

## Portland Case Study

**Introduction**

**Background**

**Implementation**

**Continuing Improvement**

**Key Challenges and Lessons Learned**

### **Introduction**

Portland is a leader in the green building industry. It has some of the nation's highest profile green buildings and has a highly active USGBC Cascadia chapter. The city has been a hotbed of green innovation and is often cited as one of the greenest cities in the country.

The most recent advances in taking LEED one step further--the Living Building Challenge--originated with the Cascadia chapter of the USGBC, and several Living Buildings are under development around Portland.

Both city leaders and the community at large have been embracing sustainability within the urban core, since the adoption of the urban growth boundary in 1979. Portland has long been a leader in the Northwest in public transportation infrastructure development.

Even within this highly receptive environment, the changes to the MLS system were a struggle to implement.

[Back to Top](#)

### **Background**

The RMLS™ (Regional Multiple Listing Service) of Oregon was incorporated in 1990 and is the largest REALTOR®-owned, subscriber-driven MLS in the Northwest. RMLS™ services Oregon and Southwest Washington. The subscriber-driven MLS is governed by representatives from within the subscriber base.

A 16-member Board of Directors, formed from REALTOR® subscribers, represents the current three shareholders, Portland East Metro and Clark County Associations of REALTORS®, and the Service Advisory Committee, which represents members outside the Portland/Vancouver metro area. The board takes input from individual subscribers as well as the standing "forms committee" that conducts annual reviews and updates of the forms used in the database.

In 2006, the first proposal was made to add database fields that supported both green features and home performance certifications through the “forms committee” annual review process. The proposal was not accepted because the Board did not have enough information indicating REALTOR® community support for the changes.

Continued focus through the “forms committee,” along with gathering documented support by member REALTORS® through a letter writing campaign, helped to demonstrate the ground-level support. The aid of local green building certification groups was enlisted to help vet the actual entries and provide technical support.

In Portland, we had the assistance of two non-profit home performance rating groups, ENERGY STAR® and Earth Advantage, a Northwest-based certification. As the market evolved, consumer interest increased and support swelled in the user community, it led to approval by the Board and a February 2007 implementation. The rising popularity and benefits of energy efficient and green home features helped to push the addition of new MLS data fields.

[Back to Top](#)

### **Implementation**

The first implementation consisted of two sections, a certification field that applied to new construction only and some green features that could be applicable to any home. The “green certification” field provided a drop down box choice of five options that represented third-party certifications. They were ENERGY STAR®, Earth Advantage, Energy Star plus Earth Advantage, LEED and “other”.

The green feature additions were sprinkled throughout the other segments of the listing document and included items, such as ENERGY STAR® appliances, bamboo or cork floors, rain collectors and solar tubes.

In the utilities section, solar or tankless hot water heaters were included under hot water. Also, a “For-90” (which stands for 90% efficient forced air furnaces) was added to the standard forced air option.

In the fuel section, updates were made to include a range of solar options, such as, solar off-grid, solar supplemental and solar.

In response to the changes, quite a bit of positive press was generated. The valuable lesson is that once the barrier to change was crossed, the negative feedback and resistance melted away.

In the 2007 press release announcing the changes, Beth Murphy, chief executive of the listing service said, “Green and energy-efficient features have emerged as some of the most important and sought-after by buyers in the RMLS service area. With the help of

their REALTORS<sup>®</sup>, sellers will now be able to market these features in their homes and home buyers will be able to pinpoint homes with those features.”

Educational programs were created by the local Earth Advantage home performance certification group to help educate REALTORS<sup>®</sup> in this new niche. The Earth Advantage S.T.A.R. (Sustainability Training for Accredited Real Estate Professionals) program, a two-day overview of green building practices, graduated 315 REALTORS<sup>®</sup> from May 2007 to March 2008. A total of 763 participated in the training, and as of September 2009, there have been 661 graduates.

The nationally-based education programs have brought additional REALTORS<sup>®</sup> up to date with this burgeoning market segment. A national program, EcoBroker<sup>®</sup>, had 15 certified EcoBrokers<sup>®</sup> in the Portland area in March of 2007. As of September 2009, there were 72 certified EcoBrokers<sup>®</sup> in Oregon, with 44 of those in the Portland metro area. A local real estate company formed its own green team and heavily marketed the EA S.T.A.R.-trained individuals and advertised their greenness as a competitive advantage to the client.

With the National Association REALTORS<sup>®</sup> launch of the [Green REsource Council and the GREEN designation](#), green building and education now has national support and an agenda, and the circle is complete.

**Back to Top**

### **Continuing Improvement**

Modifications continue to improve the MLS database. For example, the "other" category was dropped in the green certification section, and the year of certification was added. The addition of certification date gives a further level of information. It also acknowledges that standards change over time and that the qualities of a 2006 certification may be different than a certification given in 2009. Before, it featured just the date field and people could just check the box "Yes" or "No" to indicate whether a property had a green certification. It was up to the agent to delve further and find out when.

We saw some buildings with "pending or proposed LEED certification" using the fields prior to officially obtaining certification. Thus, the requiring the certification date field clarifies such issues.

A reflection of the sophistication of both the consumer and the REALTORS<sup>®</sup> in terms of understanding the different ratings shows in the enhancement of the field to include LEED Silver, Gold, or Platinum as choices.

The LEED neighborhood development field addresses the community aspect and is extending beyond the walls of the home. A key code for the abbreviations can be found in Appendix II.

One year after the initial implementation, the MLS continued getting t positive attention. “In the twenty-eight months of my tenure at Earth Advantage, the adoption of the green certification fields by RMLS has been one of the most powerful contributions to recognizing the true market value of our green certified homes,” commented Sean Penrith, Executive Director of Earth Advantage, Inc. “We are pleased to have such a progressive listing service on the forefront of green.”

[Back to Top](#)

### **Key Challenges and Lessons Learned**

Even in an area where there appears to be an overwhelming reason to support the database change, it required committed individuals to take personal responsibility and see the process through the barriers to change. There was resistance at the outset, with some perhaps perceiving green as a fad, and the value was not clear to the decision makers.

We were fortunate to have a spark in our community, Kria Lacher, a local REALTOR® with a passion for green and the dedication to pilot a difficult process. She committed herself to the project and coordinated the local home performance certification groups in the process, all of which were necessary to a successful implementation.

Roadblocks included working through a perception that there would be additional legal exposure with added fields. This was mitigated by increasing understanding among decision makers and adding experts in the form of third-party home performance certification groups and local architects.

One lesson that emerged was the importance of utilizing the resources of local home green build certification programs. ENERGY STAR® is another reliable resource, and it has helped with several MLS systems.

User groups for the MLS also need to be supportive because the database is only as good as the information that is put into it. Education is key to help REALTORS® utilize the fields properly and to understand the benefits of a higher performance home to clients.

Also critical to making the database change successful and helpful to REALTORS® is providing education, from local or national sources, on the ratings systems and features. The Portland Area REALTOR® group experienced positive results from improved communication with the building community and the home performance certification groups, and all parties benefitted from the interaction.

And finally, it also is important to make ongoing improvements and refinements that mirror market changes. That is, for example, if you have no LEED buildings in your market, it is not necessary to get too specific and bury the users in needless details of a program. Start with the basics and let your MLS grow with the local market.

**[Back to Top](#)**

*Teresa St. Martin prepared this case with editorial and content input from RMLS Oregon, Earth Advantage, Kria Lacher, and other members of the RMLS working group.*

*Copyright © 2009 All Rights Reserved*

*To request permission to reproduce materials, please contact [teresa@sparkofgreen.com](mailto:teresa@sparkofgreen.com).*

*Author: [Teresa St Martin, Real Estate Broker, Windermere Cronin & Caplan](#)*