Adomatis and Jackson of the AI contribute to Solar Valuation Study

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Two members of the Appraisal Institute contributed to a landmark study released by the U.S. Department of Energy's Lawrence Berkeley National Laboratory that found that home buyers consistently have been willing to pay more for homes with host-owned solar photovoltaic energy systems.

Sandra Adomatis, SRA, of Punta Gorda, Florida, and Thomas Jackson, Ph.D., MAI, of College Station, Texas, were part of a multi-institutional research team of scientists led by Berkeley Lab, in partnership with Sandia National Laboratories, universities and real estate appraisers.

"The role that these two Appraisal Institute members played in this important study is typical of the thought leadership our organization provides," said Appraisal Institute president M. Lance Coyle, MAI, SRA. "As the nation's largest professional association of real estate appraisers, our membership includes some of the highest qualified, best educated and most experienced valuation professionals in the world."

The study - "Selling into the Sun: Price Premium Analysis of a Multi-State Dataset of Solar Homes" - found that buyers were willing to pay an average of about $4 per watt of PV installed - across various states, housing and PV markets, and home types. This equates to a premium of about $15,000 for a typical 3.75 kW PV system.

The team analyzed almost 22,000 sales of homes - nearly 4,000 of which contained PV systems, in eight states from 2002 to 2013 - producing the most authoritative estimates to date of price premiums for U.S. homes with PV systems.

Previous studies on PV home premiums were limited in size and scope. This study more than doubled the number of PV home sales analyzed, examined a number of states outside of California, and captured the market during the recent housing boom, bust and recovery.

The Appraisal Institute's involvement in the solar research is only the latest in its long list of green and energy-efficient valuation leadership:

â€¢ Since June 2008, the Appraisal Institute has offered nearly 450 individual programs on green and energy efficient valuation, and more than 6,250 attendees have participated.

â€¢ In June 2014, the Appraisal Institute announced its support for a U.S. Green Building Council report that found green labeled homes can sell at higher prices. A green label adds an average 9 percent price premium, according to a study that analyzed 1.6 million homes sold in California between 2007 and 2012.

â€¢ At the request of appraisers' clients, in April 2014 the Appraisal Institute expanded its Valuation of Sustainable Buildings Professional Development Program's online registries of residential and commercial appraisers to include everyone who has completed the course.

â€¢ The Appraisal Institute released a new book, "Residential Green Valuation Tools," by Sandra K.

Adomatis, SRA, in April 2014. AI previously published "An Introduction to Green Homes" by Alan Simmons, SRPA, in 2010.

â€¢ The Appraisal Institute and the Institute for Market Transformation issued guidance in January 2014 on valuing green and energy efficient buildings.

â€¢ In October 2013, the Appraisal Institute partnered with the Colorado Energy Office to provide an analysis of the impact of solar PV systems on the home-buying process. The study sought to better understand the impact, if any, that solar PV has on the sales transaction process.

â€¢ In March 2013, the Appraisal Institute released an update to the Residential Green and Energy Efficient Addendum, the first form of its kind intended for appraisers' use. It is an optional addendum to Fannie Mae Form 1004, the appraisal profession's most widely used form for mortgage lending purposes. The Appraisal Institute's addendum allows appraisers to identify and describe a home's green features, from solar panels to energy-saving appliances.

â€¢ In February 2013, the Appraisal Institute added a new solar course to its Valuation of Sustainable Buildings Professional Development Program, which educates appraisers on the intricacies of valuing high-performance residential and commercial buildings, and consists of four courses: "Introduction to Green Buildings: Principles & Concepts;" "Case Studies in Appraising Residential Green Buildings;" "Case Studies in Appraising Commercial Green Buildings;" and "Residential and Commercial Value of Solar."

â€¢ In January 2012, the Appraisal Institute announced its support for PV Value, a spreadsheet developed by Solar Power Electric and Sandia National Laboratories that assists appraisers and others seeking to establish the value of a property's solar-powered features.

â€¢ The Appraisal Institute in October 2011 sponsored a report that outlined ways to finance $150 billion per year in energy efficiency projects that yield double-digit financial returns. "Energy Efficiency Financing: Models and Strategies" by Capital-E and partner organizations found that within 10 years, investment at this level would save U.S. businesses and households $200 billion annually and would create more than 1 million new full-time jobs.

â€¢Â In October 2011, the Appraisal Institute endorsed the federal Sensible Accounting to Value Energy (SAVE) Act, which would improve the mortgage underwriting process by ensuring energy costs are included. Sponsored by Sens. Michael Bennet, D-Colo., and Johnny Isakson, R-Ga., the SAVE Act would instruct federal loan agencies to assess a borrower's expected energy costs when financing a house.

The Appraisal Institute contributed to the Green MLS Tool Kit, issued in April 2010. The tool kit was created to help Realtors add a green initiative to their local multiple listing service. The tool kit provides guidance on enhancing data in the MLS, empowering appraisers to make well-supported comparisons, analyses and adjustments.

The Berkeley Lab's research was supported by funding from the U.S. Department of Energy SunShot Initiative. The SunShot Initiative is a collaborative national effort that aggressively drives innovation to make solar energy fully cost-competitive with traditional energy sources before the end of the decade. Learn more at energy.gov/sunshot.

Lawrence Berkeley National Laboratory addresses the world's most urgent scientific challenges by advancing sustainable energy, protecting human health, creating new materials, and revealing the origin and fate of the universe. The University of California manages Berkeley Lab for the U.S. Department of Energy's Office of Science. For more, visit www.lbl.gov.