DOE Zero Energy Ready Home[™]

U.S. DEPARTMENT OF

Energy Efficiency & Renewable Energy



The Appraisal Process: Be Your Own Advocate

SAM RASHKIN Chief Architect Building Technologies Program

DOE Zero Energy Ready Home & the Appraisal Process

You've joined the leadership movement to zero net-energy ready homes with your commitment to the DOE Zero Energy Ready Home™ program (formerly DOE Challenge Home). Congratulations on providing your homebuyers with the highest performing homes in the nation. After the sale, it's time to optimize the appraisal process by following these three steps:

- 1. Provide DOE Zero Energy Ready or Challenge Home documentation
- 2. Only accept a Certified Residential Green Appraiser
- Download, complete and provide a competent appraiser with the Green & Energy Efficiency Addendum



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Step One: Document Your Third-Party Certification

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A wide array of programs qualify as green or energy efficient including the DOE Zero Energy Ready Home program. Use the DOE Zero Energy Ready Home or DOE Challenge Home Verification form to document compliance with the program.

DOE Challenge Home Verification

Projected Rating: Based on Plans - Field Confirmation Required.

House Type	DOE Challenge Home Builder Partner ID#				
Single-family detached	12345				
Year built	Square footage of Conditioned Space including Basement				
2013	3968.0				
Number of Bedrooms	Square footage of Conditioned Space without Basement				
4	2368.0				
Site address (if not available, list the site Lot #)	Registered Builder				
555 Main Street					
Cold City	Certified Rater				
MN, 20853					
HERS Index without On-site Generation	Date of Rating				
46					
HERS Index with On-site Generation	Rating Software				
46	REM/Rate - v14.2				
HERS Index of the Target Home using size adjustment factor	Estimated annual energy costs(\$)				
46	1372				
Estimated annual energy use	Estimated annual energy savings				
Electric: 10825 kWh \ Natural Gas: 773 Therms	Electric: 4081 kWh \ Natural gas: 1171 Therms				
Energy cost rates	Estimated annual emissions reductions				
Electric: 0.08 \$/kWh \ Natural Gas: 0.50 \$/Therms	CO2: 10.2 tons / SO2: 16.4 lbs / NOx: 31.2 lbs				

X Compliance with Mandatory Fenestration Requirements X Compliance with Mandatory Fenestration Requirements X Compliance with Mandatory Insulation Requirements X Compliance with Mandatory Duct Location Requirements X Compliance with Mandatory Appliance Requirements X Compliance with Mandatory Lighting Requirements X Compliance with Mandatory Appliance Requirements X Compliance with Mandatory Indoor Air Quality Requirements X Compliance with Mandatory Indoor Air Quality Requirements X Compliance with Mandatory Renewable Energy Ready Solar Electric Requirements X Compliance with Mandatory Renewable Energy Ready Solar Hot Water Requirement X Compliance with Mandatory Renewable Energy Ready Solar Hot Water Requirement This home was qualified via sampling in lieu of testing, in accordance with allowable DOE Challenge Home National Program Requirements	klists								
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This home was qualified via sampling in lieu of testing, in accordance with allowable									
	ts								
	e sampling provisions as stated in the								
Optional Compliance for Builder Recognition									
I further certify that the following also apply to this house:									
YES NO DON'T Optional Home Builder Commitments for Recognition									

X Certified under the EPA Indoor airPLUS Program*
*Certification under the DOE Challenge Home permits limited exceptions to full compliance with Indoor airPLUS. Builders seeking

KNOW

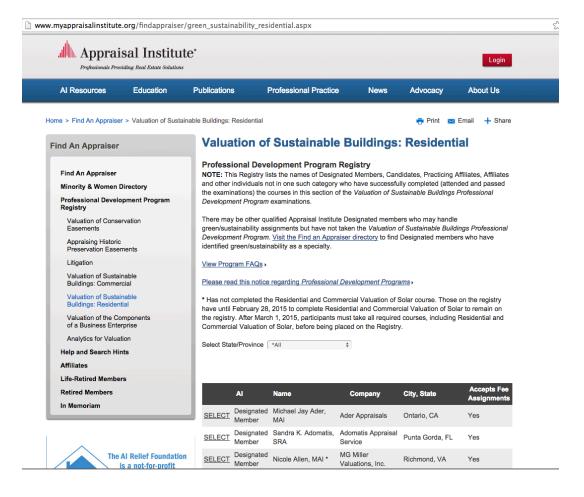
the Indoor airPLUS label must achieve full compliance with the Indoor airPLUS Verification Checklist.

REM/Rate - Residential Energy Analysis and Rating Software v14.2

This information does not constitute any warranty of energy cost or savings. © 1985-2013 Architectural Energy Corporation, Boulder, Colorado.

Step Two: Only Accept a Certified Residential Green Appraiser

Understand your right to a competent appraiser. In many markets you are eligible to specify with the lender that you will only accept an appraiser from the Certified Green Residential Appraiser List. These appraisers have been trained to recognize the value of high-performance home improvements in your DOE Zero Energy Ready Home.



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Step Two: Only Accept a Certified Residential Green Appraiser

TIP: If you are selling through a real estate agent, know the green MLS fields and contract language. This helps you to avoid the risks associated with green-washing and helps to support the valu of green and energy efficient homes by creat easier to find comparable homes.

http://www.greenresourcecouncil.org



The following is a list of green entry fields, guidelines and best practices organized by MLS system. The list was compiled prior to the Green MLS Implementation Guide's launch and therefore these examples are not all RETS-compliant.

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AL-Baldwin County MLS Inputs (PDF 98KB)

AZ-Green Valley Sahuarita Green MLS Inputs (PDF 198KB) AZ-Tucson MLS Green Plans (PDF 348KB) AZ-Phoenix MLS Green Plans (PDF 91KB)

CA-Santa Barbara MLS Inputs (PDF 434KB) CA-SoCal MLS Inputs (PDF 219KB) CA-Tuolumpe County Green MLS Inputs (PDE 105KB) **Energy Efficiency &**

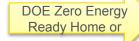
Step Three:

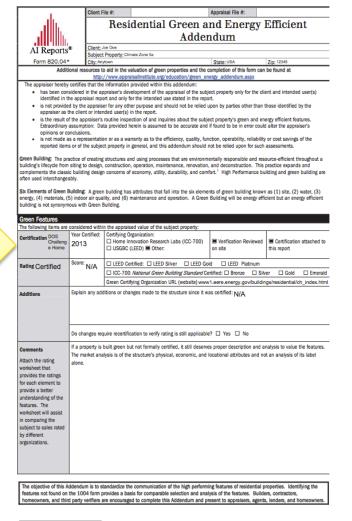
Download the Addendum



The Appraisal Institute has developed an official form for documenting high performance home improvements and their value. Download Form 820.04: Residential Green and Energy Efficient Addendum at:

http://www.appraisalinstitute.org/assets/ 1/7/ai-residential-green-energy-effecientaddendum-2.pdf





¹ U.S. Environmental Protection Agency at www.epa.gov/greenbuildings/pubs/about.htm.

*LOBGC: The Special installar publicities this first for a by specializes where the approvale dense sue of the form approximation grant provide and the set of the se

Complete the Addendum

Client:	Joe Doe	Joe Doe					Client File #	t:			
Subject Property:	Climate Zor	Climate Zone 5				Appraisal F	Appraisal File #:				
ENERGY EFFICIENT	ITEMS										
The following items are	considered within	n the app	praised val	ue of the subj	ect	property:					
Insulation	🗆 Fiberglass Blown-In 🔳 Foam Insulation 🗖 Cellulose 🗖 Fiberglass Batt Insulation						ulation				
	Other (Descrit)							□ _{Walls} 35			
	Basement Ins	ulation (Describe):	High Der	ISIt	y SPF			Ceiling 49		
	HERS Insulati	on Instal	led Rating	: 01 02	2	3 (See Glossar	v)		Floor	30	
Envelope	Envelope Tightness: 1.25 Unit: CFM25 CFM50 EACH50 ACHnatural									ACHnatural	
	Envelope Tig			lower Door Tes	it						
Water Efficiency	Reclaimed Wa (Explain);	ater Systi	em					Location	n of cistern	ic .	
				Cistern	- Si	ze: Gallons					
	Greywater reu WaterSense®		m	Rain Br	urrok	s Provide Irrigation		-			
Windows	ENERGY	Low	c.	High Impa		Storm	Double Par		ntori	Solar Shades	
mildons	STAR®		r Tubes -	Other (Exp			Triple Pane	1		E ENERGY STAR	
Day Lighting	#:	#:	ir tubes -		Jiain	ı):				Light Fotures	
Appliances	ENERGY STAR® Appliances:		Water He			pliance Energy So Propane		latural Ga			
	E Dishwasher		Heat I			Other (Describe):			15		
	Refrigerator a Other: a	Refrigerator all		ess 🗆 Coil Gal							
		es	Size.	Gal.							
HVAC (Describe	High Efficience	y HVAC	Heat I Efficiency								
in Comments Area)	SEER: 14			y Kaung.	Thermostat/Controllers				Passive Solar		
	AFUE* 95									(Defined in Glossary)	
	*Annual Fuel-Uti Efficiency	lization	SEER:	, ,							
	Efficiency EER:										
	Programmable Thermostat				Radiant Floor Heat				Geothermal		
Frank Dallard	ENERGY STAR	^e Home	- Version:		-						
Energy Rating	Evenus Stand Provine - Version: 3 Other (Describe):										
	Home Energy Score (HES) (Score range 1-10): 46										
	Certification A	ttached									
	Indoor Air PLL	Air PLUS Energy Recovery Ventilator Unit or Whole Building Ventilation									
Indoor Air Quality	Package		System						Non Toxic Pest Control		
HERS Information	Rating: 46 Monthly Energy Savings on Rating: \$18.50								Date Rated: 5/15/13		
Utility Costs	Average Annual I	Jtility Co	st: \$ 14	1 per	mo	nth based on: RE	M/rate		# of Occu	pants: 4	
Energy Audit N/A	Infrared Photo	graph A	ttached								
	Has an energy audit/rating been performed on the subject property? Yes No Unknow							own			
	If yes, comment										
Comments	Information was	provided	by: Rate	er's Name	ar	nd Company					
(Include source for information provided											
in this section)						e reports, fille					
Attach documents or						enewable rea / home solar		olar el	lectric a		
reference them in			. one)						
your workfile											
The energy element											
is the most measurable element											
of green or high											
performance housing.											

Complete the form and provide a copy to the appraiser as guidance to ensure that all the high-performance features of your DOE Zero Energy Ready Home are included in the final report.

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In the forthcoming guide, A Blueprint to Unlock the Value of the Energy Efficient Home (2013), the CNT Energy and the National Home Performance Council note that energy efficiency programs can complete the form in the Addendum format to provide a record of the project.

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Complete the Addendum



Unlocking the Value of an Energy Efficient Home

A Blueprint to Make Energy Efficiency Improvements Visible in the Real Estate Market In A Blueprint to Unlock the Value of the Energy Efficient Home (2013), the CNT Energy and the National Home Performance Council note that energy efficiency programs can complete the form in the Addendum format to provide a record of the project.

http://www.elevateenergy.org/wp/wp-content/uploads/ Unlocking_the_Value_of_an_Energy_Efficient_Home_ FINAL.pdf

August 2013

CNT Energy National Home Performance Council

Provide your appraiser with the Addendum



Energy Efficiency & Renewable Energy

Now it's in the hands of the appraiser, but you have maximized your opportunity for an appraisal that recognizes the value of your high-performance home.

Client:	Joe Doe Client Fil							
Subject Property:	Climate Zone 5					Appraisal File #:		
Solar Panels								
The following items are co	insidered with	in the appraised	value of the sub	ject property:	RENEWAB	LE READY HOME		
Description N/A	Array #1	Leased	Array #2	Leased			Solar Thermal Water	
Description IV/A	Anay #1	Owned	Alldy #2	Owned	Description		Heating System	
kW (size)					If Active	System - type	Direct Indirect	
Manufacturer of Panels					If Passive System - type		Integral collector Thermosyphon	
Warranty on Panels					Storage	Tank Size	# Gallons:	
Age of Panels					Collector Type		Flat-Plat Collector Integral Collector	
Energy Production kWh per Array							Evacuated-Tube Solar	
Source for Energy Production Estimate					Back-U	o System	Conventional Water Htr Tankless On Demand Tankless Heat Pump	
Location (Roof, Ground, Etc.)					Age of S	System		
Tilt/Slope for Array					Warrant	y Term		
Azimuth per Array					Manufa	cturer		
Age of Inverter(s)					Solar Energy Factor (SEF) (Rating range 1 to 11 - higher number is more efficient)			
Manufacturer								
Warranty Term								
Name of Utility Company:			Cost per kWh c	harged by Cor	mpany:	\$ /kWh		
Comments (Discuss incentives available for new panels, condition of current panels, and any maintenance issues. If leased, provide the lease terms.)	etc.					rces, such as wind, h and thermal.	ydropower, biomass power,	
A free online tool and manual for valuing the energy production of the Solar PV System is available at www.pvvalue.com								
Download the PV Value™ Manual for explanation of the solar terms on this form and inputs used in the PV Value Tool.								

provide a second s ed to provide additional data, analysis and work product not called for in this form. The Appraisal institute plays no role in completing the form and disclaims any responsibility for data, analysis or any other work product provided by the individual appraiser(s). idential Green and Energy Efficient Addendum C Appraisal Institute 2013, All Rights Reserved January 2013

Residential Green and Energy Addendum

Client:

Client File #:



Joe Doe Subject Property: Climate Zone 5 Appraisal File #: Location - Site The following items are considered within the appraised value of the subject property: Walk Score N/A Score: (Example: ht //www.walkscore.com) Public Transportation Bus - Distance: Blocks Train - Distance: Blocks Subway - Distance: Blocks Orientation - front face andscaping North/South Water Efficient Natural East/West DOE Challenge Home certification concentrates only on the actual physical building and its high performance aspects. **DOE Zero Energy Ready Home**

	t of Incentive and Terms considered within the apprais	sed value of the su	bject property:		
Federal					
State					
Local					
Source (For example www.dsireusa.org)					
Comments Incentives offset cost and should be reported in the cost approach section of the report. Incentives are typically not a sales comparison approach concession since they do not transfer with the property.					
Completed by: Build	der or Rater		Title: GC or Ra	ter	Date: 5/15/13

need to provide additional data, analysis and work product not called for in this form. The Appraisal Institute plays no role in completing the form and disclaims any responsibility for the data, analysis or any other work product provided by the individual appraiser(s). Al Reports* AI-820.04 Residential Green and Energy Efficient Addendum © Annoxical Institute 2013, All Rights Reserved January 2013

Client File #: Client: Subject Property: Appraisal File #:

> Residential Green and Energy Efficient Addendum Glossary and Resources

ICC-700 National Green Building Standard (NGBS): An ANSI-approved residential green building standard developed by the National Associatio of Home Builders (NAHB) and the International Code Council (ICC). It is applicable to single and multifamily projects, renovations and additions and residential land development. To comply, all buildings must incorporate sustainable lot development techniques and address energy, water & material resource efficiency and indoor environmental quality. Also, all owners must be educated about building operation and maintenance. Certification to the NGBS is provided by the Home Innovation Research Labs. http://www.nahb.org/page.aspx/generic/sectionID=2510 or http://www.homeinnovation.com/

LEED: Leadership in Energy and Environmental Design is redefining the way we think about the places where we live, work and learn. As an backet cooking and the second se second sec http://www.usgbc.org/DisplayPage.aspx?CMSPageID=1988

Energy Stare: ENERGY STAR certified new homes must meet strict energy efficiency guidelines set by the U.S. Environmental Protection Agency. These homes are independently verified to be at least 15% more energy efficient than homes built to the 2009 International Energy Conservati Code (IECC), and feature additional measures that deliver a total energy efficiency improvement of up to 30 percent compared to typical new homes and even more compared to most resale homes. http://www.energystar.gov/index.cfm?c=new_homes.hm_index

Home Energy Score (HES): The Home Energy Score is similar to a vehicle's mile-per-gallon rating. The Home Energy Score allows homeowners to compare the energy performance of their homes to other homes in the area. It also provides homeowners with suggestions for improving their homes' efficiency

The process starts with a home energy assessor collecting energy information during a brief home walk-through. The assessor then scores the home on a scale of 1 to 10, with a score of 10 indicating that the home has excellent energy performance. A score of 1 indicates that the home needs detained energy improvements. In addition to providing the score, the home energy assessor provides the homewer with a list of encommended detained energy indicates that the score. energy improvements and the associated cost savings estimates. http://www1.eere.energy.gov/buildings/residential/hes_index.html

HERS Index: The Home Energy Rating System (HERS) Index is the Industry Standard by which a home's energy efficiency is measured. It's also the nationally recognized system for inspecting and calculating a home's energy performance. http://www.resnet.us/hers-index This Index is assessed by a qualified third party certifier based on the physical characteristics of the house. The energy estimates from this assessment may vary depending on the lifestyle of the occupants, increasing utility expenses, and changes in the maintenance or characteristics of the energy

Building Envelope: The building envelope is everything that separates the building's interior from the exterior. This includes the foundation, exterior walls, roof, doors and windows

Geothermal: A geothermal heat pump uses the constant below ground temperature of soil or water to heat and cool your home. http://energy.gov/energysaver/articles/geothermal-heat-pum

Low-E: Low emittance indicates a coating is added to the glass surface. The coating allows visible light to pass through the glass while stopping the radiant heat energy from the sun and heat sources in the building from passing through the glass. Approximately 40% of the sun's harmful ultra violet rays are blocked and insulation enhanced.

Whole Building Ventilation System: A whole building ventilation system assists in a controlled movement of air in tight envelope construction and may include air-purifying systems. Whole building ventilation equipment is often a part of the forced air heating or cooling systems

Energy Recovery Ventilation System: Often called Heat Recovery Ventilators (HRV). These systems replenish the indoor air without wasting all the energy already used to heat the indoor air. In some climates, these systems are also used to handle water vapor in the incoming air.

Passive Solar: Passive solar is technology for using sunlight to light and heat buildings with no circulating fluid or energy conversion system. http://redc.nel.gov/sola//glossary A complete passive solar building design has the following five elements: (1) aperture (collector) (2) absorber (3) thermal mass (4) distribution (5) control. http://www.nel.gov/docs/fy01osti/27954.pdf

SEER: Seasonal energy efficiency ratio - The higher the SEER rating, the more energy efficient the equipment is. A higher SEER can result in lower energy costs. http://www.energystar.gov/index.cfm?c=tax_credits.tx_definitions&dts=ssps,mcs,seer,e

Water Sense: EPA released its Final Version 1.1 WaterSense New Home Specification. This specification will be effective January 1, 2013 and establishes the criteria for new homes labeled under the WaterSense program and is applicable to newly constructed single-family and multi-family homes, http://www.epa.gov/watersense/new homes/homes final.html

Water Heaters: Solar, Heat Pump, Tankless On Demand or Tankless Coil water heaters are described at the following location: http://energy.gov/energysaver/articles/solar-water-heaters.

Green Certifying Organizations: A partial list of organizations can be found at: http://www.usebc.org/ShowFile.asox?DocumentID=2001

HERS Insulation Installed Rating: Rating 1 is the best with 3 the lowest rating. http://www.resnet.us/standards/Enhancements_to_National_Rating_Standards.pdf

SAVE Act: The SAVE Act is proposed legislation to improve the accuracy of mortgage underwriting used by federal mortgage agencies by ensuring that energy costs are included in the underwriting process. http://www.imt.org/finance-and-leasing/save-act

NOTICE: The Approxisal Institute publishes this form for use by appraisers where the appraiser deems use of the form appropriate. Depending on the assignment, the appraiser in need to provide additional data, analysis and work product not called for in this form. The Appraisal Institute plays no role in completing the form and disclaims any responsibility the data, analysis or any other work product provided by the individual appraise(s). Al Reports Al-820.04 Residential Green and Energy Efficient Addendum © Appraisal Institute 2013, All Rights Reserved

January 2013

10 | INNOVATION & INTEGRATION: Transforming the Energy Efficiency Market



Thank You

Questions?

For More Information:

http://energy.gov/eere/buildings/zero-energy-ready-home

e-mail Contact: zero@newportpartnersllc.com

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Buildings.Energy.gov