

MRED AND THE TRUE COST OF HOME OWNERSHIP

By Jeff Lasky, MRED Director of Communications and Training

Midwest Real Estate Data (MRED), Chicagoland's multiple listing service (MLS), was formed six years ago. Our customers are real estate brokers. It is our job to facilitate the buying and selling of real estate. A significant part of that is to make sure our customers have as much information as possible so that their clients can make the right decisions – whether selling or buying.

One critical piece of information is “the true cost of ownership”. What really makes up the bundle of expenses that goes into owning and maintaining a property? What is the expected versus real return on your investment (ROI) when you eventually sell the property?

As we come up on Earth Day, April 22nd, the facet of “true cost of ownership” I would like to focus on is the identification of the “green” features of a property. Studies show that green homes might sell for more initially, but in the long run would have a lower cost of ownership, particularly in the area of utility costs.

How does MRED assist brokers in marketing green homes? We are a little different than some other MLSs who have added detailed technical green features to their listings. We did not want to require Realtors® to become green experts and assume liability for reporting specialized data with which they might not be familiar. Instead we choose to identify those properties that have been certified – HERS and LEED, for example – and then allow our customers to attach the certification documents so that anyone viewing the property can see the report.

We also don't want to support “greenwashing” – that is, describing a property as “green” just because one of the appliances bought 10 years ago is labeled energy star. We feel it is better to leave it up to the experts to certify the property and allow our customers to report that as another fact about the property.

Our compliance department views all listings marked as “green” and checks to make sure that the proper certification documents have been uploaded.

Also available in our MLS system (connectMLS™) in online fillable format is the Sustainable Real Estate Alliance (SREA) Green Disclosure. Each applicable green or high performance feature is checked and the completed form is uploaded as part of the listing. For further assistance, MRED maintains a SREA Green Disclosure Glossary. To access these two documents, please log in to connectMLS™ and click on the “MRED Listing Forms, etc.” link under the forms tab.

The Appraisal Institute has created a form specifically for use by appraisers – The [Residential Green and Energy Efficient Addendum](#) which can also be attached to the listing record within connectMLS.

We have witnessed a gradual increase in the number of homes that have included green features and certification. Maybe not as many as one might expect, but slowly growing. I think the next wave of homeowners – mainly a younger and more socially conscious base – will focus more on the greening of real estate and you will see an increased emphasis on high performance homes.

The news of increases in new homes being built will enhance this as well because most homes being built today have some form of green characteristics.

Recently we began working with the Mayor's Office of the City of Chicago to assist with the reporting of utility costs as part of the transaction. We worked with Elevate Energy and their MyHomeEQ project to automate the collection and reporting of utility data for properties in the city. Obviously in a climate like ours with extremes of heat and cold, utility costs are important. It all ties in with our true cost of ownership goals – it would not be fair or ethical to sell a house to a qualified buyer only to learn that utility costs and homeowners association dues now make keeping the home difficult or impossible. That outcome would not be in anyone's best interest.

Please check out [MRED's Green Room on MREDLLC.com](#). We have collected quite a bit of information in an easily accessible place. Green has a proven impact on the true cost of home ownership, and I encourage you to become familiar with what will best help you service your clients.

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