

Case Study for Metropolitan Regional Information Systems

MRIS began researching eco-friendly home features in response to several difficulties customers were experiencing. During meetings with association executives, appraisers and REALTOR® work groups, and through various suggestion methods, the topic of “eco-friendly” and “green” kept emerging.

MRIS saw that without green options in the MLS, sellers were not able to list features that made their home stand out from the competition, buyers were not able to search for eco-friendly features, and appraisers were not able to accurately appraise the value of a home with green features. In addition, builders were not realizing the value of adding green features to new homes and homeowner were less aware than they should be of the benefits and savings associated with incorporating energy efficient features into their properties.

It was apparent that every segment of our customer base would benefit by adding eco-friendly features to the MLS.

MRIS began working collaboratively with associations, eco-agents and brokers, builders, appraisers, and green industry leaders to identify issues in today’s market and assess future risks and opportunities in green real estate.

Communicating with RMLS Portland and other early adopters of the green MLS movement and learning about their successes and experiences provided us with a solid foundation upon which to begin.

We then collaborated with our local associations’ green task forces, such as the Northern Virginia Association of REALTORS® (NVAR), which provided the expertise and invited us to attend its task force meetings.

During the first meeting, we reviewed our suggested list of features and plans for adding green feature to our systems. NVAR had serious concerns about potential liability to its members due, in part, to the lack of consistent industry standards and definitions. To discuss this concern, NVAR set up another task force comprised of MRIS, and neighboring associations--Greater Capital Area Association of REALTORS® (GCAAR), and Dulles Area Association of REALTORS® (DAAR)--and their legal representatives.

The goals of MRIS and the task forces were to:

- Proceed slowly and cautiously; outlining risks and opportunities;
- Review other MLS’ green initiatives;
- Reduce the opportunity for litigation due to ambiguous definitions,

overzealous salespeople or an overzealous plan by the MLS;

- Provide features that are straightforward to all customer segments;
- Improve intuitiveness by following the same process for “eco-friendly” features as we do for traditional features within a pick list, such as heating, cooling, and so forth;
- Do not determine what green is, which homes are greener than others, or which certifications are more respected, trusted and valid within the industry. Just produce a system that helps our customers accomplish their day-to-day tasks.

Through collaboration with the local task force and the legal task force, many legitimate features were rejected because they could not be verified by agents and appraisers. Other features, such as energy audits, HERS ratings, and so forth, were made available in a document pick list and as an attached document, rather than publishing the actual score or report in the listing itself. We also decided not to categorize these features under a “green” heading, but rather keep them consistent with what type of data it was. That is, we added green features into existing utilities, appliances and heating and cooling pick lists.

We also decided agent education was essential. Ideas included providing basic definitions, value statements, and, over time, home sales data that would reflect whether eco-friendly homes sell faster or for more money than conventional homes of the same size. This knowledge would help all MRIS customers and their clients. We saw an added benefit of education is that it could encourage energy efficient improvements among homeowners thinking about the resale value of their properties.

Concern for agent liability, possible litigation, and the need for education have been the only roadblocks we have experienced to date. The real estate communities, national and local experts, and our associations have been extremely valuable and cooperative in sharing their expertise and lessons learned.

At this point MRIS and our REALTOR[®] associations are working collaboratively to promote awareness, reduce risk and proceed deliberately. We will continue this partnership with our local REALTOR[®] associations, eco-agents and brokers, builders and green industry leaders to produce a system that helps our customers accomplish their day-to-day tasks as the green movement matures.

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