

FORM GUIDELINES

Cost Data Addendum for High Performance Homes

For a number of years, the residential green/energy-efficient construction industry has expressed a frustration that the additional cost to build more efficient homes is not being recognized by appraisers. The purpose of the Cost Data Addendum is to use the added cost of energy efficiency and green upgrades in new homes and remodels to provide appraisers with data that could support higher valuations for new homes. Builders or real estate brokers working closely with the builders they represent should complete the Cost Data Addendum.

There are three approaches to appraising a building: the Market Approach (otherwise known as the Sales Comparison Approach), the Cost Approach and the Income Approach. Currently, residential appraising relies heavily on the Market Approach, even when there are statistically insignificant green/energy efficient home sales to compare to. However, with green and energy efficient building now being recognized in some areas as a new market influencer, appraisers can now justify using cost data as secondary evidence to support an adjustment identified under the Market Approach. It is important to understand however that in valuation COST does not equal VALUE.

The Cost Data Addendum will give the appraisal industry local cost data information that will more accurately reflect the true incremental construction costs for upgrading to energy-efficient features in new construction homes. With this supported data, an appraiser may then calculate the \$Energy Improvement per GLA of a Certified Home, then apply an Offset Adjustment towards the Comparable Sales without energy improvements.

In filling out the Cost Data Addendum, you should be mindful of the following:

1. An appraiser is liable for the opinion of value they give and must be able to DEFEND their adjustments to value. As the builder or real estate broker compiling the incremental cost to build a high-performance home, you must be able to SUPPORT your claims.
 - a. Be mindful of COST SAVINGS achieved through integrative design, i.e. higher costs in one area can often be paid for through savings elsewhere.
 - i. If your increased cost in insulation came from advanced wall framing, did you deduct the savings from the reduced wall framing lumber package?
 - ii. By improving the performance of the building envelope, the heating and cooling systems can be downsized.
2. Declare the total amount of utility/municipality or Federal/State incentives you received or will receive for green and/or energy efficiency measures you install. Summarize on page one.
3. If you are an ENERGY STAR[®]/Earth Advantage/Built Green/LEED production builder, fill out the incremental costs to build over a code home, once per design, and provide that additional cost on the form as a percentage on page one.
4. The incremental cost data, along with the estimated annual energy and water savings, may also be used by the appraiser to calculate payback and return on investment.
5. Homeowners/brokers – have the verifier/builder complete the Home Energy Performance Label section.
6. V.2 of the Addendum includes a section on Home Utilities Savings. Check with your local utility to find out whether you pay a base rate or flow rate for sewage. The builder or verifier should complete this section if you are uncertain. It may allow the appraiser to capitalize future energy and water savings.
7. Upon receiving the Cost Data Addendum, the appraiser will decide how and if they can use the information, but without providing supporting data, we cannot expect positive adjustments for high-performance homes.
8. Include costs for performance or certification verification under ‘Other’.

Cost Data Addendum for High Performance Homes

BUILDER/REALTOR/OWNER TO FILL OUT

Home Information	
Address:	
City:	State:
Zip:	Gross Living Area:

Home Energy Performance Label	Modeled Score	Tested Score
Energy Performance Score (EPS)		
Home Energy Rating System (HERS) Index		
Home Energy Score (HES)		
Other (please specify):		
Baseline energy code compared to (i.e. 2012 IECC)	Code/Year:	

Home Utilities: Energy and Water Savings	
Energy	
Neighborhood Average Utility Usage	\$
Fuel Type	
Local Utility Rate – Gas; Electric	\$
Estimated Energy Savings	\$
Water	
Standard Average Water Consumption (Gallons per day)	
Local Water Rate CCF (CCF = 100 cubic feet, equivalent to 748 gallons)	\$
Local Sewage Rate CCF	\$
Combined Total Average Water/Sewage Savings CCF (GPF/GPM divided by 748)	\$

Third-Party Certification	Level (e.g. Gold)
Built Green®	
Earth Advantage®	
ENERGY STAR® Certified Homes	
LEED® for Homes	
ICC 700 Green Building Standard	
Other (please specify):	

SECTION ONE: SUMMARY [Complete with cumulative data from Section Two]

Below is the summary of high performance features and incremental costs above a code-built home or a standard practice. Please include any federal or state tax credits, income or property tax deductions, and utility (or other) program rebates under "Rebates/Incentives Received".

Features	Rebates/Incentives Received	Additional Costs
Durability Strategies	\$	\$
Building Envelope	\$	\$
Heating and Cooling Systems	\$	\$
Appliances	\$	\$
Indoor Water	\$	\$
Irrigation/Stormwater	\$	\$
Renewables	\$	\$
Innovative Measures	\$	\$
ENERGY STAR production builders: % of increased cost over a code-built home	\$	%
Total:		\$

SECTION TWO: INCREMENTAL COSTS [Enter incremental cost above a code-built home or a standard practice]

Note: You should be prepared to provide supporting evidence for claimed additional costs.

Durability Strategies		Additional Costs
1.	Plywood (versus OSB)	\$
2.	Rainscreen Wall System with 3/8" Air Space	\$
3.	Window and Door Sill Pan Flashing System	\$
4.	40(+)-Year Roofing Materials	\$
5.	Other:	\$
Building Envelope		Additional Costs
6.	Exterior Foam Insulation	\$
7.	Structural Insulated Panel System (SIPS)	\$
8.	Insulated Concrete Forms System (ICF)	\$
9.	Ceiling Insulation: R-Value Upgraded	\$
10.	Wall Insulation: R-Value Upgraded	\$
11.	Wall Insulation cost increased as a result of Advanced Wall Framing (deduct lumber savings)	\$
12.	BIBS (blown-in fiberglass or cellulose insulation) versus cost of batt insulation	\$
13.	Spray Foam Insulation	\$
14.	Airtight Drywall Method	\$
15.	Intermediate Wall Construction	\$
16.	Advanced Wall Construction	\$
17.	Double-Wall Construction	\$
18.	Other:	\$
Heating and Cooling Systems		Additional Costs
19.	Air Conditioning	Efficiency: \$
20.	Furnace	Efficiency: \$
21.	Heat Pump	Efficiency: \$
22.	Ductless Heat Pump System (a.k.a. "mini-split")	Efficiency: \$
23.	Heat Pump: Ground Source or Water Source	Efficiency: \$
24.	Integrated Space/Water Heating System: Turbonic/Hydronic	\$
25.	Sealed and Tested Ductwork	\$
26.	HVAC Testing Compliance (for ENERGY STAR builders)	\$
27.	Other:	\$
Appliances		Additional Costs
28.	Water Heater – Tankless	Efficiency: \$
29.	Water Heater	Efficiency: \$
30.	Clothes Washer CEE Tier 1, 2 or 3 (ENERGY STAR)	\$
31.	Refrigerator (ENERGY STAR)	\$
32.	Dishwasher (ENERGY STAR)	\$
33.	Other:	\$
Air Quality		Additional Costs
34.	Air Filtration System	\$
35.	Heat or Energy Recovery Ventilators	\$
36.	Mechanical Ventilation	Type: \$
37.	Central Vacuum	\$
38.	Low or VOC-Free Wall and Ceiling Paint	\$
39.	VOC-Free Cabinets	\$
40.	VOC-Free Trim Package Finishes	\$

[Incremental costs continued]

Indoor Water	Additional Costs
41. WaterSense/High-Efficiency Toilet (1.28 gpf or dual flush)	\$
42. On-Demand Hot Water (single or point-of-use)	\$
43. Greywater Recycling System	\$
44. WaterSense Faucets (0.5 gpm)/Showerheads (2.0 gpm)	\$
Irrigation	Additional Costs
45. Drip Irrigation System	\$
46. Rainwater Collection (cistern)	\$
47. Drought Tolerant Landscaping	\$
48. Rain Garden	\$
Renewables	Additional Costs
49. Grid-Tied Photovoltaic (solar electric system)	\$
50. Grid-Tied Photovoltaic (solar electric system) with battery back-up	\$
51. Photovoltaic: Pre-wired for future hook-up	\$
52. Solar Hot Water: Pre-Plumbed	\$
53. Solar Hot Water System	\$
54. Wind Power Generation	\$
55. Light Tubes	\$
Other Innovative Measures	Additional Costs
56.	\$
57.	\$
58.	\$
59.	\$
60.	\$
61.	\$
Total Incremental Costs:	\$