

2021

REALTORS® & Sustainability Report - Residential

National Association of REALTORS® Research Group



NATIONAL
ASSOCIATION OF
REALTORS®

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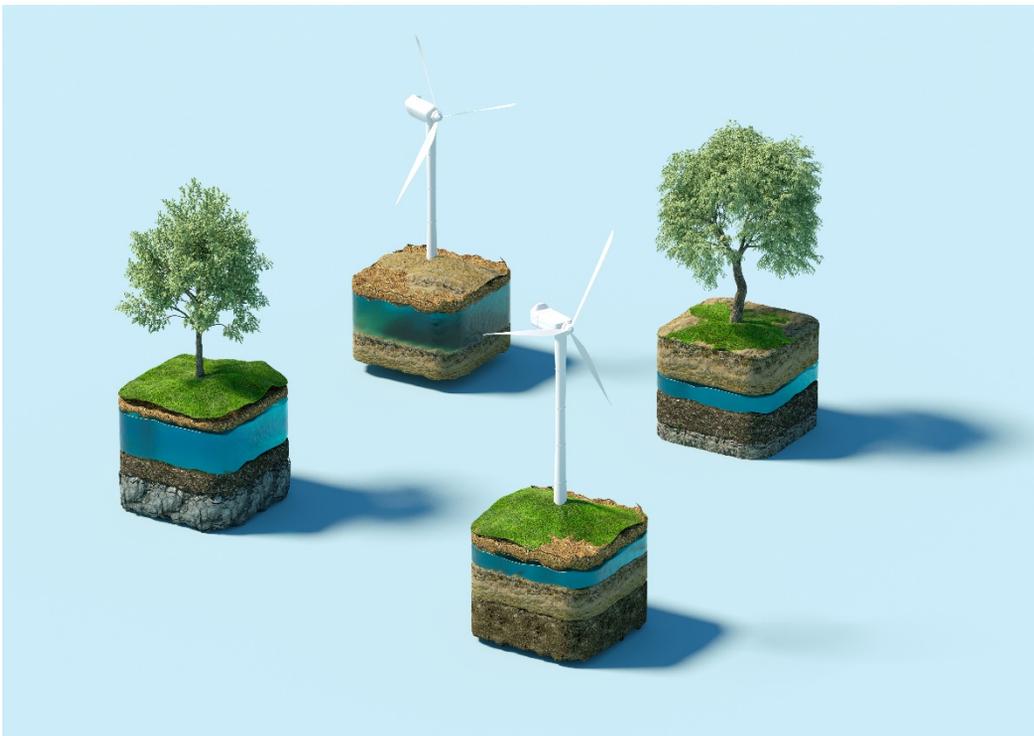
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REALTOR® Sustainability Program

The National Association of REALTORS® (NAR) is a leader in the dialogue on real estate sustainability among real estate agents, brokers, trade associations, and consumers. Identifying the growth of sustainability in real estate, the REALTOR® Sustainability program conducts outreach to members, trade associations, and agencies to raise awareness and engagement in NAR sustainability efforts. The program coordinates association benefits and resources for its members. It also introduces corporate social responsibility and triple bottom line concepts into NAR's decision-making practices, allowing NAR to educate and support sustainability in real estate through environmental, social, and economic contexts.

- **Vision Statement:** REALTORS® thrive in a culture of sustainability that promotes viability, resiliency, and resource efficiency.
- **Member Mission:** Provide leadership and strategies on topics of sustainability that benefit members, REALTOR® associations, and communities.

To find out more, visit www.nar.realtor/sustainability.



Residential Executive Summary

In March 2021, NAR surveyed its members pertaining to sustainability issues facing the industry. The findings are as follows:

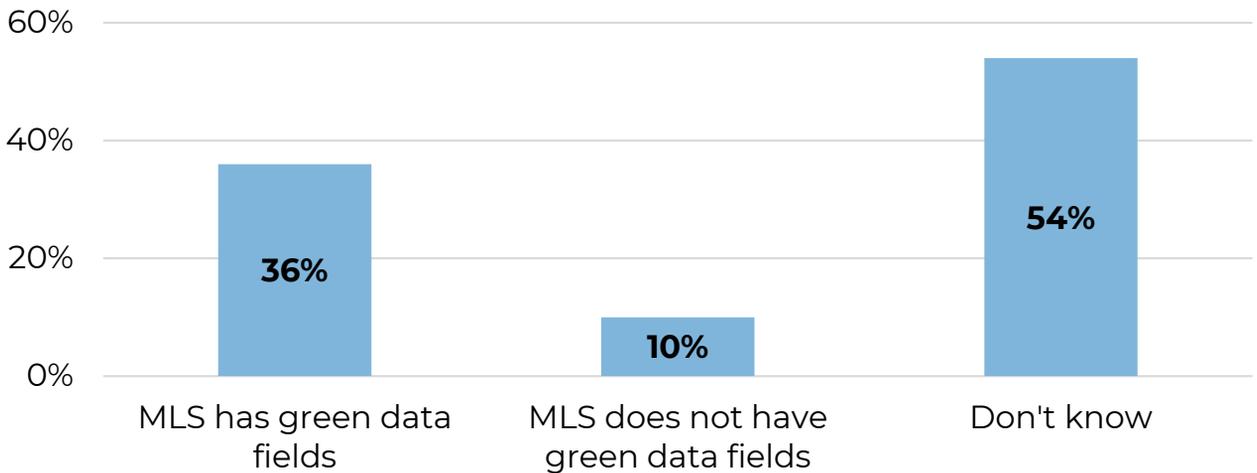
Residential Highlights:

- Thirty-six percent of respondents reported their MLS has green data fields, and respondents typically used the green data fields to promote green features and energy information.
- Sixty-five percent said energy efficiency promotion in listings was very or somewhat valuable.
- Fifty-five percent of respondents found clients were at least somewhat interested in sustainability.
- Forty percent of homes with green certifications spent neither more or less time on market.
- Eighty-two percent of respondents said properties with solar panels were available in their market. Forty percent said properties with solar panels increased the perceived property value.
- The home features clients listed as very important to their agent or broker included windows, doors, and siding, proximity to frequently visited places, and a comfortable living space.
- Thirteen percent of respondents said that a high performance home (defined as a systematic building science approach to home improvements that increase indoor comfort, health, operational efficiency, and durability) had an increase of one to five percent of the dollar value offered compared to other similar homes.
- Ten percent of brokerage firms had experience working with residential building repurposing.
- Twenty-two percent of respondents said that in the past 12 months they had been directly involved with a property that had green features, either on the buyer or seller side.

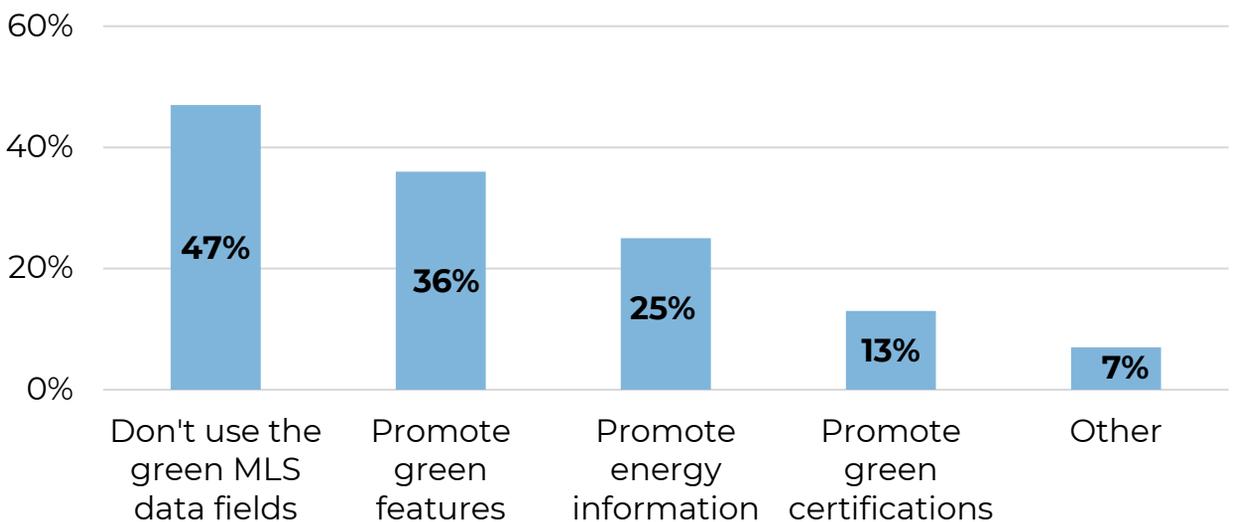
Multiple Listing Service

- Thirty-six percent of respondents reported that their Multiple Listing Service (MLS) had green data fields, compared to 10 percent that did not have green data fields.
- Among respondents who did have MLS green data fields, 36 percent used them to promote green features, 25 percent to promote energy information, and 13 percent to promote green certifications.

MLS Green Data Fields



Uses of MLS Green Data Fields



Note: Respondents were permitted to select as many responses as they felt applicable. The percentage distribution may therefore sum to more than 100 percent.

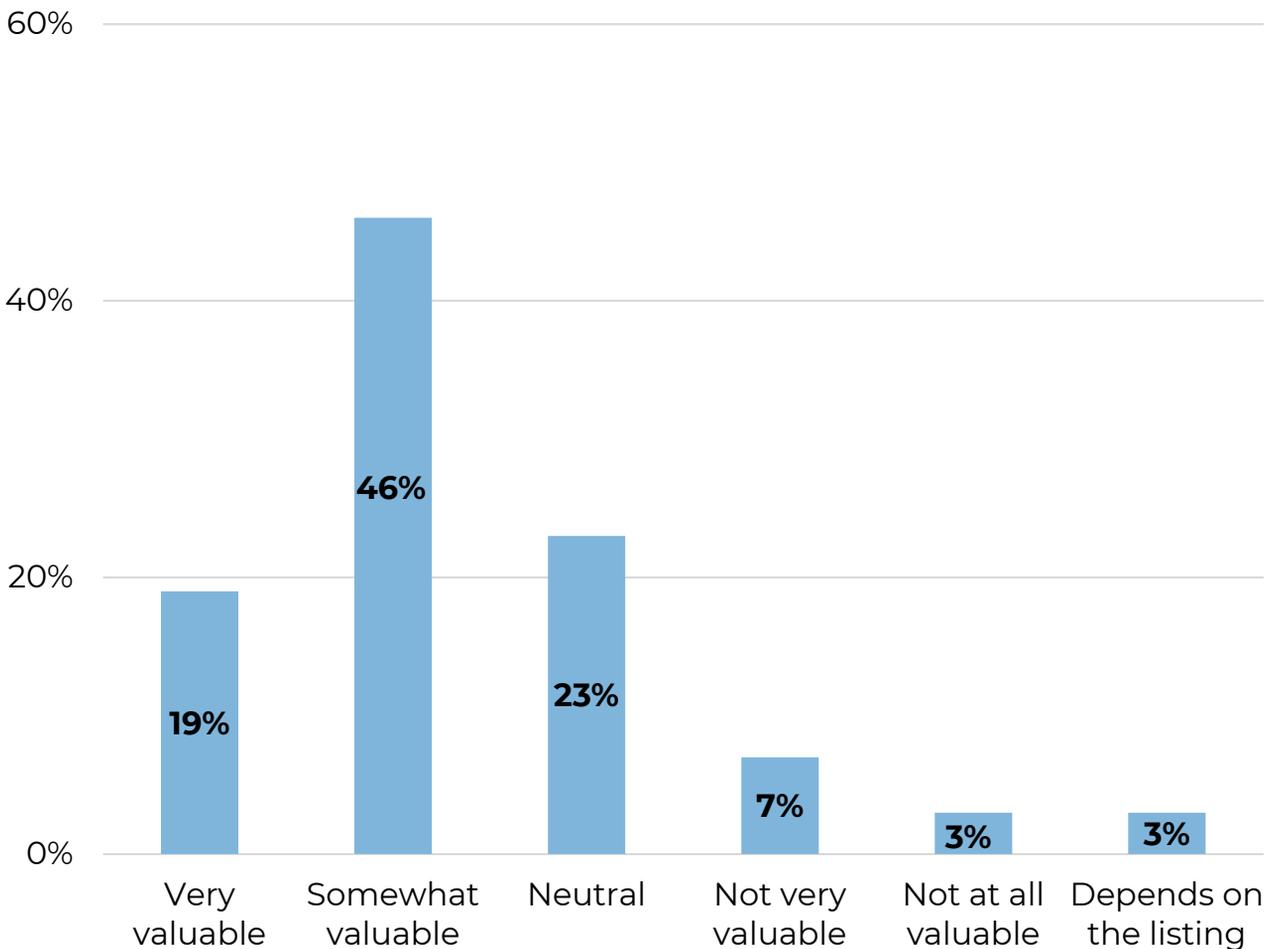
Value of Energy Efficiency Promotion in Listings

- A majority of agents and brokers (65 percent) said that energy efficiency promotion in listings was very or somewhat valuable.

Thirty-two percent of respondents said that in the past 12 months they had been directly involved with a property that had green features, either on the buyer or seller side.

Sixty-eight percent of respondents said that in the past 12 months they have not been directly involved with a property that had green features.

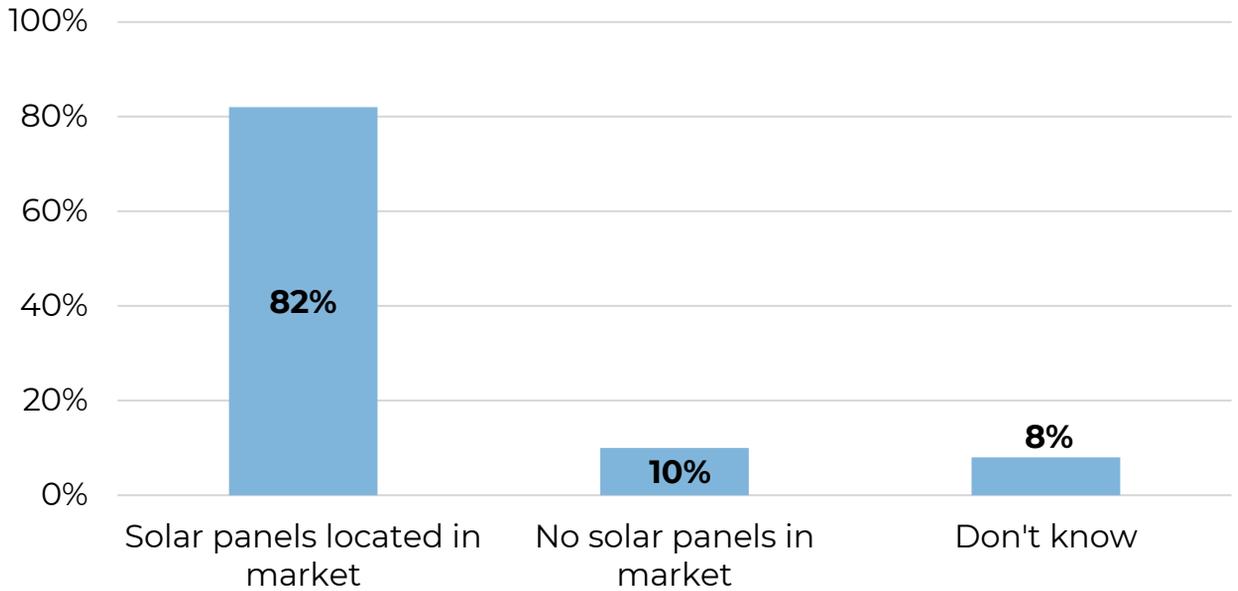
Value of Energy Efficiency Promotion



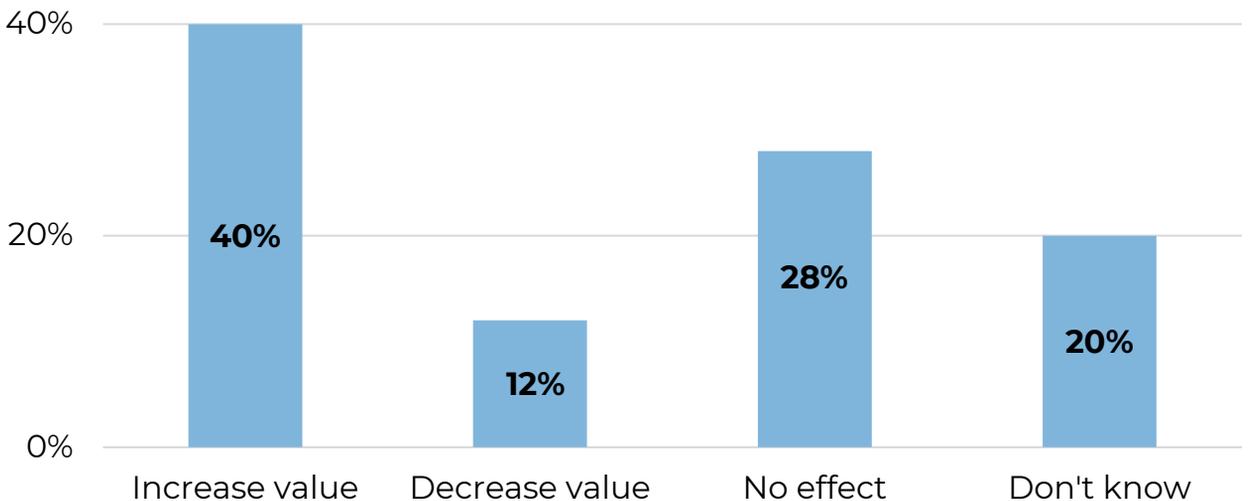
Solar Panels

- A majority of agents and brokers (82 percent) said that properties with solar panels were available in their market.
- Forty percent said properties with solar panels increased the perceived property value, compared to 28 percent that said they had no effect.

Solar Panels in Market



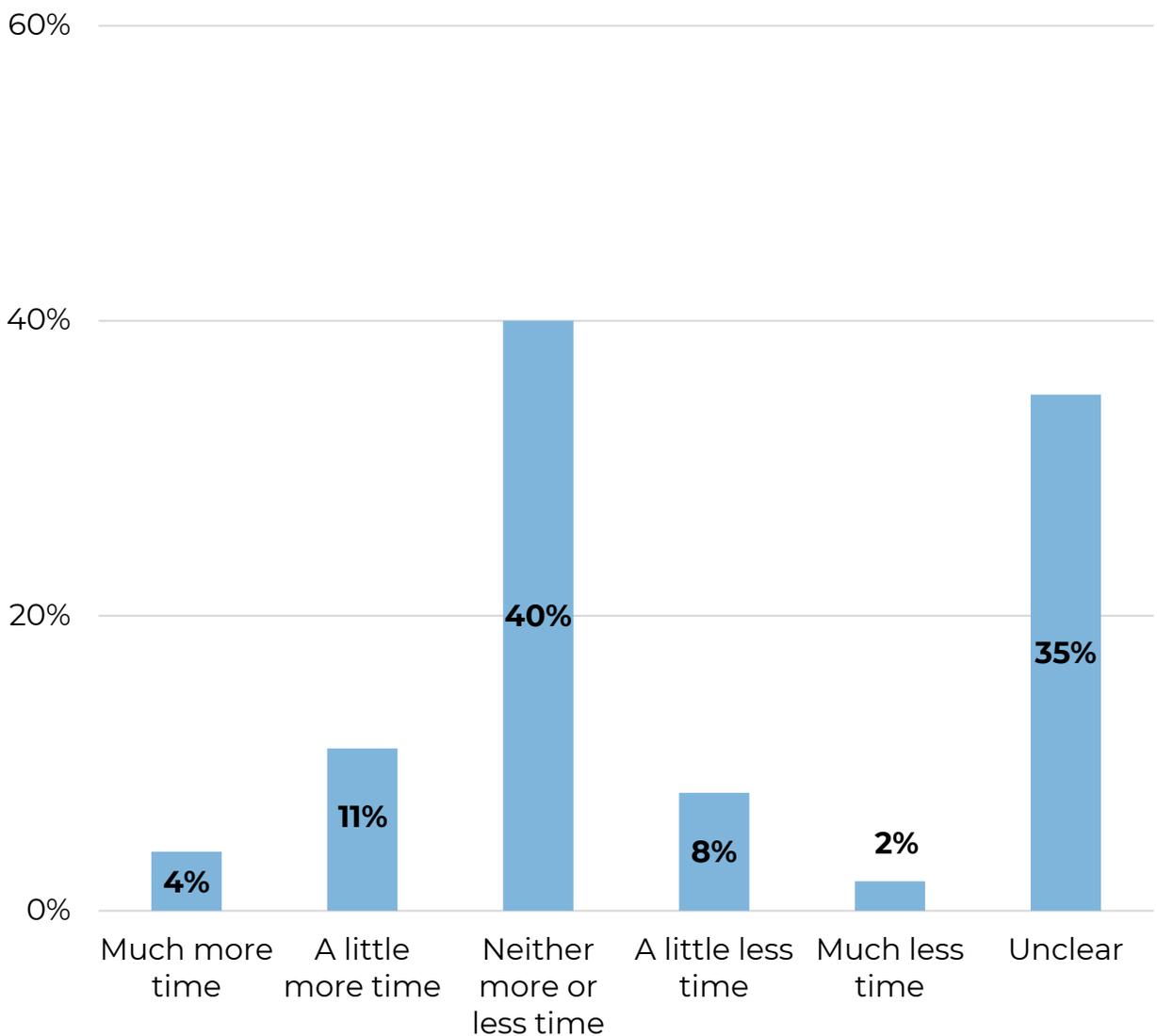
Solar Panels Perceived Effect on Property Value



Perceived Time on Market with Solar Panels

- Forty percent of agents and brokers said that the time on market was neither longer or shorter for properties with solar panels.
- Thirty-five percent believed the difference of time on market due to the solar panels was unclear.

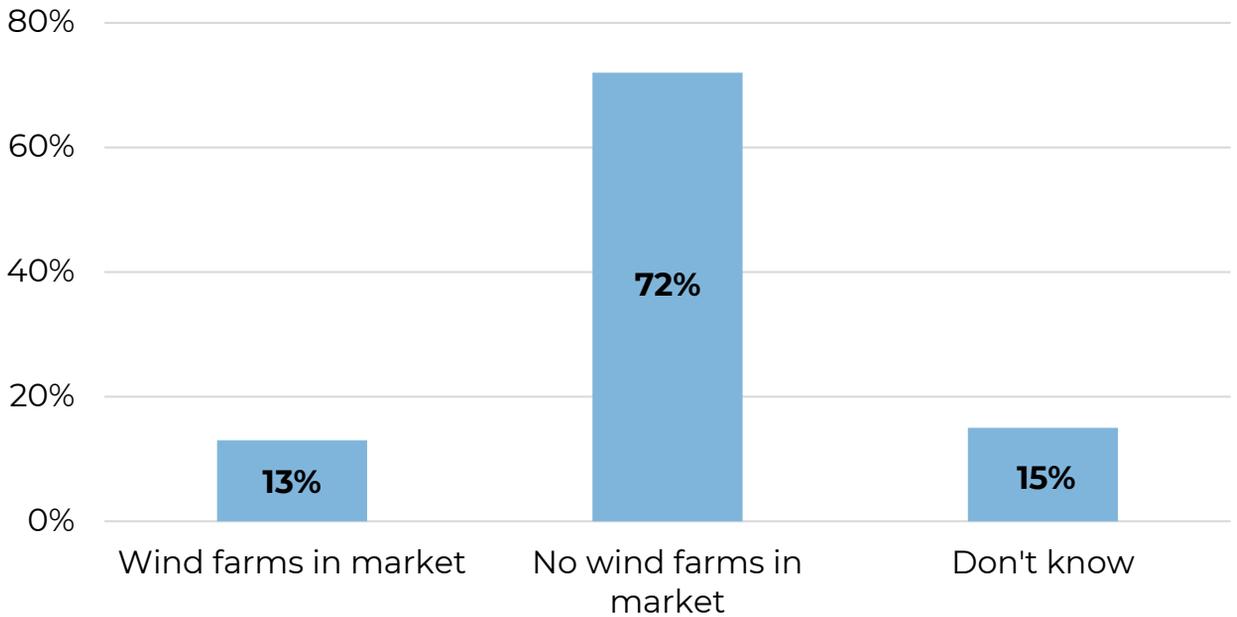
Perceived Time on Market with Solar Panels



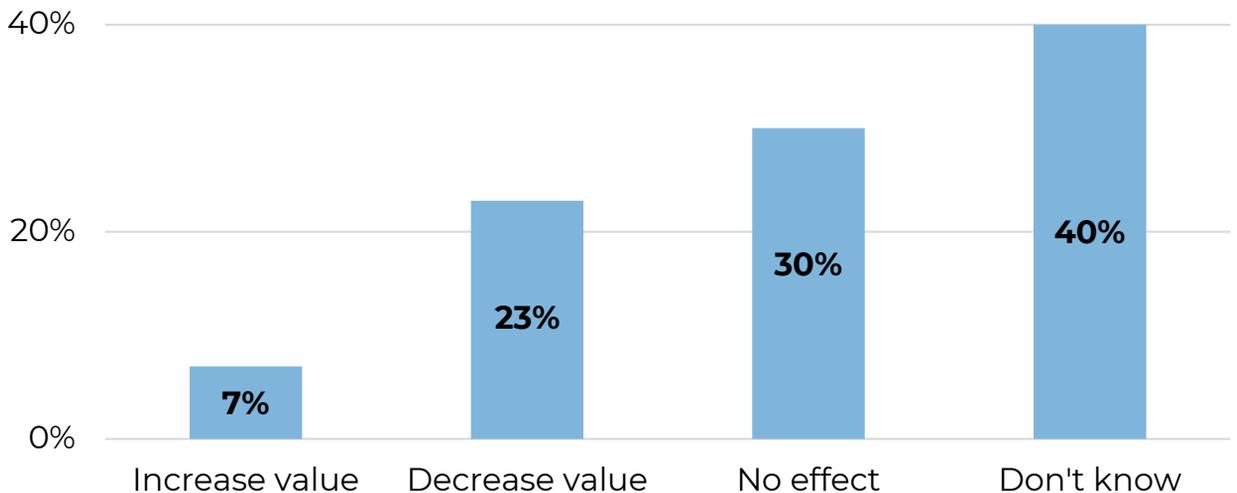
Wind Farms

- Thirteen percent of respondents said that wind farms were available in their market.
- Seven percent said wind farms increased the perceived property value, compared to 30 percent that said they had no effect.

Wind Farms in Market



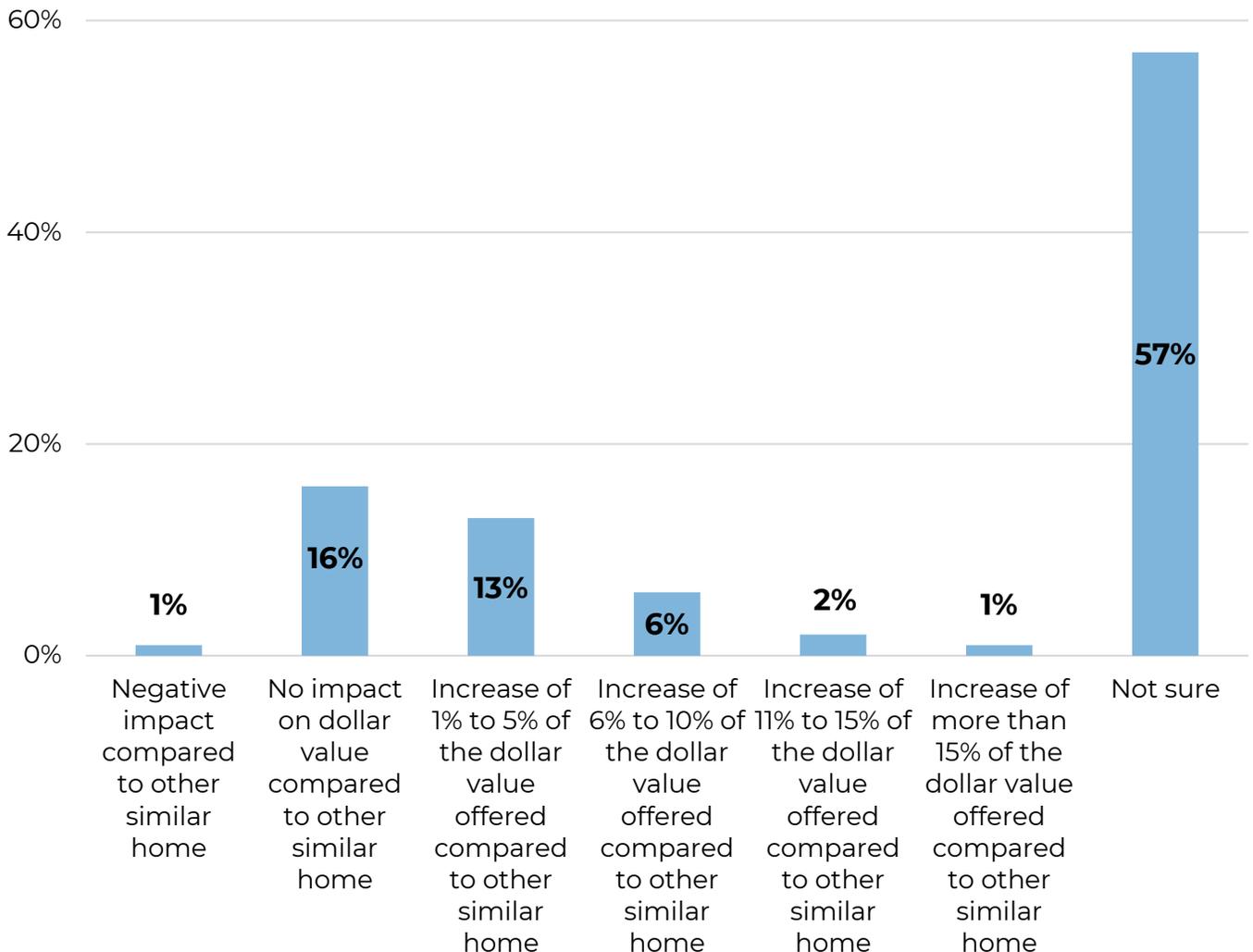
Wind Farms Perceived Effect on Property Value



High Performance Home

- Thirteen percent of respondents said that a high performance home (defined as a systematic building science approach to home improvements that can increase indoor comfort, health, operational efficiency, and durability) had an increase of one to five percent of the dollar value offered compared to other similar homes.
- Six percent said that a high performance home had an increase of six to 10 percent of the dollar value offered.
- Fifty-seven percent were not sure of the impact on dollar value that a high performance home had compared to other similar homes.

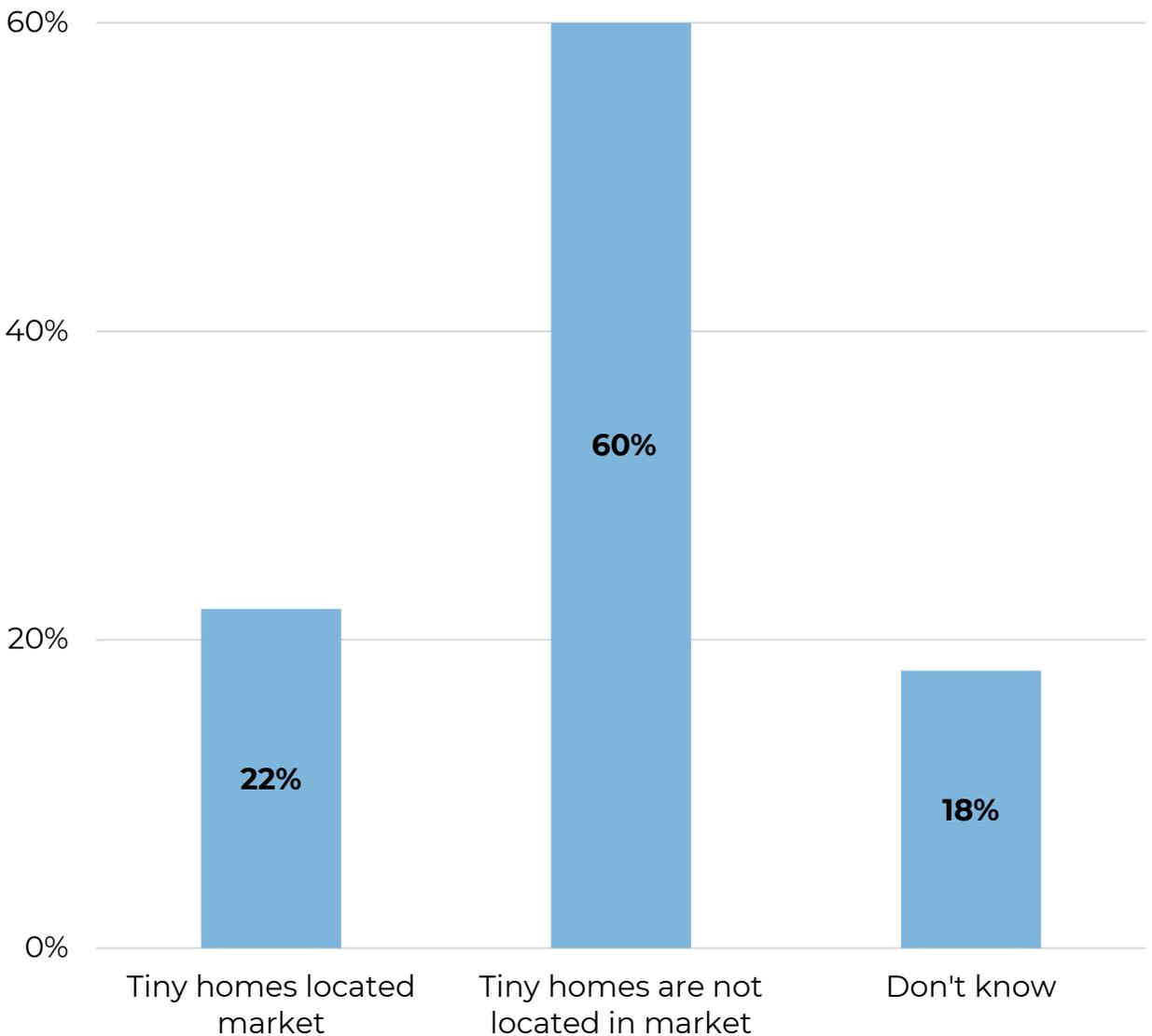
High Performance Home Impact on Dollar Value



Tiny Homes

- Twenty-two percent of brokers said that tiny homes were available in their market, compared to 60 percent that reported tiny homes were not available. Tiny homes are defined in the survey as homes that are 600 square feet or less.

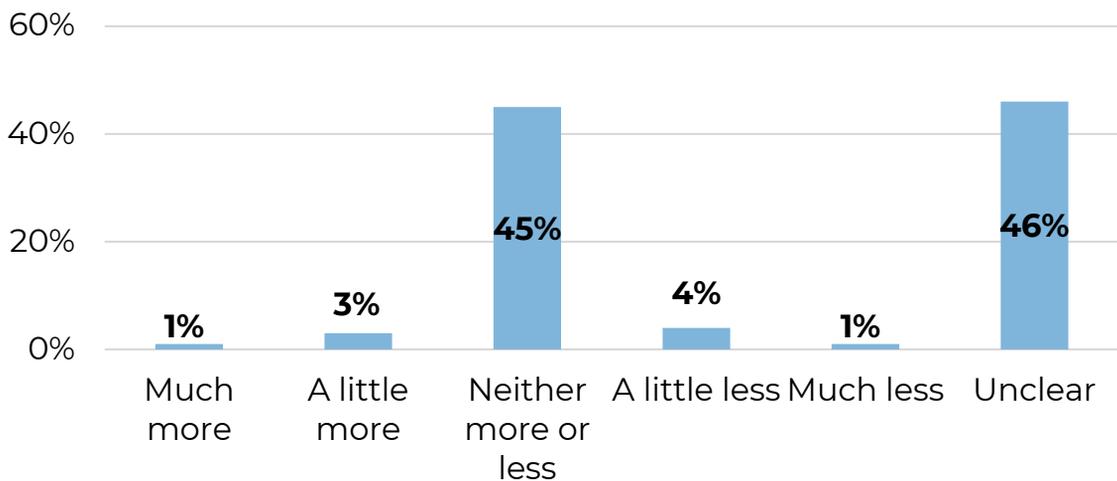
Tiny Homes (600 sq. ft. or less) in Market



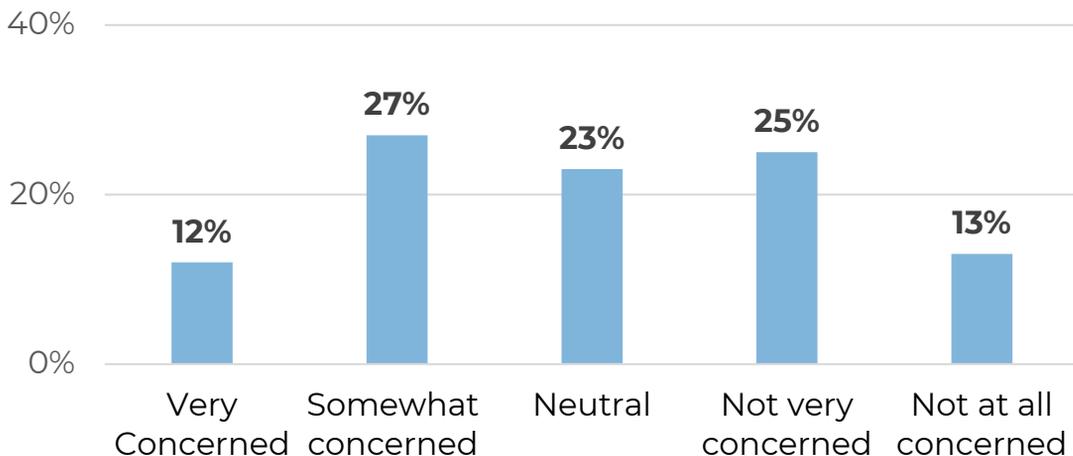
Time on Market – Homes with Green Certifications

- Forty-five percent of respondents said that they believed homes with green certifications, such as LEED, Energy Star, or NGBS, spent neither more or less time on market.
- Five percent of respondents said they believed homes with green certifications spent a little less or much less time on the market.

Homes With Green Certifications Time on Market



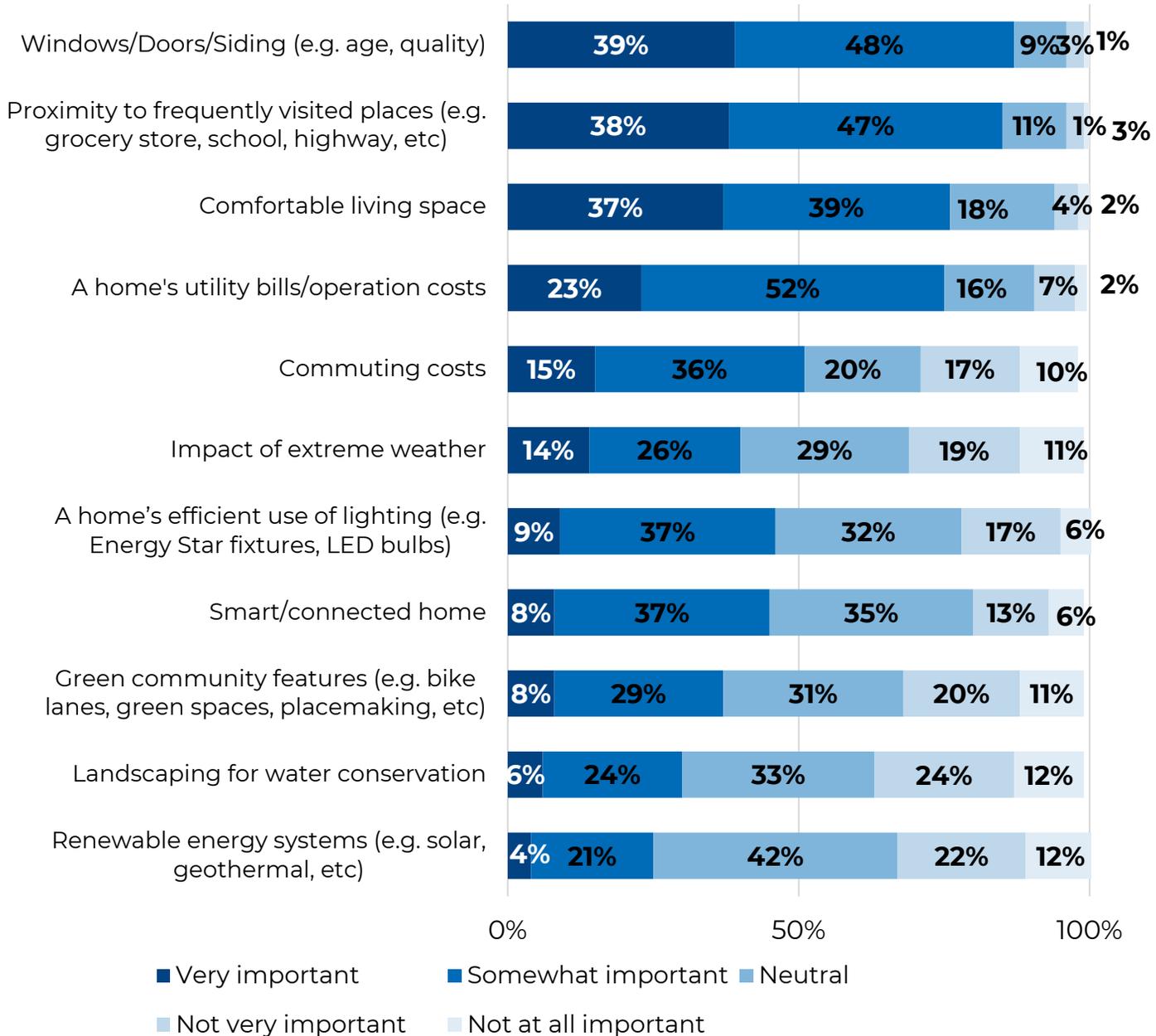
Concern About the Impact of Extreme Weather Events on Market



Home Features

- The home features that respondents believed were most important to clients included windows, doors, and siding (39 percent), proximity to frequently visited places (38 percent), a comfortable living space (37 percent), and a home's utility bills and operating costs (23 percent).

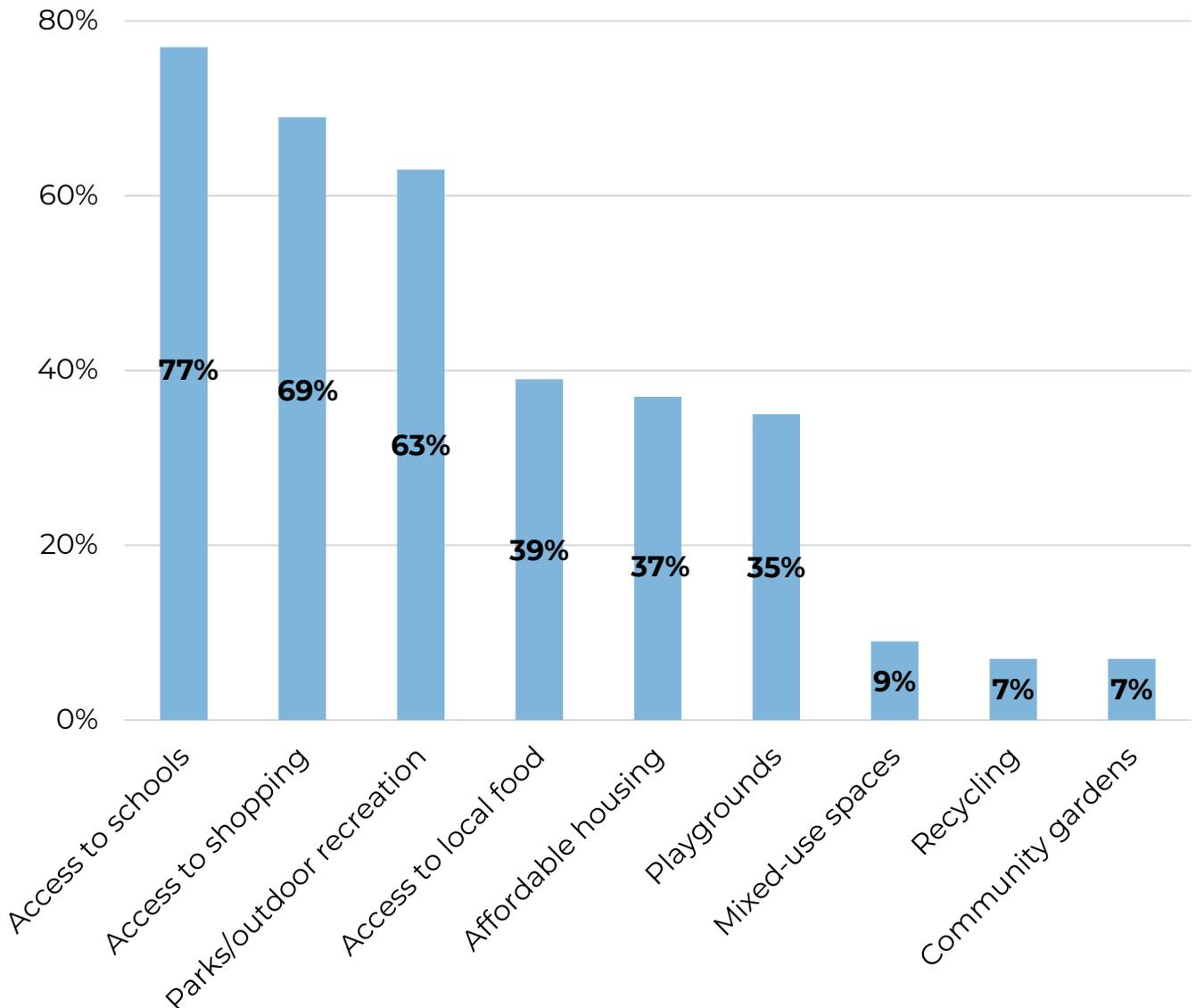
Importance of Home Features to Clients



Neighborhood Features

- The neighborhood features that clients looked for included access to schools (77 percent), access to shopping (69 percent), parks and outdoor recreation (63 percent), and access to local food (39 percent).

Neighborhood Features Clients Look For

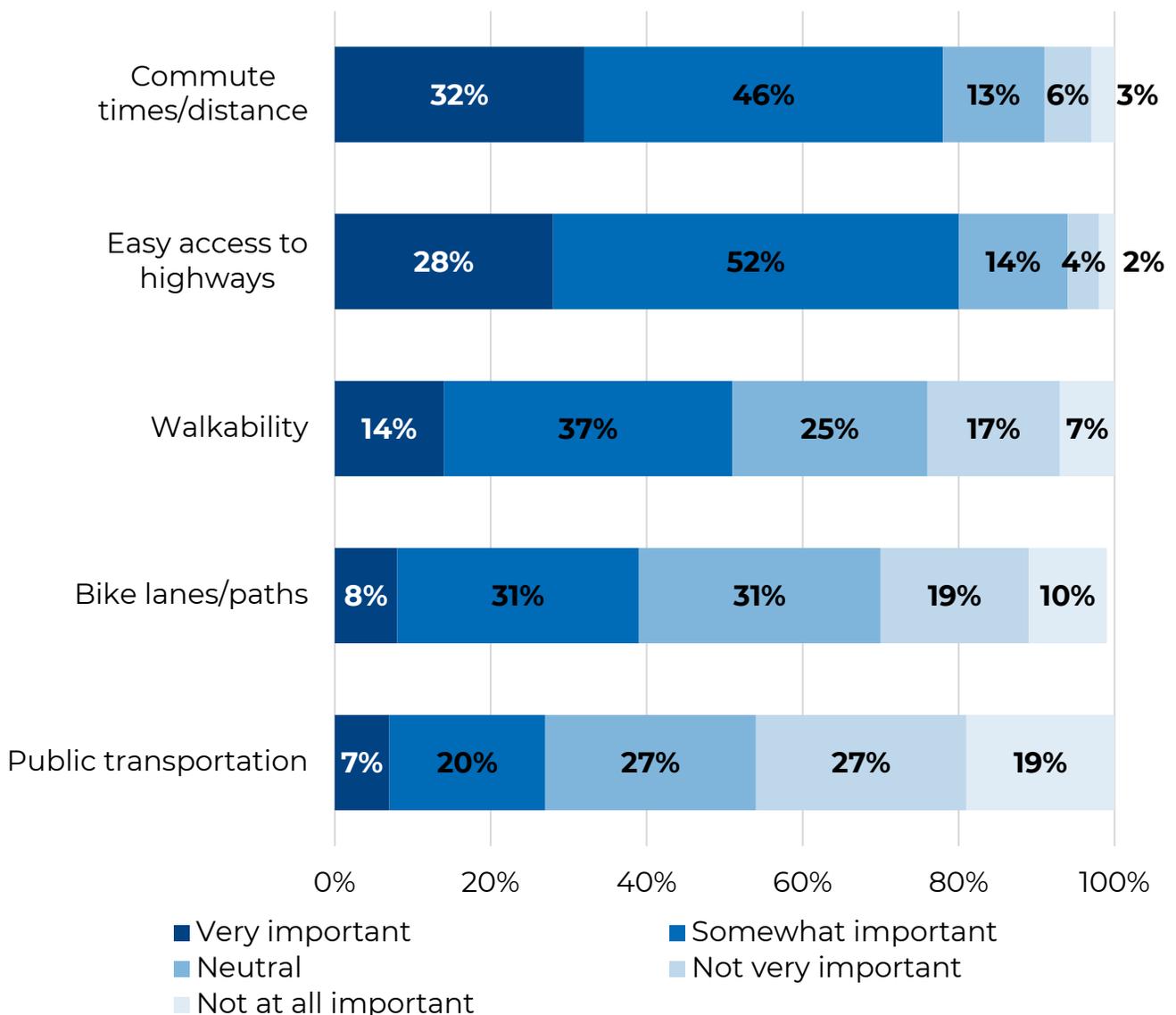


Note: Respondents were permitted to select as many responses as they felt applicable. The percentage distribution may therefore sum to more than 100 percent.

Transportation and Commuting Features

- The transportation and commuting features that clients listed as very or somewhat important included easy access to highways (80 percent), commute times and distance (78 percent), and walkability (51 percent).

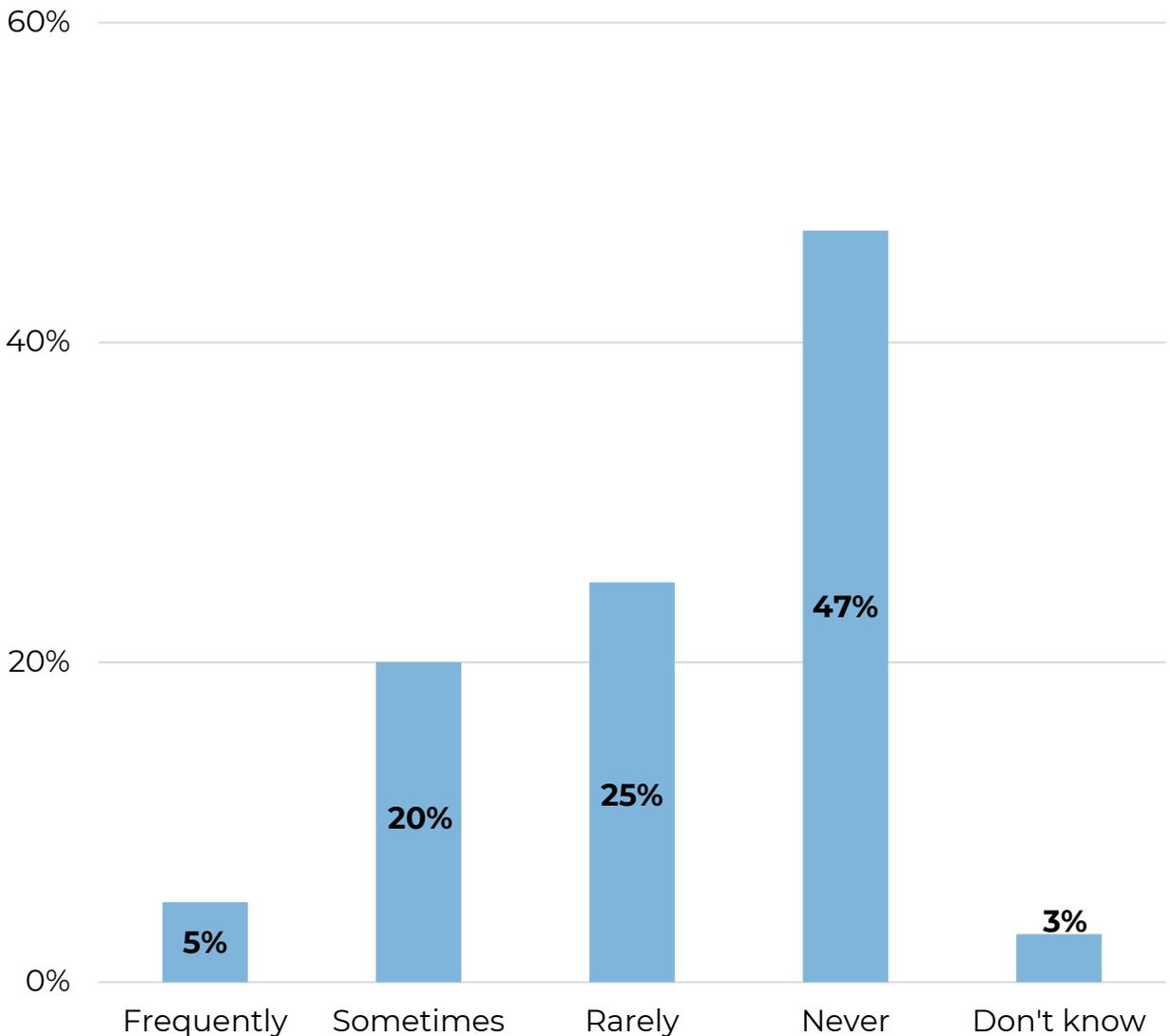
Importance of Transportation and Commuting Features to Clients



Public Transportation

- Five percent of respondents frequently had clients who requested to see properties close to public transportation, 20 percent sometimes had clients who made the request, and 25 percent rarely had clients who made the request.

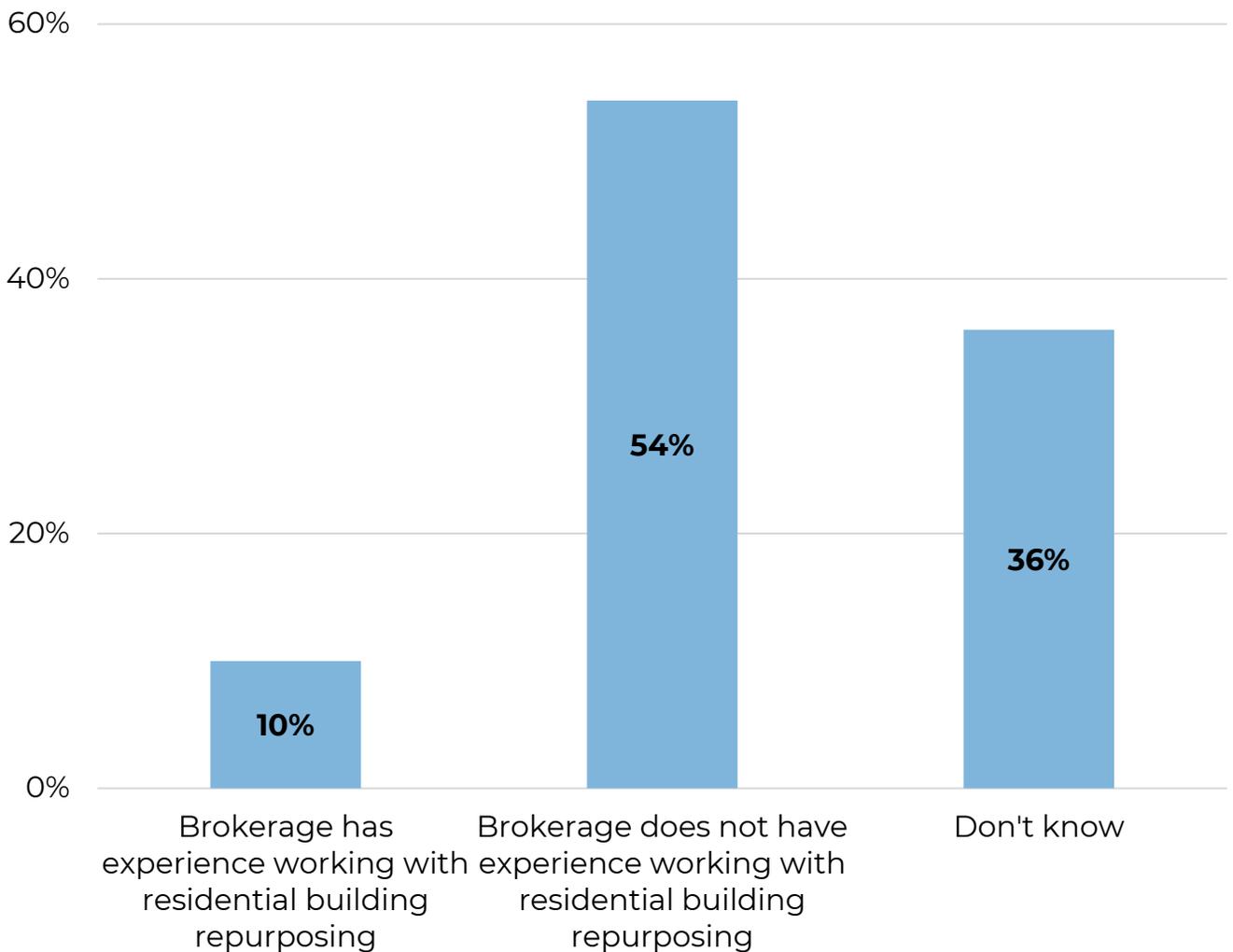
Clients Request to See Properties Close to Public Transportation



Residential Building Repurposing

- Ten percent of brokerage firms had experience working with residential building repurposing. Repurposing occurs when markets reuse space in buildings that once served a different purpose altogether, such as factories which have been converted to lofts or apartments.

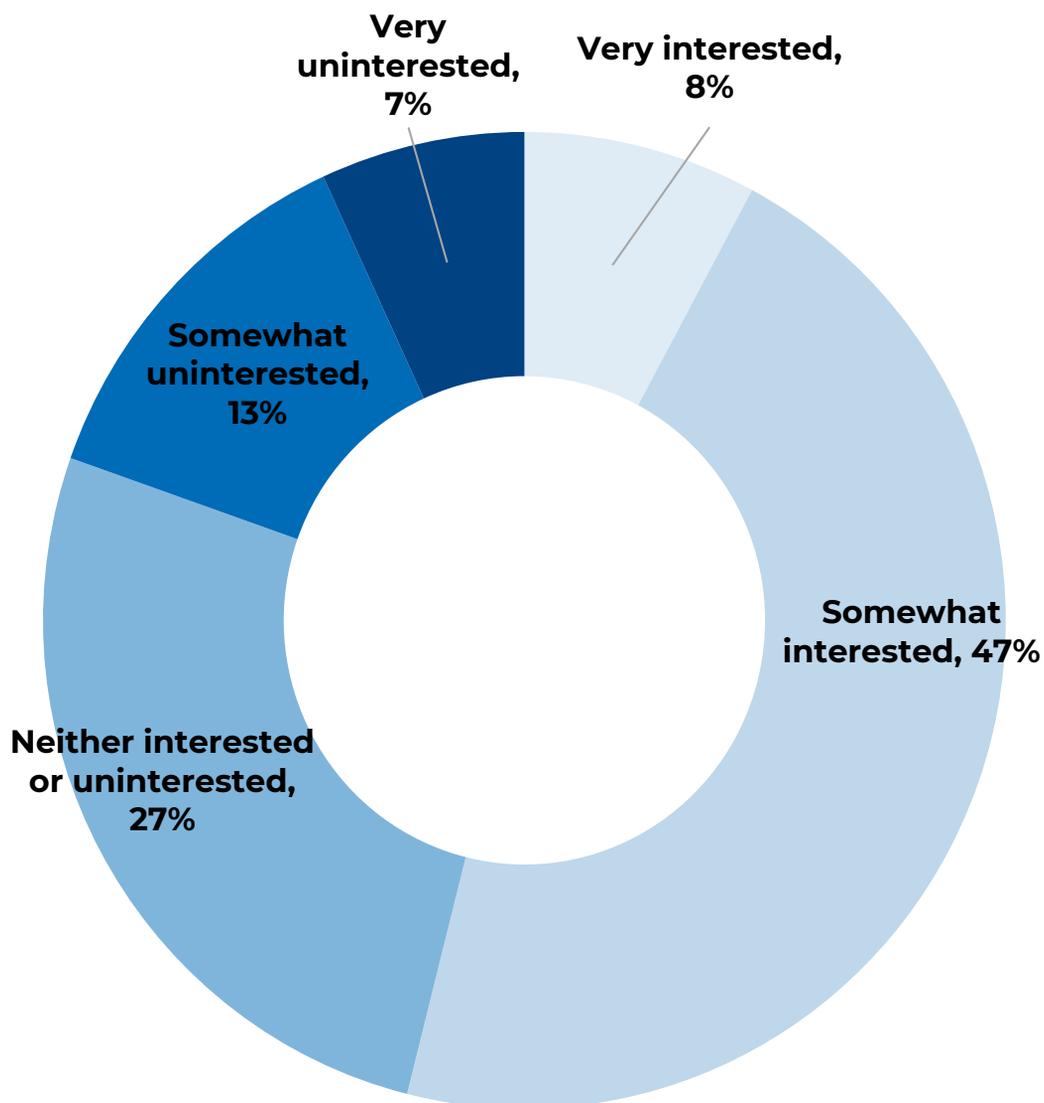
Residential Building Repurposing



Perception of Consumer Interest in Sustainability

- Over half of agents and brokers found that consumers (47 percent) were somewhat interested in sustainability, and eight percent were very interested.

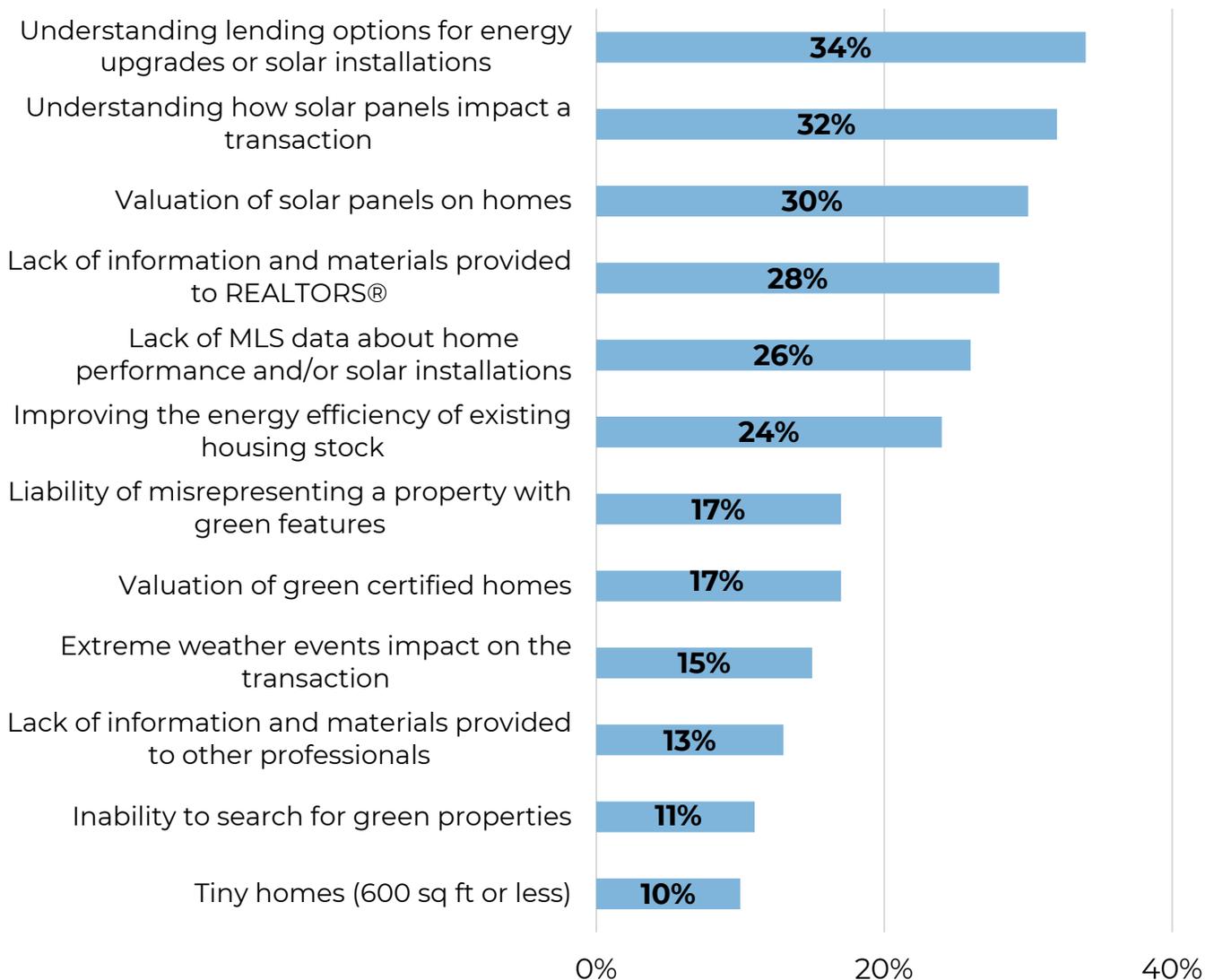
Perception of Consumer Interest in Sustainability



Market Issues and Considerations

- Market issues and considerations that agents and brokers listed included understanding lending options for energy upgrades or solar installations (34 percent), understanding how solar panels impact a transaction (32 percent), and valuation of solar panels on homes (30 percent).

Issues and Considerations in Market



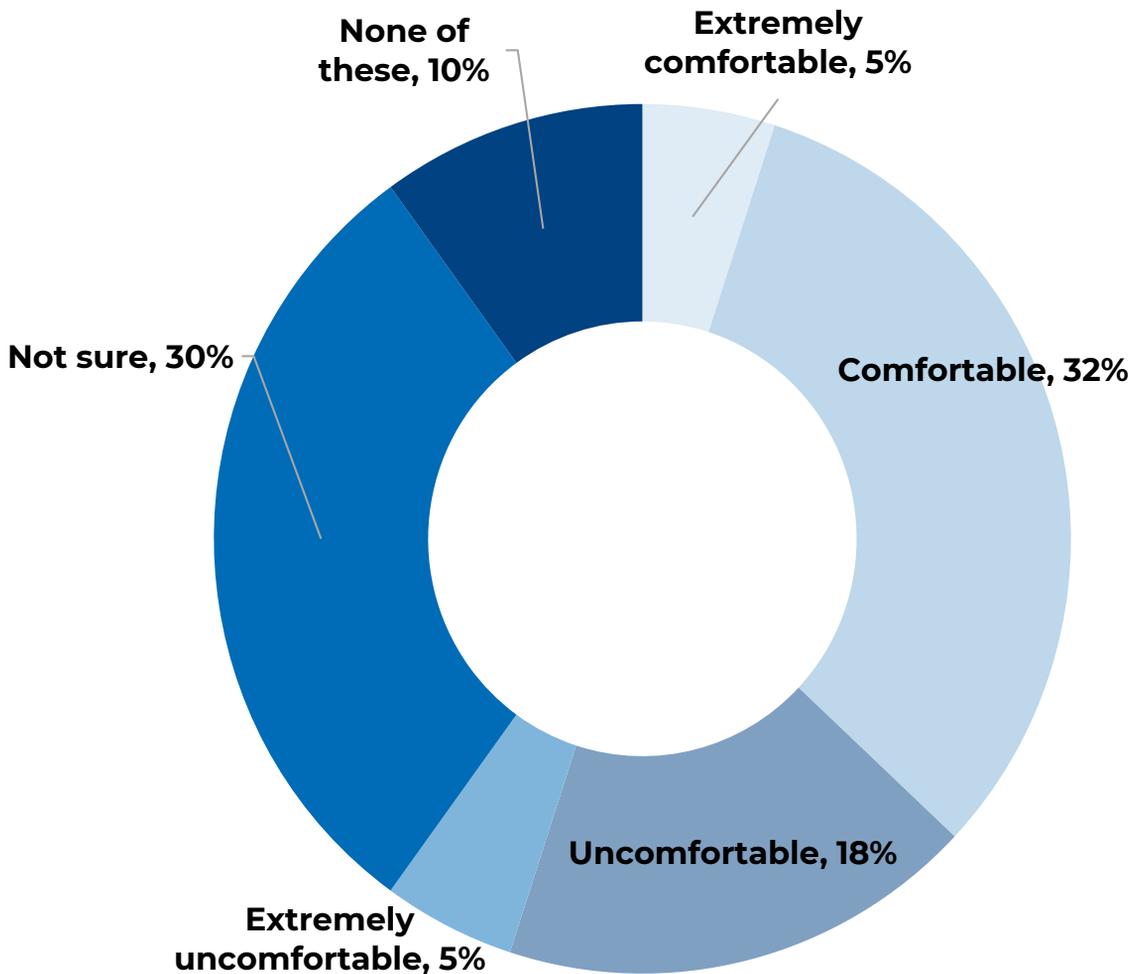
Note: Respondents were permitted to select as many responses as they felt applicable. The percentage distribution may therefore sum to more than 100 percent.

Comfort with Clients' Questions About Home Performance

Fifteen percent of respondents had clients ask for advice about energy efficiency upgrades very often or often.

- Thirty-seven percent of respondents were extremely comfortable or comfortable answering clients' questions about home performance, while 23 percent said they were uncomfortable or extremely uncomfortable.

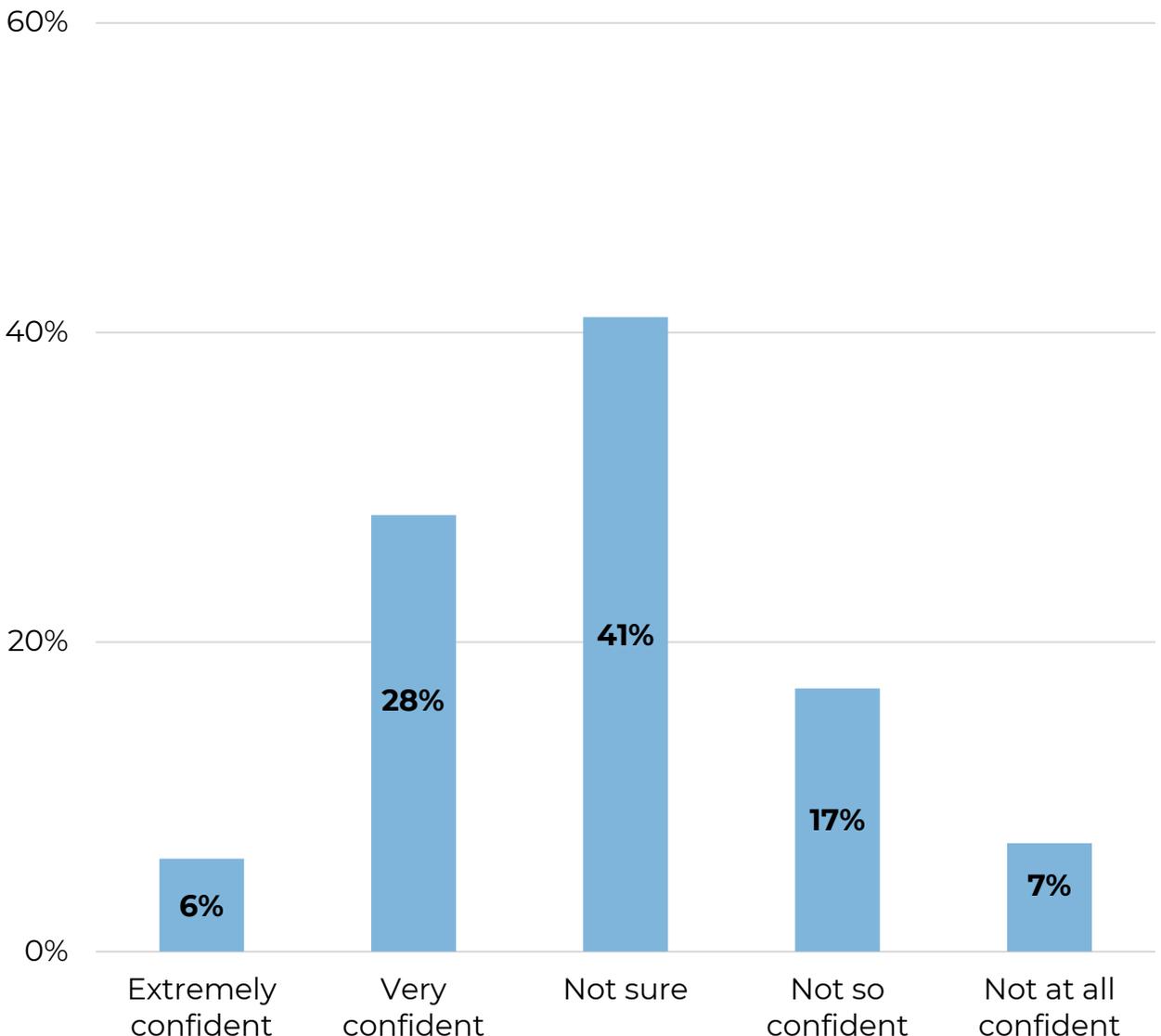
Comfort Answering Clients' Questions About Home Performance



Confidence in Connecting Clients with Green Lenders

- Thirty-four percent of respondents were extremely confident or very confident with connecting a client to a lender who could provide lending products that encourage energy efficient improvements to existing homes.
- Twenty-four percent of respondents were not so confident or not at all confident with connecting clients to lenders.

Connecting Clients with Lenders



Regional Breakouts

Rooftop Solar Panels in Market

Region:	Northeast	Midwest	South	West
Rooftop solar panels in market	93%	79%	74%	92%
No rooftop solar panels in market	4%	13%	15%	4%
Don't know	3%	8%	12%	4%

Rooftop Solar Panels Affect on Property Values

Region:	Northeast	Midwest	South	West
Increase value	38%	35%	41%	49%
No effect	31%	28%	26%	28%
Decrease value	15%	14%	10%	11%
Don't know	16%	23%	23%	11%

Homes' Time on Market with Rooftop Solar Panels

Region:	Northeast	Midwest	South	West
Much more	6%	3%	4%	4%
A little more	16%	12%	7%	13%
Neither more or less	45%	39%	35%	46%
A little less	6%	5%	7%	10%
Much less	2%	1%	2%	3%
Unclear	25%	39%	43%	24%

Regional Breakouts

Value of Energy Efficiency Promotion in Residential Listings

Region:	Northeast	Midwest	South	West
Very valuable	21%	18%	19%	21%
Somewhat valuable	44%	47%	45%	45%
Neutral	24%	22%	23%	22%
Not very valuable	7%	7%	7%	6%
Not at all valuable	3%	3%	4%	3%
Depends on the listing	2%	3%	3%	3%

Experience with Residential Building Repurposing

Region:	Northeast	Midwest	South	West
Experience with Residential Building Repurposing	12%	12%	9%	7%
No Experience with Residential Building Repurposing	54%	55%	52%	61%

Client Interest in Sustainability Topics

Region:	Northeast	Midwest	South	West
Very interested	7%	6%	8%	9%
Somewhat interested	48%	44%	44%	50%
Neither interested or uninterested	29%	30%	26%	25%
Somewhat uninterested	11%	13%	14%	11%
Very uninterested	5%	7%	8%	6%

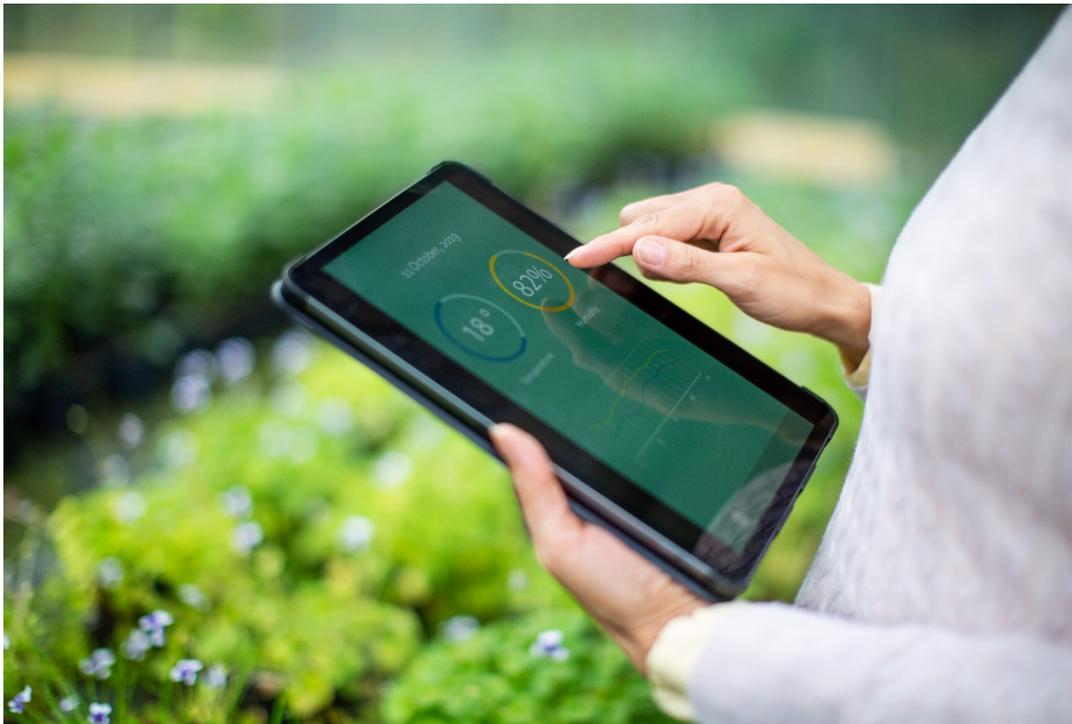
NAR Survey Respondents

- Among all of the respondents surveyed, the median age was 55 years— 31 percent falling into the age bracket between 55 to 64 years, 24 percent between 45 to 54 years, 17 percent between 65 to 74 years, and 14 percent between 35 to 44 years.
- The primary functions of survey respondents were sales agents at 67 percent, followed by associate broker at 14 percent.
- Respondents have been active as real estate professionals for a median of 10 years.
- The regional distribution of survey respondents was highest in the South (34 percent), West (27 percent), and Midwest (27 percent), and lowest in the Northeast (13 percent).
- Thirty-seven percent of survey respondents worked 40 to 59 hours per week, followed by 37 percent who worked 20 to 39 hours.
- Fifty-seven percent of survey respondents worked in suburban areas, followed by 34 percent in urban and central city areas, and 36 percent in small towns and rural areas.

Methodology

In March 2021, NAR invited a random sample of 65,471 active REALTORS® to fill out an online survey. A total of 5,048 useable responses were received for an overall response rate of 7.7 percent. At the 95 percent confidence level, the margin of error is plus-or-minus 1.38 percent.

The primary measure of central tendency used throughout this report is the median – the middle point in the distribution of responses to a particular question or, equivalently, the point at which half of the responses are above and below a particular value.



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The National Association of REALTORS® is America's largest trade association, representing more than 1.4 million members, including NAR's institutes, societies and councils, involved in all aspects of the real estate industry. NAR membership includes brokers, salespeople, property managers, appraisers, counselors and others engaged in both residential and commercial real estate.

The term REALTOR® is a registered collective membership mark that identifies a real estate professional who is a member of the National Association of REALTORS® and subscribes to its strict Code of Ethics.

Working for America's property owners, the National Association provides a facility for professional development, research and exchange of information among its members and to the public and government for the purpose of preserving the free enterprise system and the right to own real property.

NATIONAL ASSOCIATION OF REALTORS® RESEARCH GROUP

The Mission of the NATIONAL ASSOCIATION OF REALTORS® Research Group is to produce timely, data-driven market analysis and authoritative business intelligence to serve members, and inform consumers, policymakers and the media in a professional and accessible manner.

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