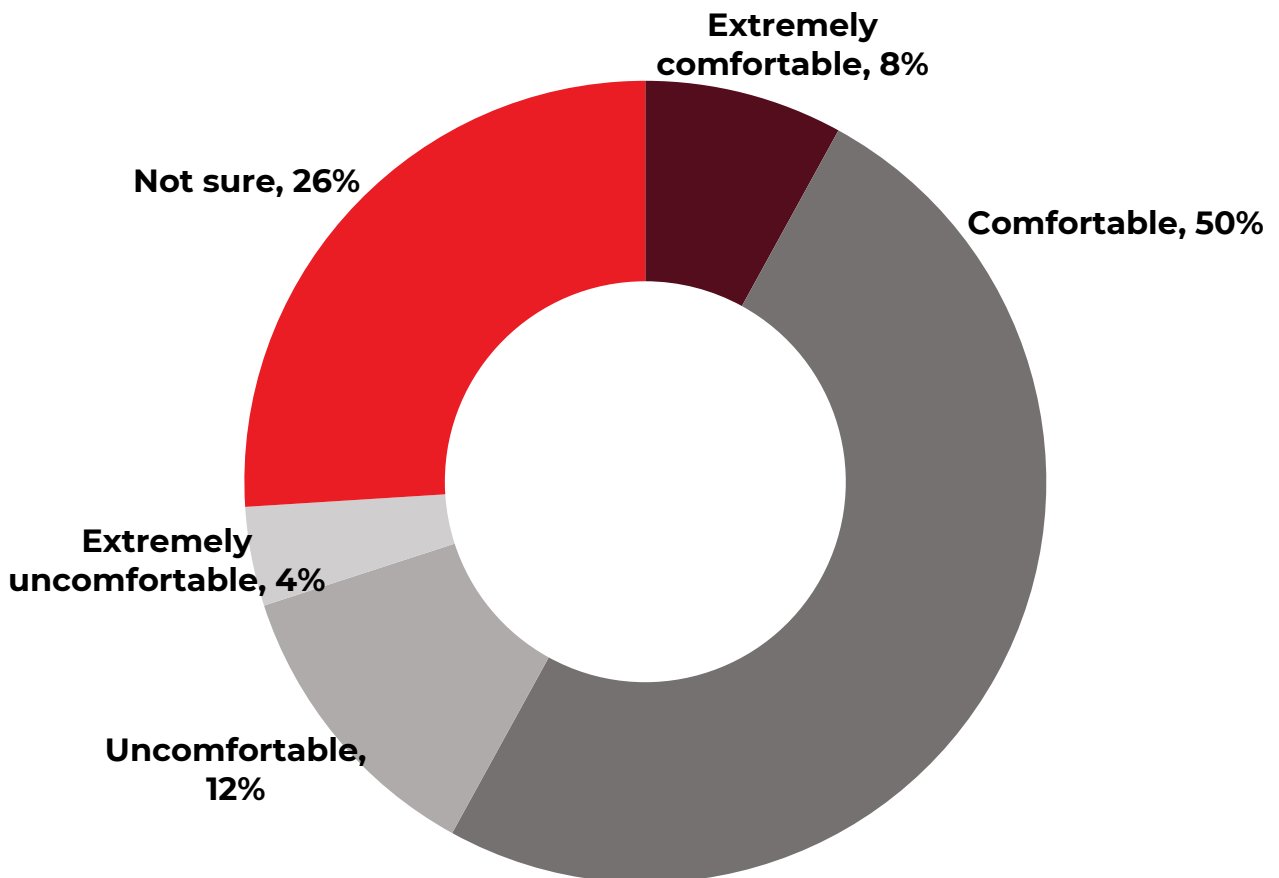


Comfort with Clients' Questions About Building Performance

Nine percent of respondents had clients ask for advice about obtaining a green building or sustainability certification. Thirty-eight percent of respondents had clients ask for advice on improving energy efficiency in their building or space.

- Fifty-eight percent of respondents were extremely comfortable or comfortable answering clients' questions about building performance, while 16 percent said they were uncomfortable or extremely uncomfortable.

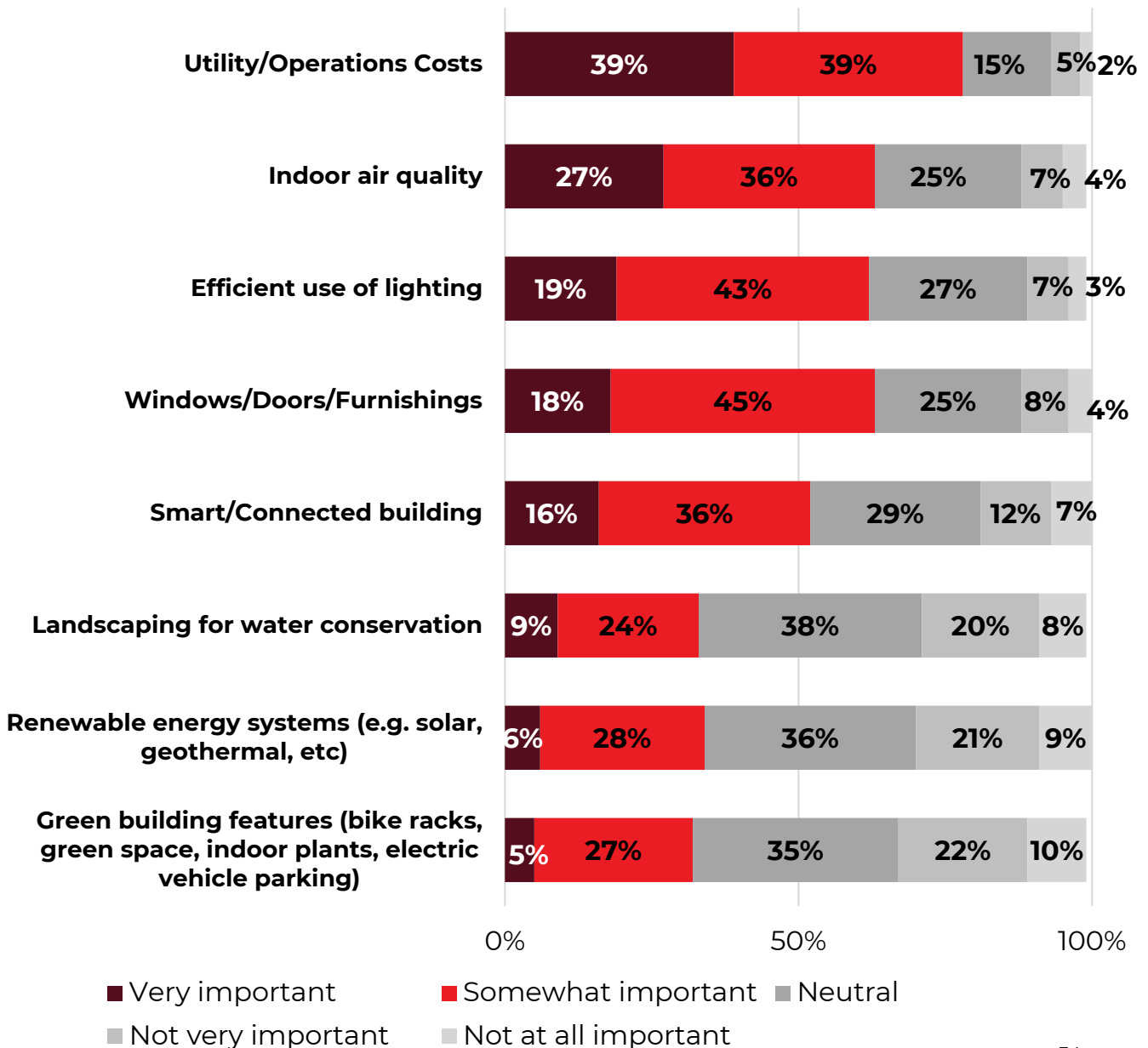
Comfort Answering Clients' Questions About Building Performance



Building Features

- The building features that REALTORS® believed were most important to clients included utility and operations costs (39 percent), indoor air quality (27 percent), efficient use of lighting (19 percent), and windows, doors, and furnishings (18 percent).

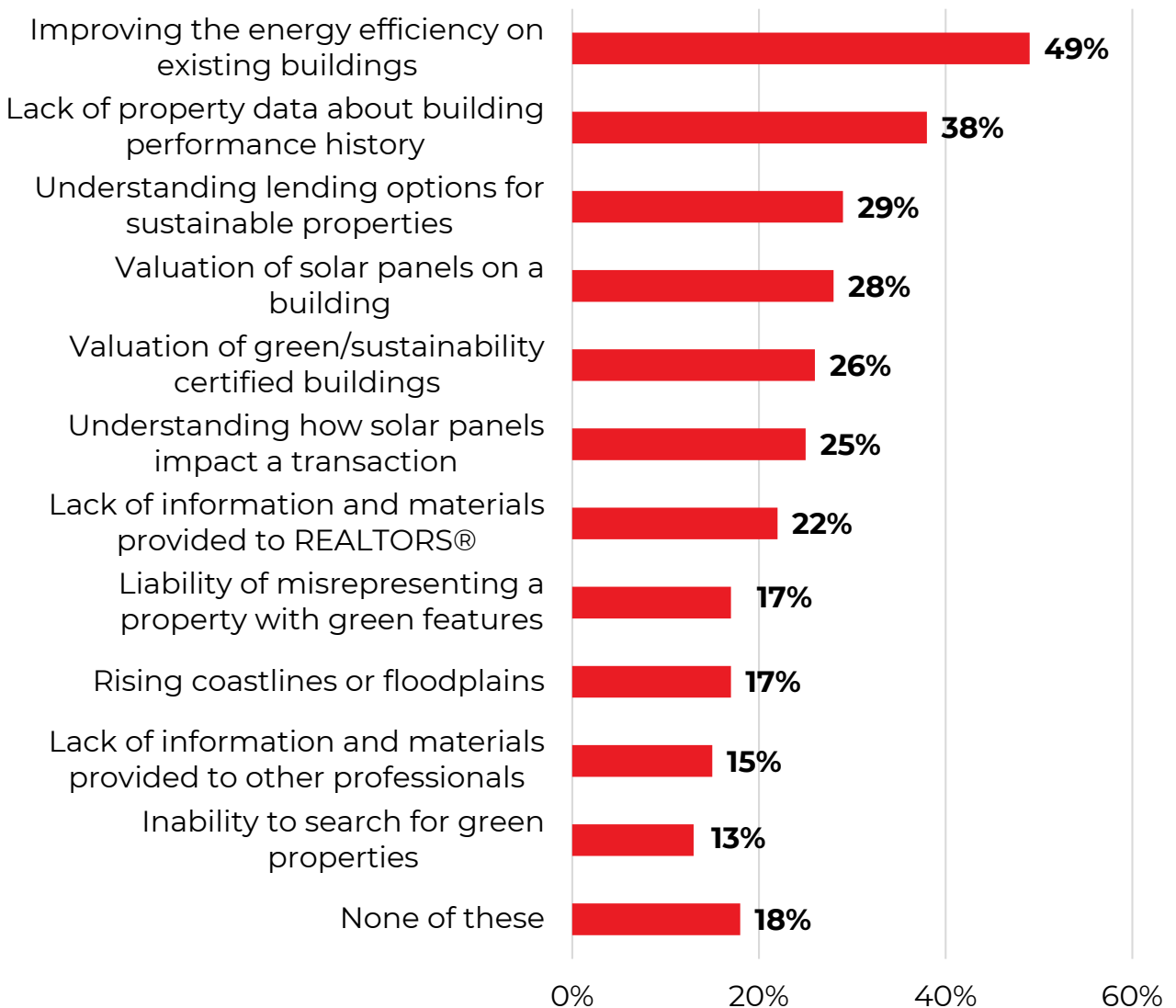
Importance of Building Features to Clients



Market Issues and Considerations

- Market issues and considerations agents and brokers listed as important included improving the energy efficiency on existing buildings (49 percent), lack of property data about building performance history (38 percent), and understanding lending options for sustainable properties (29 percent).

Issues and Considerations in Market

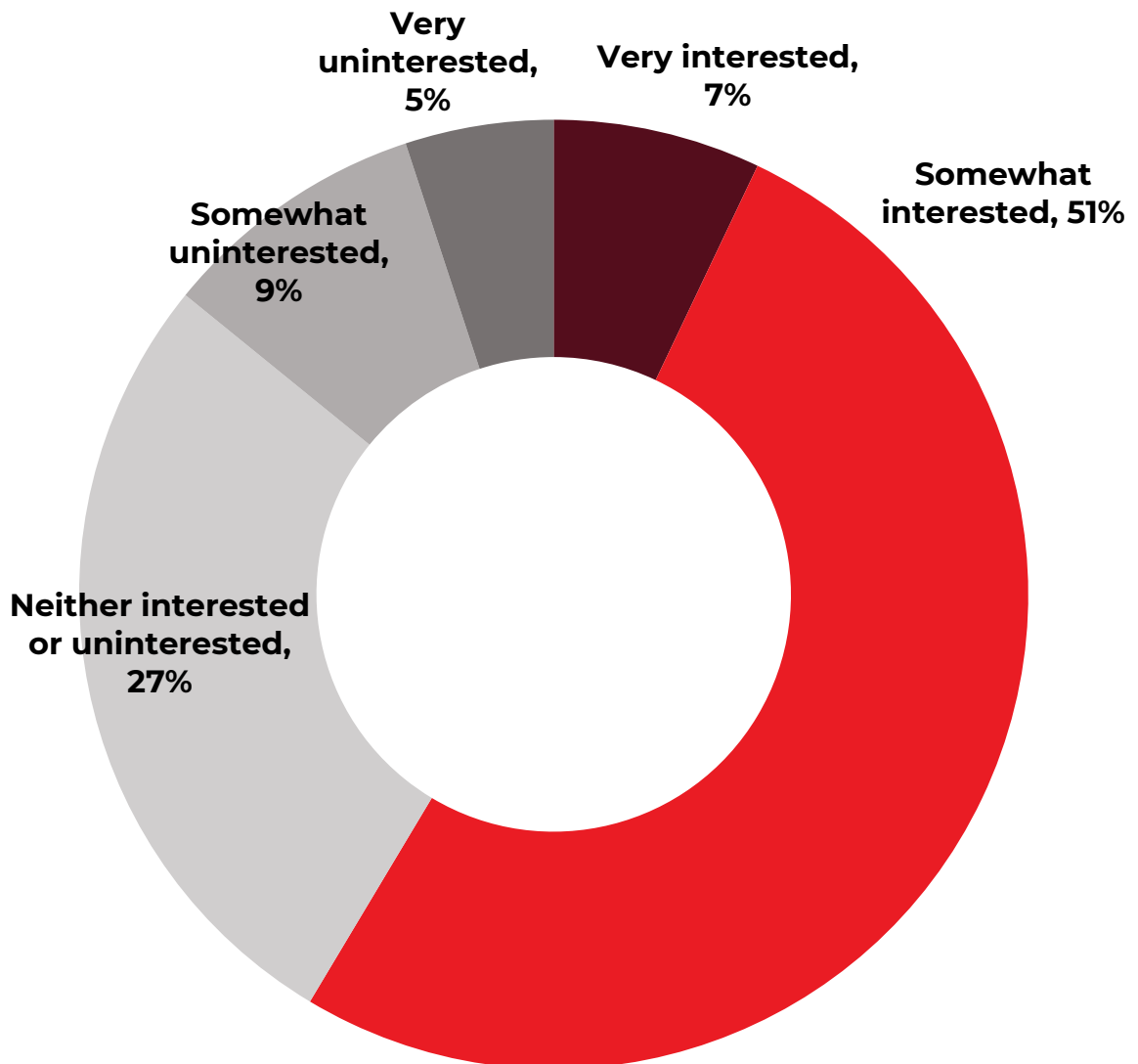


Note: Respondents were permitted to select as many responses as they felt applicable. The percentage distribution may therefore sum to more than 100 percent.

Perception of Client Interest in Sustainability

- Fifty-one percent of agents and brokers found clients were somewhat interested in sustainability, and seven percent were very interested.

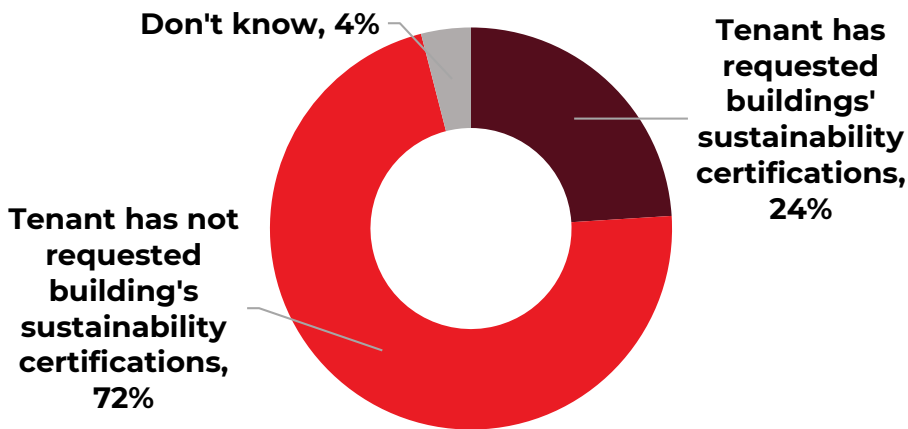
Perception of Client Interest in Sustainability



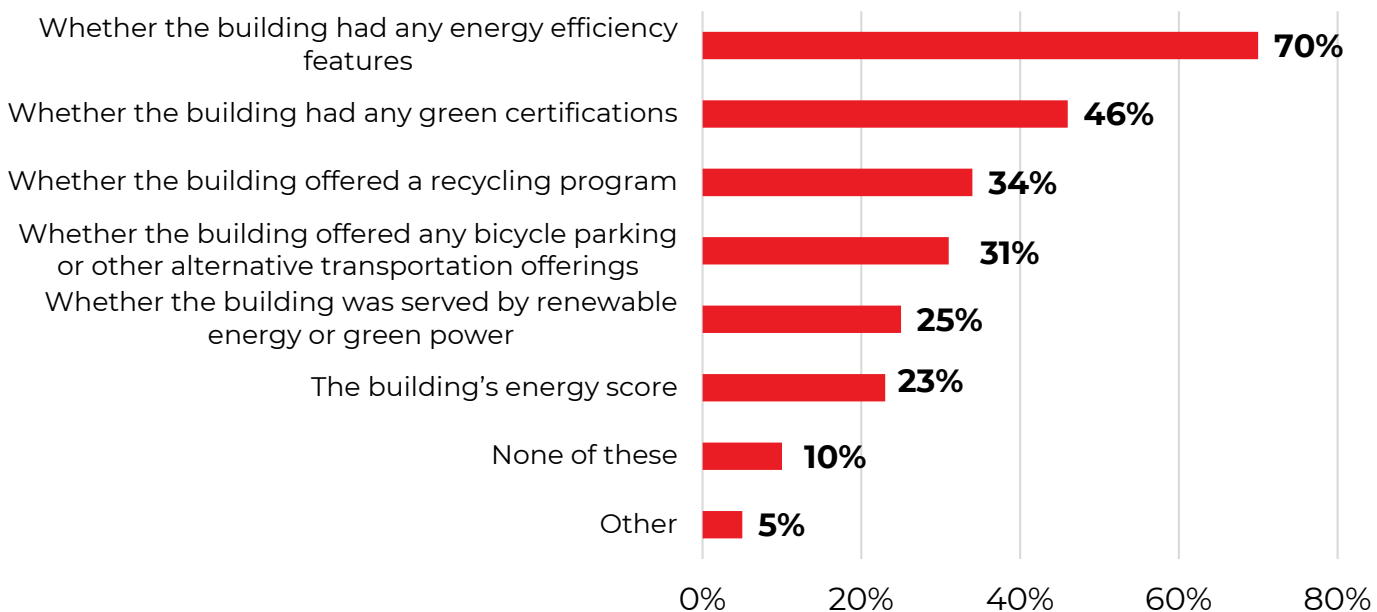
Buildings' Sustainable and Green Features

- Either as a landlord or tenant representative, 24 percent of respondents had requests from prospective tenants in an RFP or other pre-LOI documents asking for a building's sustainability certifications, green building features, or energy rating.
- Among those respondents who requested documents, 70 percent were energy efficiency information, 46 percent requested green certification information, and 34 percent requested recycling program information.

Requests About Buildings' Sustainable and Green Features



Buildings' Feature Requests

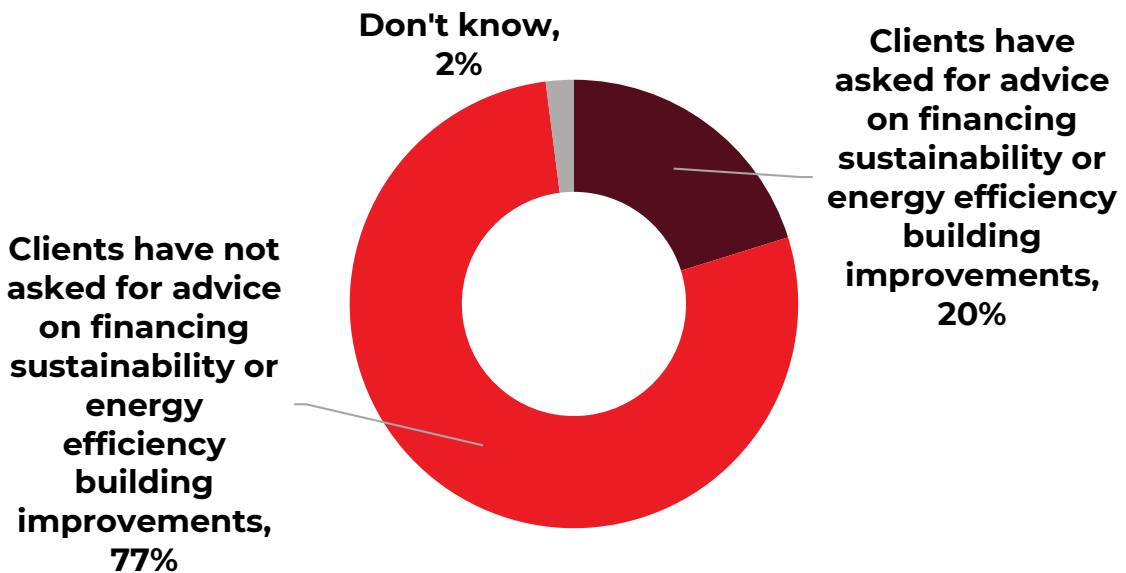


Note: Respondents were permitted to select as many responses as they felt applicable. The percentage distribution may therefore sum to more than 100 percent.

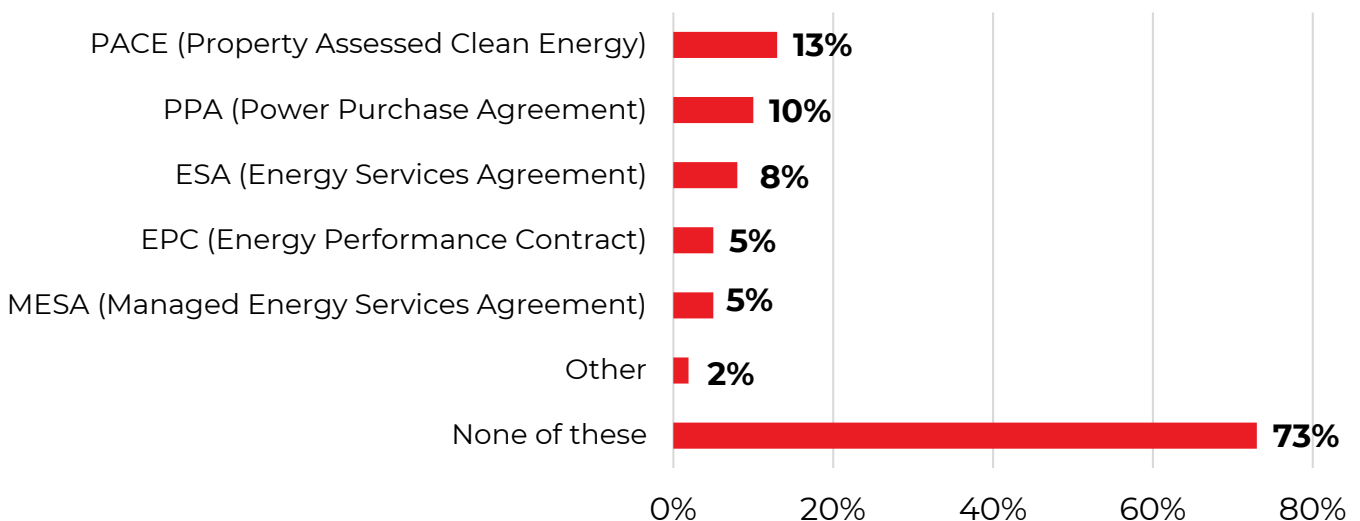
Financing Building Improvements

- Twenty-one percent of respondents had clients ask for advice on financing sustainability or energy efficiency building improvements.
- Among options for financing energy efficiency or renewable energy investments, respondents were most familiar with PACE (Property Assessed Clean Energy) at 13 percent, and PPA (Power Purchase Agreement) at 10 percent.

Advice on Financing Building Improvements



Familiarity of Financing Options



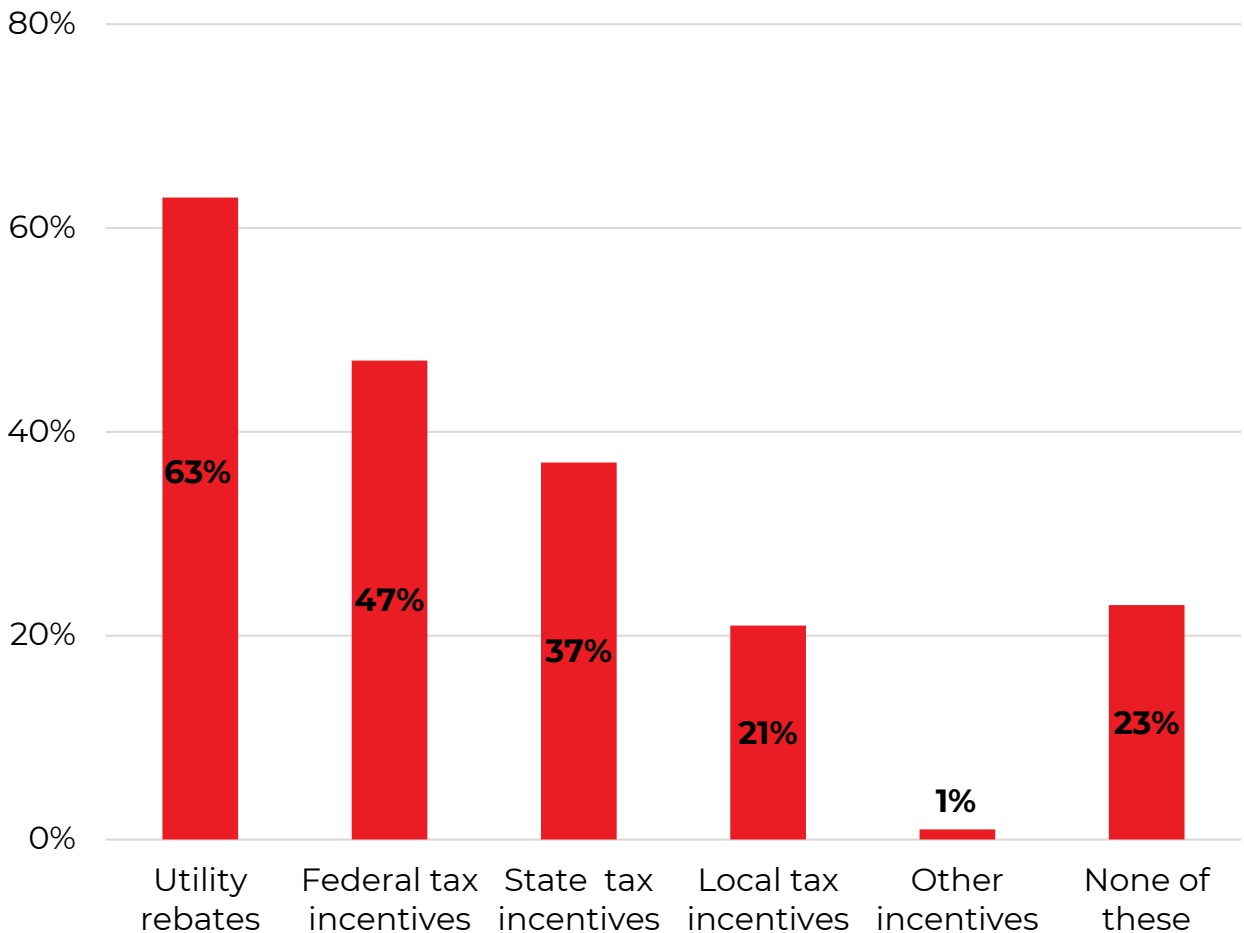
Note: Respondents were permitted to select as many responses as they felt applicable. The percentage distribution may therefore sum to more than 100 percent.

Energy Efficiency Incentives and Requirements

Among privately-owned buildings requiring energy benchmarking, ten percent of respondents were aware of city requirements, seven percent of state requirements, and four percent of county requirements. Thirty-six percent of respondents had clients who owned buildings that were subject to city, county, or state energy benchmarking requirements.

- Of the incentives and rebates available, respondents were most commonly aware of utility rebates (63 percent), federal tax incentives (47 percent), and state tax incentives (37 percent).

Energy Efficiency Incentives and Rebates

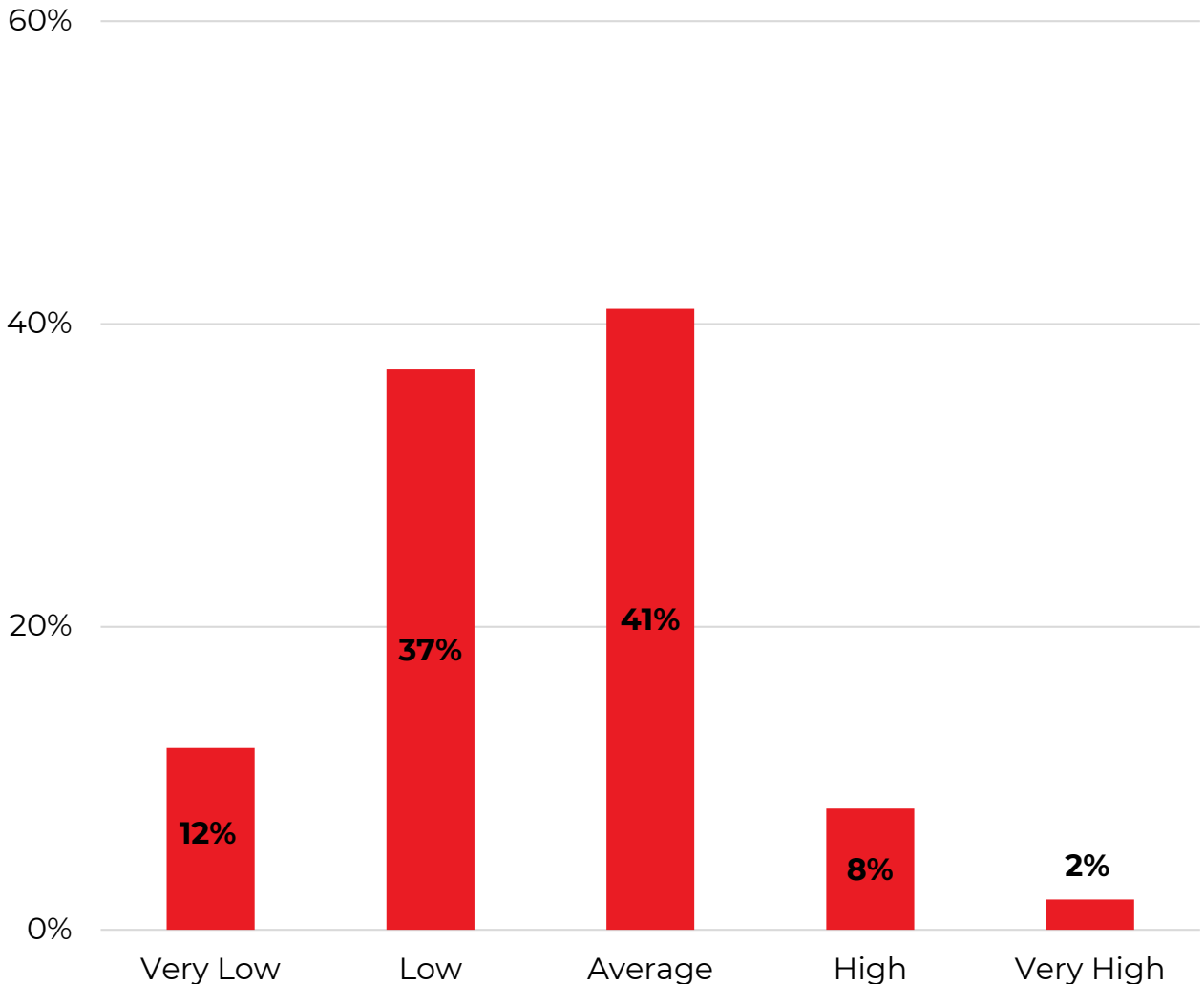


Note: Respondents were permitted to select as many responses as they felt applicable. The percentage distribution may therefore sum to more than 100 percent.

Knowledge of Energy Efficiency and Sustainability Management

- Respondents typically described their knowledge of energy efficiency and sustainability management for commercial properties as being average (41 percent), or low (37 percent).

Knowledge of Energy Efficiency and Sustainability Management



Regional Breakouts

CIE Green Data Fields in Listings

Region:	Northeast	Midwest	South	West
CIE green data fields included in listings	25%	18%	18%	25%
No CIE green data fields included in listings	38%	30%	37%	24%
Don't know	38%	52%	45%	52%

Green Building Certifications Affect on Property Values

Region:	Northeast	Midwest	South	West
Increase value	52%	35%	43%	42%
No effect	31%	32%	29%	32%
Decrease value	*	1%	1%	2%
Don't know	17%	31%	27%	25%

* -Less than 1%

Buildings' Time on Market with Green Certifications

Region:	Northeast	Midwest	South	West
Much more	1%	2%	3%	1%
A little more	8%	6%	3%	6%
Neither more or less	36%	30%	28%	30%
A little less	12%	10%	10%	9%
Much less	1%	*	2%	2%
Don't know	42%	54%	53%	52%

* -Less than 1%

Regional Breakouts

Value of Energy Efficiency Promotion in Commercial Listings

Region:	Northeast	Midwest	South	West
Very valuable	24%	19%	29%	25%
Somewhat valuable	58%	52%	46%	48%
Neutral	10%	19%	15%	18%
Not very valuable	2%	4%	4%	6%
Not at all valuable	2%	1%	2%	1%
Depends on the listing	3%	4%	3%	3%

Experience with Commercial Building Repurposing

Region:	Northeast	Midwest	South	West
Experience with Commercial Building Repurposing	48%	41%	40%	33%
No Experience with Commercial Building Repurposing	48%	51%	51%	58%

Client/Property Owner Interest in Sustainability Topics

Region:	Northeast	Midwest	South	West
Very interested	9%	7%	9%	7%
Somewhat interested	52%	52%	50%	52%
Neither interested or uninterested	24%	27%	26%	26%
Somewhat interested	10%	10%	10%	10%
Very interested	5%	4%	5%	5%

NAR Survey Respondents

- Among all of the respondents surveyed, the median age was 57 years— 31 percent falling into the age bracket between 55 to 64 years, 22 percent between 45 to 54 years, 21 percent between 65 to 74 years, and 14 percent between 35 to 44 years.
- The primary functions of survey respondents were sales agents at 51 percent, followed by broker-owners at 23 percent.
- Respondents have been active as real estate professionals for a median of 15 years.
- The regional distribution of survey respondents was highest in the South (33 percent), West (28 percent), and Midwest (26 percent), and lowest in the Northeast (13 percent).
- Forty-three percent of survey respondents worked 40 to 59 hours per week, followed by 31 percent who worked 20 to 39 hours.
- Fifty-two percent of survey respondents worked in suburban areas, followed by 38 percent in urban and central city areas, and 24 percent in small towns and rural areas.
- Eighty- six percent of respondents identified residential real estate as their primary business area, while 14 percent primarily work in commercial real estate.
- The median age among residential respondents was 56 years, and they had typically been active as a real estate professional for 15 years.
- Among commercial respondents, the median age was 61 years, and they had typically been active as a real estate professional for 25 years.

Methodology

In March 2020, NAR invited a random sample of 135,003 active REALTORS® to fill out an online survey. A total of 9,861 useable responses were received for an overall response rate of 7.3 percent. At the 95 percent confidence level, the margin of error is plus-or-minus 0.98 percent.

The primary measure of central tendency used throughout this report is the median – the middle point in the distribution of responses to a particular question or, equivalently, the point at which half of the responses are above and below a particular value.



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