

Atlanta Case Study

In February of 2008, Cotten Alston, a fellow real estate practitioner, and I set out to add some searchable green features to the FMLS, an Atlanta-based MLS. We began the process by approaching the president of Harry Norman, REALTORS[®], who was on the FMLS Board of Directors.

It was clear to him that there was a lot of energy behind this movement and these changes would add a great deal of value for FMLS users. He set up a meeting with the FMLS president and we decided to establish a team of experts.

Alston and I brought together a green builder, a nationally-recognized green building consultant, and the director of the Greater Atlanta Home Builders Association. Together, we came up with a list of items and green building certifications that we would like to see added to FMLS.

We felt it was really important to have the input and backing of these green industry professionals. I strongly believe that having them at the table helped to make our case. We were able to approach FMLS and show that all parties involved in the building and sales process saw a void in the system and that we had a solution that would please everyone.

Our list of green items were those that were most common in our market, as well as the green building certifications that are available in Atlanta. Our initial list was long and involved multiple levels of certification under each program. For instance, they included EarthCraft House Platinum, LEED gold and silver, and so forth. Our decision to remove levels of certification was based on the limited level of familiarity among consumers and REALTORS[®]. Once awareness about the different levels of distinction rises, we will reconsider adding the details of the programs.

Our green building certifications include EarthCraft House, LEED for Homes, ENERGY STAR[®], and NAHB Green. Searchable items include solar photovoltaic, solar water heating, geothermal HVAC, low-flow toilets, tankless water heating, and ENERGY STAR[®] appliances. We also included a box for the HERS Rating.

The process of working out the details with FMLS only took about 30 days. After those details were finalized, we had to wait until its major update was scheduled to take place. FMLS launched all of the new green features and designations at its yearly trade show, and it educated members through e-mail communications. Education is an ongoing process and the aim is to help REALTORS[®] understand what green features look like and how to market them when selling a home. To avoid greenwashing, the education includes information about misrepresentation of green features.

One of the most rewarding things since adding all of these features and certification has

been the findings that have emerged in sales studies. During all of 2009, the Atlanta market showed consistent growth and success with green home sales. I studied figures for 2009, and the results were positive and indicated that homes that have been certified by a third party sell closer to list price, for a higher price and in considerably less time than their competition. In two of the studies, the days on market for certified green homes were less than for standard new construction. And statistics show a steady rise in green home sales. For example, during first half of 2009, green home sales accounted for 4.6 percent of the new construction market. During the third quarter, that number was to 6.6 percent, and during the fourth quarter of 2009, it rose to 11.4 percent.

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