

Chicago Case Study

In response to the Multiple Listing Service structure in the Chicago area, which does not differentiate between traditional and green listings, a group of local REALTORS® formed the Sustainable Real Estate Alliance (SREA). Its goal was to provide the local MLS with a tool to help homeowners with properties that had green features stand out in the marketplace and allow consumers to easily compare green properties to traditional ones. In addition, the SREA wanted to eliminate unsubstantiated green claims or greenwashing in MLS listings.

Once the group came together, it established a mission statement and guiding philosophies. One philosophical pillar was that the definition of green was based on a personal and individual choice. It would not be SREA's role to define green.

The first task was learning from other regions that had gone through the process of greening their MLS. With cooperation from [NAR's Green REsource Council](#) and outreach to other professionals, the SREA was able to analyze the successes and approaches of other MLSs. It also previewed proposed criteria the MLS in Chicago was planning to roll out in the distant future.

SREA believed that the MLS in Traverse City, Mich., put forth the best effort by creating a separate disclosure document to assist in identifying a green property. The SREA decided to expand upon the disclosure document so the amount of manipulation required by the MLS data administrators would be minimal.

The next step was creating the disclosure. Using the Traverse City document as a model, the SREA document was divided into sections.

The first section for third-party certification allows for the certification to be identified and the date of certification. A copy of the certification would be made available to a potential buyer.

The second section includes a HERS Index score and the report of the tests performed to achieve the index score. SREA decided that agents and buyers could simply search for a home based upon the HERS Index, given that a particular range in scoring correlates directly with efficiency levels. SREA recommended that the HERS Index score be a searchable field so that buyers could search for available homes that scored, for example, between 75 and 85.

Additional sections focus on location and landscaping, exterior and roof, building envelope, heating and cooling, plumbing, electrical and lighting, ENERGY STAR® products, interior finishes, and indoor environmental quality.

The last section allows sellers to provide additional information that is not included in

the disclosure.

SREA then created a document for peer review, and sent it to Chicago-area industry professionals, including architects, appraisers, lenders, REALTORS® (green and non-green), developers, landscape designers, energy raters and home inspectors, for review. A cover letter explained the purpose of the disclosure document and SREA included the disclosure document and a short survey.

Though reviewers were pleased with the initial effort, they thought the document did not go far enough. And professionals unfamiliar with green found the document to be confusing and heavy. In addition, REALTORS® unfamiliar with green indicated that they had no idea what many of the items in the document were.

The reactions reinforced our instinct that an educational piece needed to be developed for REALTORS®, since they would be the document's primary users.

SRES then developed a proposal to MLSNI, the Chicago area's MLS, and to the REALTOR® associations that would be affected by the change. The proposal included the green disclosure document, a summation of the SREA and its process, proposed MLS search fields, and reasons green fields should be searchable fields. A how-to-use guide and a glossary also were part of the package.

The how-to-use guide consists of a general overview of the disclosure document and why and where it should and could be used. The guide does not teach what green is or how to achieve a green property. Instead, it refers readers to green education courses.

The searchable fields the SREA recommended to be introduced to the MLS format were:

- Green Disclosure Document completed
- HERS Index number range
- Certifications, such as LEED, ENERGY STAR®, NAHB, and other certifications
- Green Features section

The Green Features include:

- Photovoltaic and solar system
- Pre-wired for PV/solar
- Solar Hot Water
- Geothermal Heating/Cooling System
- Tankless Hot Water Heater
- Enhanced Air Filtration
- Low-flow commode
- Low-flow fixtures
- Native/drought-resistant landscaping

- Rainwater collection system
- Green roof

The proposal was created and presented to the director of services and the manager of systems design of MRED, the purveyors of the MLSNI, on October 14, 2009. The proposal was designed with an eye toward implementing it quickly and with the least amount of work for MLSNI's data administrators.

The meeting was successful and SREA was asked to provide some letters of endorsement so that when the proposal was presented to the MRED' Board of Directors there could be no question of its value.

The Director of Services and Manager of Systems Design appreciated SREA's effort to make implementation as easy as possible.

On October 21, 2009, the packet was sent to member associations and it received strong vocal support. Member associations then were asked for their approval in writing.

In November of 2009, the proposal was presented to the board of MRED by the Director of Services and Manager of Systems Design of MRED. It was approved and implementation was scheduled for December 17, 2009.

Search fields were added for all property types, except for "Land and Deeded Parking." The Green Disclosure was added to the public documents section. To date, six associations also have requested that the documents be added to their individual forms libraries.

SREA members will reach out to all member associations to offer in-person visits to explain the proposal to members and provide non-green agents information on obtaining green education.

A press release will be issued to increase the general public's awareness of the changes.

Due to the changes with green technology, SREA plans to meet bi-annually to address changes or may be needed to the green disclosure to keep it current and relevant.

In addition, SREA plans to bring in industry professionals for roundtable discussions regarding improvements to the green disclosure. There are discussions about local chapters or committees of NAR green designees being formed, and should such a committee form in Chicago, it will be recommended that that group take over future reviews of the green disclosure, glossary, and search fields.

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