

Partnering for Profits ⁰¹

Real estate agents, lenders and appraisers are on the front lines with home buyers. The savvy ones are learning that stronger relationships with builders can lead to more green homes sold. **BY JULIE KNUDSON**

The days of “us” and “them” are fading. Through old-fashioned relationship-building, along with new business practices that target green-conscious buyers, a growing number of real estate agents, appraisers and lenders have discovered they can boost their bottom line by partnering more closely with green home builders and sustainable community developers—and they’ll contribute to the growth of the green revolution while they’re at it.

Bridging the Industry Gap

Danielle Johnson, who holds EcoBroker and Healthy Home Professional designations and is broker and owner at Infiniti Real Estate and Development in Seattle, Wash., is making cross-industry partnerships a priority as she supports her community’s move toward greater sustainability. “The biggest benefit of our relationships with specific builders is staying up-to-date on new approaches, systems, materials and advances in certification programs within the green building field,” Johnson says. “The secondary benefit is being able to assist them—or clients they refer us to—when buying or selling a green home.”

Cultivating relationships across the green industry has expanded Anna Altic’s real estate business, too. “I have developed relationships with green builders, energy auditors, third party verifiers, green architects, green landscapers, city services such as recycling and local farmers’ markets,” she

says. Altic, an independent real estate professional at Village Real Estate in Nashville, Tenn., with EcoBroker, GREEN, and e-PRO designations, is a long-time promoter of the green building movement, and believes that agents and builders both benefit from stronger partnerships. “There is a real disconnect between the consumer and the builder,” she says. “Builders struggle with how to market features the average consumer can’t see or even fully understand, even though pricing is often at a premium.”

Lenders are also getting involved, whether it’s funding sustainable communities, green home purchases, or energy efficient upgrades to existing residences. Houston, Texas-based Green Bank enthusiastically embraces sustainability. “I believe there is strong support among lenders for green projects in general,” says Carolina Maynez, Green Bank’s commercial banking vice president. Her team networks with individual builders as well the Greater Houston Builders Association, and is currently financing some energy-efficient single-family homes in one of Houston’s most historic neighborhoods.

Al Medina, director of the National Association of Realtors’ Green Designation, says it’s important to “network within the green industry. This includes meeting community planners, developers/builders, architects, energy raters, and other green industry professionals.” He stresses that gaining the attention of green-savvy buyers requires the right networking and marketing, and says, “This network of contacts will



Photo: Danielle Johnson

This LEED Gold home by developer Rolling Bay Land Co. and architect Russell Hamlet includes solar hot water collectors in the back yard.

not only expose [agents] to the local green scene, but it is also a source of potential business.”

Connecting Buyers and Builders

The poor economy and tanking home values have pushed the green issue down on consumers’ priority lists, and Johnson reports that sustainability no longer ranks as a primary concern for most of today’s home buyers. “Price and location are back on top, but if a green option exists and the home fits their needs amenity-wise, it will definitely be a top pick.” Agents and lending organizations are often the link between home buyers and green builders, and experts say that crafting a sustainability message that gets attention in the current economic environment requires good collaboration. “Green builders and developers definitely appreciate our focus on sustainability,” Johnson says. “They know we understand what they’ve built, and are confident in our ability to convey their story—and the features and benefits of their project—to all potential buyers.”

According to John Beldock, the

executive director of the Association of Energy and Environmental Real Estate Professionals, which awards the EcoBroker designation, consumers may see “green” as a loaded or overused term, and are now being more cautious about using sustainability as a comparison tool when shopping for homes.

“The good news is that we’re constantly hearing our membership report that people prefer better homes, better quality, better operating costs and health-sensitive features,” he says. “This bodes well for the high-performance building industry, where energy and environmental features in residential buildings can now often be found in the same price points as those homes with less focus on performance, health and safety and comfort.” Frequent and ongoing exposure to buyers’ questions and concerns gives agents a valuable perspective on which green home features pluck the “buy” chord, insight that may help builders fine-tune their offerings. Among the amenities likely to appeal to sustainability-minded consumers, Altic says that “incorporating innovative design

Tacoma Housing Authority's 91-unit development, Salishan 7 (right), in the state of Washington, was the 10,000th home to earn LEED certification.

features such as systems for easy recycling of everything from household trash to electronics" are attractive points, along with "systems for rain catchment, composting, vegetable gardening, storing bicycles and managing phantom power." She believes these features strike a good balance between builder costs and consumer demand, as they are likely relatively inexpensive to incorporate, but would boost the "cool" factor for consumers and generate more traction for builders.

Green-Focused Services

Agents and appraisers hoping to garner more green-conscious clients might look to



Johnson's in-depth service offerings, which go beyond what buyers have traditionally expected from agents. "We offer healthy home assessments, third-party energy audits, and a homeowner's maintenance guide to all our buyers," Johnson says. "We also have an extensive list of professionals we can refer them to for everything from sustainable moving companies to solar installers." The assessments and audits her team provides help buyers to understand how a green home's features, such as incorporation of natural light, use of low-VOC finishes, and efficiencies through passive solar heating, will affect their long-term energy and maintenance costs, as well as what kind of health and comfort buyers can expect from their home.

Going the extra step may be a determining factor in how seriously buyers view an agent's commitment to sustainability. Altic helps clients evaluate local statistics to determine how green homes are performing in a particular area, along with identifying which features are fetching higher prices and quicker sales. She also weaves a lifestyle of sustainability into other aspects of her sales approach. "This year I have incorporated a bicycle into my transportation plan," she says, "and can take buyers out on bike to view homes and evaluate a neighborhood in terms of how pedestrian-friendly it is."

A Darker Shade of Green

Lending organizations interested in becoming more involved in the green revolution should look to their core values for guidance. "A key part of Green Bank's culture is our commitment to support sustainability projects and make a difference within our community," Maynez says. She suggests that other lenders keen to become players in the green market take a practical approach. "Get familiar with the various

GREEN YOUR EDUCATION

> Number of Green (NAR) designations:

7,000

> Number of EcoBroker (AEEREP) designations:

6,000

A number of different organizations offer ongoing education and designations that can boost an agent's or appraiser's knowledge level and credibility among buyers. "When I began my real estate career in 2004, there were no 'real estate' designations or classes, so I joined the only real estate brokerage in the Pacific Northwest that specialized in green homes," Johnson says. "We approached many local green builders to find out what they needed as far as green home sales and marketing, and developed real estate tools to support those needs. We also familiarized ourselves with green home certification checklists (Built Green and LEED), and how builders were using them." Johnson later became a certified EcoBroker, took the American Lung Association's Master Home Environmentalist and Healthy House (for professionals) training, and attended a LEED class. Her real estate partner took classes through a local organization for an additional designation "to be certain we were covering all of the bases." When new continuing education classes with a sustainable focus are offered, they take them, too.

Classes and designations are available through several nationwide channels, including the National Association of Realtors (NAR), the Association of Energy and Environmental Real Estate Professionals (AEEREP), and the USGBC, along with a host of regional organizations.

EcoBroker
THE GREEN DESIGNATION™



programs that support green initiatives at local, state and national levels," she says.

Focusing on green real estate may seem overwhelming—there are a wide variety of professional designations available, dozens of organizations to join and a lot to learn—but Johnson says that a genuine inner passion can help guide you. "Find out what it is about sustainable building and green homes that really speaks to you, and focus on learning more about that," she says. "When you are passionate and knowledgeable, that authenticity will attract the kind of clients you really enjoy working with."

Altic echoes the importance of being genuine when she describes her connection to her clients. "The bulk of my buyers have found me online because my core values resonate with them," she says. "Often they aren't in the market for a green home, but upon learning more about options in their price point, [they] are more than willing to go in that direction." Even when sustainability isn't a top priority, clients can envision a green home as part of a more efficient and environmentally-friendly lifestyle.

RETROFIT INCENTIVES

Homeowners interested in energy efficient remodels as a way to boost a home's value or shorten the time it's on the market may find that financial help is available. "There are a number of states and utilities that are rolling out energy-efficient retrofitting programs with financial incentives for participants," Altic says. "This could be a tremendous tool for realtors, contractors and lenders in terms of informing their clients about the option of getting up front monies at a very low interest rate to make the retrofits." Real estate agents and lenders can partner with local utilities and municipalities to better understand the options available in their area.

64% of households associate the Energy Star label with "efficiency or energy savings."

*Source: EPA Office of Air and Radiation, Climate Protection Partnerships Division. National Awareness of ENERGY STAR® for 2010: Analysis of 2010 CEE Household Survey. U.S. EPA, 2011.

NETWORKING FAR AND WIDE

Sustainability groups across the country offer real estate agents, lenders, and appraisers the opportunity to connect with other like-minded professionals. Local chapters of national organizations provide face-to-face networking events and educational offerings, while regional groups give members the chance to focus on issues that affect them specifically. "Being part of the Northwest EcoBuilding Guild community gives me access to ongoing educational events, and networking and collaboration opportunities with green builders, architects and other related professionals in Seattle," Johnson says. Many groups encourage cross-industry networking through partnerships and co-sponsored events. Ongoing education, workshops and conferences add to the value of memberships in these organizations and give professionals greater exposure to others in the field.



Attendees at the 2010 Greenbuild conference and expo.