

Mountainside VILLAGE

August Newsletter, 2008

Slew of New Studies and Articles Show that Green Homes Sell Faster, Perform Better, and Hold Higher Value than Conventional Homes

As energy prices continue to rise and the real estate market continues to struggle, green building is getting hotter and hotter. The media has picked up on the trend and has been reporting a great deal of late on the results of new market studies and emerging American preferences in real estate. And the results are pretty clear - green homes are selling faster, performing better, and maintaining higher values than conventional homes. To show you what we mean, we are pleased to share some short summaries of a few of these recent articles.



In a recent newsletter, we covered the March 2008 Atlantic article about the transformation of McMansions into the nation's next slums. So let us begin here with a June 25 article from the New York Times about how rising fuel prices are leading to a wave of suburban flight. According to that article, "...life on the edges of suburbia is beginning to feel untenable... More than three-fourths of prospective home buyers are now more inclined to live in an urban area because of fuel prices, according to a recent survey of 903 real estate agents with Coldwell Banker, the national brokerage firm. Some now proclaim the unfolding demise of suburbia." This article points out that people are leaving the suburbs to avoid long commutes and the costs associated with them, and they are seeking out opportunities to buy homes and properties closer to their places of employment.

A June 22 article described how LEED homes are becoming America's new trophy homes. "There's kind of a green pride, like driving a Prius," a green building adviser to the

city of Santa Monica describes in the piece. "It's spreading all over the place."

Another recent article, this one featured in *Business Week*, declares that, "Going Green is Good for Your Wallet." According to this piece, two recent studies demonstrate the value of green homes = one showing that LEED buildings do use less energy than buildings that have not been certified and the other showing that, "Energy Star buildings on the market commanded an additional \$61 per square foot [and] rental rates for Energy Star buildings are \$2.40 per square foot higher than those in non-certified buildings. In addition, CoStar discovered that LEED-certified buildings are selling for \$171 per square foot more than non-certified buildings. In terms of rental prices, a LEED-certified building fetches an extra \$11.24 per square foot."

Finally, another recent study has shown that green homes are selling faster and at higher values than conventionally constructed homes. According to an analysis completed by GreenWorks Realty in the Pacific Northwest, "new environmentally-certified (ECert) or green homes in King County sell in up to 18% less time and for 28-37% higher value per square foot." Included among the ECert homes considered were homes certified by Built Green of King and Snohomish Counties, Northwest Energy Star, and LEED for Homes. As Aaron Adelstein, Executive Director of Built Green of King and Snohomish Counties said, "Until now, the idea that people are willing to pay more for environmentally-certified housing has been mostly based on surveys and expectation... Now we have the first hard data to back up what many of us have believed for a long time - green homes have greater value."

Part of what made this study possible was that homes earning green designations in the Northwest are listed as such on the Northwest MLS. This helps home buyers identify and select green homes, and helps analysts track how green home sales compare to conventional homes. Interestingly, the trend of including green certification information on MLS listings is spreading around the country. Barb Garrett, Executive Officer of the Teton Board of Realtors (TBOR) has just begun doing this in our area, and she has consulted with Dahvi Wilson, the Director of Mountainside Institute, about how to do so. TBOR's MLS listing now includes space to indicate LEED and ENERGY STAR certification, in addition to a few special green finishes like bamboo floors and solar heating. Providing this opportunity for green homes to distinguish themselves in the MLS may help home-buyers preferentially select high-performance homes from the beginning. It may also help green homes in our region experience increases in marketability similar to those described in the GreenWorks study.

To take a look at any of the articles or studies summarized here, visit the "MsV and Green Building News" section on our website at <http://mountainsidevillageidaho.com/news.htm>.

SCHEDULING NOTE: The annual Mountainside Institute Volleyball Tournament has been rescheduled. Stay tuned for new dates.

Streamlining the Building Process...

About one month ago, we began surveying some of our residents to assess their satisfaction with Mountainside Village. The residents who responded were quite pleased with their experiences here, and we were pleased to receive a few constructive suggestions for how to improve life in the Village even more. Now, we are trying to integrate some of these suggestions into our work, such as one request that we simplify and clarify our builder rules, regulations, and processes. In the past few weeks, we have attempted to do just that, and we have posted a new "Builder Documents" section on our website, where you can find a description of the Plan Review Process, Architectural Guidelines, New Builder Applications, Builder Rules and Regs and more. To take a look at these documents, click on the "Builder Documents" link at <http://mountainsidevillageidaho.com/drawings.htm>.

To find out more about upcoming events at the Village, visit www.mountainsidevillageidaho.com/events.htm!

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