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Demand for green certified homes in Massachusetts more than doubles in 2013

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Rising energy prices and a shift in home-buyer priorities caused sales of green-certified homes to jump 110% last year, even as low inventory meant fewer homes were available overall, according to RE/MAX Leading Edge's second annual Report of Energy Efficiency, Valuation of High-Performance Homes & Market Transformation on Massachusetts Residential Real Estate.

The report by Craig Foley, chief of energy solutions at RE/MAX Leading Edge, found that buyers wanted homes that were energy-efficient and had been built with sustainable, healthy building materials. In fact, the market is shifting so swiftly and dramatically in favor of green-certified homes that Foley believes the number of green home sales was under-reported because not all real estate agents are aware of the benefits of high-performance homes. But buyers are paying attention.

In a year when energy prices spiked and the Federal Emergency Management Agency redrew flood maps, rapid growth of green-certified properties was clearly evident.

The report found evidence that real estate agents and brokers are struggling to handle the complexities of green-certified listings:

In 2013, agents and brokers may have under-reported sales of green-certified single-family properties in Massachusetts by 1.5 times. Evidence suggests that 200 additional single-family sales should have been reported as green-certified properties. Data from Massachusetts predominant multiple listing service MLS PIN says that 128 single-family homes were sold with a green certification in 2013.

It is likely that 48% of LEED-certified condominiums were under-reported in MLS PIN Massachusetts sales in 2013.

The evidence suggests that listing agents may have under-reported green condominium sales by a ratio of nearly 2 to 1 in Massachusetts in 2013.

For new construction condos, the ratio of under-reporting was 3.5 condo sales for every 1 whose listing agent correctly used MLS PIN's data entry.

'Solar feature' is one of the green data fields in MLS PIN. There was no clear evidence of what may be traditionally termed a 'solar feature' in 39% of the 192 listings that used this data field as a selling point in 2013. This may be evidence of listing agents over-representing a home's green features. This is an increase from the 28% that may have used this feature inappropriately from our 2012 study.

Evidence of the lack of accurate reporting of green-certified single-family homes and condominiums threatens the growth of the emerging high-performance home marketplace. Accuracy of all data fields by listing agents is vital to a healthy marketplace. Potential home buyers, and their real estate agents, depend on the accuracy of listing data when considering an investment in real estate. Appraisers and bank underwriters depend on accurate information in the local multiple listing service

when evaluating the buyer and banks' exposure in the transaction. Market transformation to homes that are more energy-efficient and built with sustainable, healthy building materials will be made more difficult if the findings in this report cannot be addressed.

The Overview of 2013 Initiatives to Support Market Transformation section of the report gives ample evidence of both national and state momentum toward support of market change. The report's evidence of under-reporting of green-certified housing sales suggests that there are many challenges still in front of the industry.

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New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540