

2021

REALTORS® & Sustainability: Commercial Report

National Association of REALTORS® Research Group



NAR Research Staff:

Lawrence Yun, Ph.D.

Chief Economist and Senior Vice President

Jessica Lautz, Dr.RealEst.

Vice President, Demographics and Behavioral Insights

Meredith Dunn

Research Manager

Sidnee Holmes

Research Assistant

Brandi Snowden

Director, Member and Consumer Survey Research

©2021 National Association of REALTORS®

All Rights Reserved.

May not be reprinted in whole or in part without
permission of the National Association of REALTORS®.

For reprint information, contact data@realtors.org.

Table of Contents

REALTOR® Sustainability Program	Page 4
Commercial Executive Summary	Page 5
NAR Survey Respondents	Page 23
Methodology	Page 24



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.



Commercial Executive Summary

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

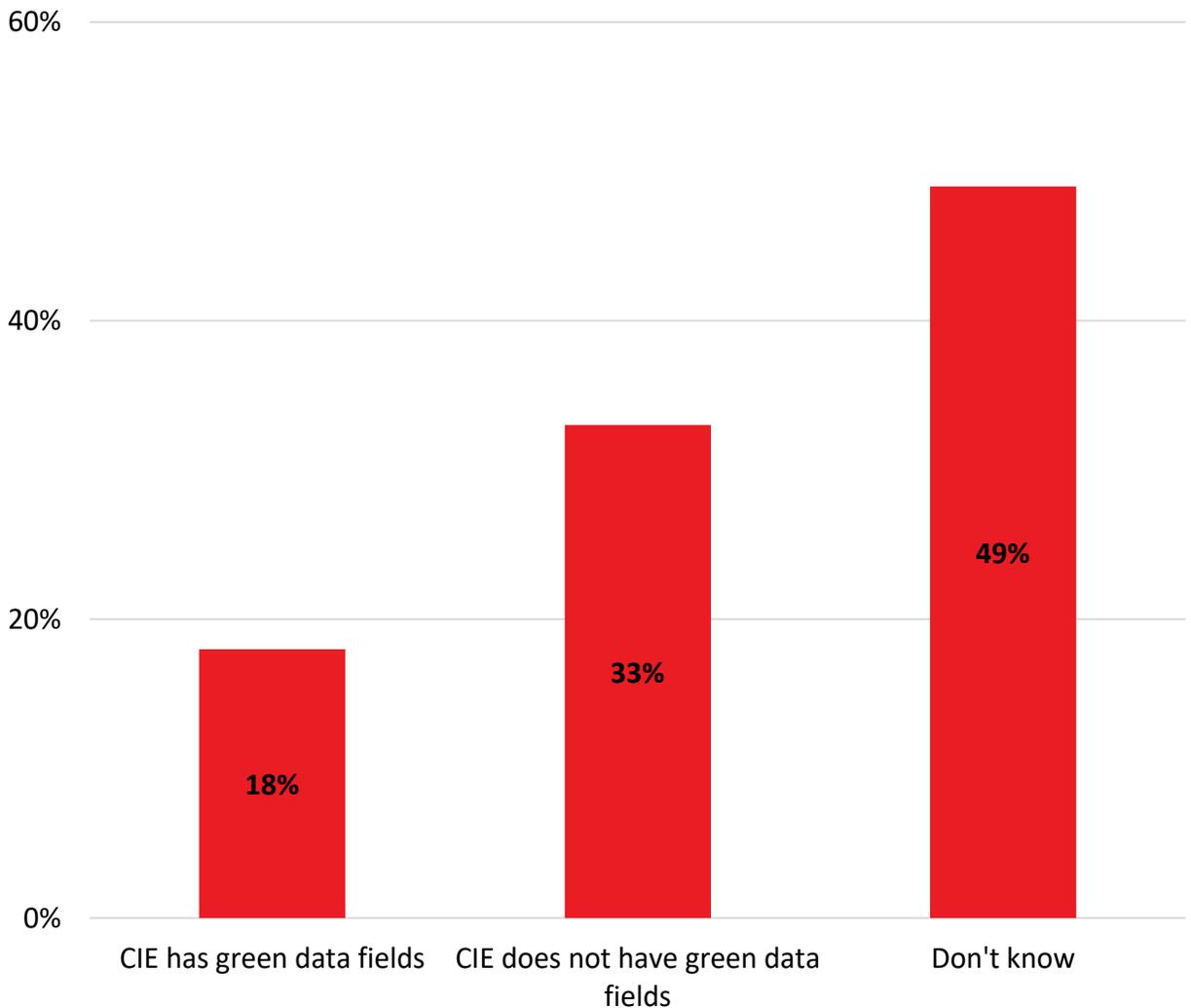
Commercial Highlights:

- Eighteen percent of respondents reported that their Commercial Information Exchange (CIE) had green data fields, and the CIE green data fields were used to promote energy information and green features.
- A majority of agents and brokers (69 percent) said that energy efficiency promotion in listings was very or somewhat valuable.
- Twenty-nine percent of buildings with green certifications, such as LEED, Green Globes, or the Living Building Challenge, spent neither more nor less time on market.
- Thirty-seven percent of brokerage firms had experience working with commercial building repurposing, such as converting empty malls into technical schools.
- Fifty-seven percent of respondents were extremely comfortable or comfortable answering clients' questions about building performance.
- The building features that REALTORS® believed were most important to clients included utility and operations costs, indoor air quality, efficient use of lighting, and windows, doors, and furnishings.
- Twenty-one 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.

Commercial Information Exchange

- Eighteen percent of respondents reported that their Commercial Information Exchange (CIE) had green data fields, compared to 33 percent that did not have green data fields.

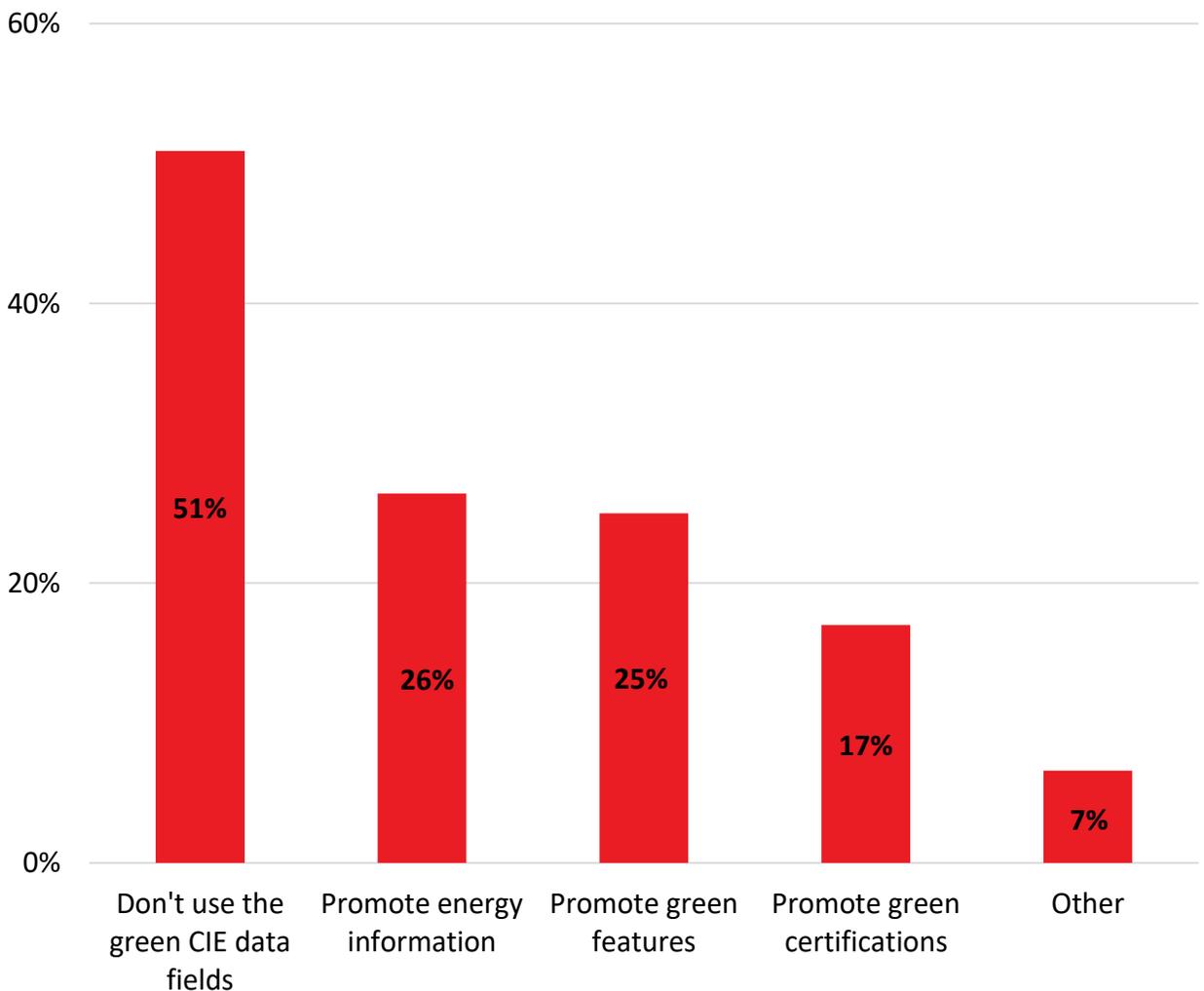
CIE Green Data Fields



CIE Green Data Field Uses

- Among those respondents who did have CIE green data fields, 26 percent used them to promote energy information, 25 percent to promote green features, and 17 percent to promote green certifications.

Uses of CIE 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.

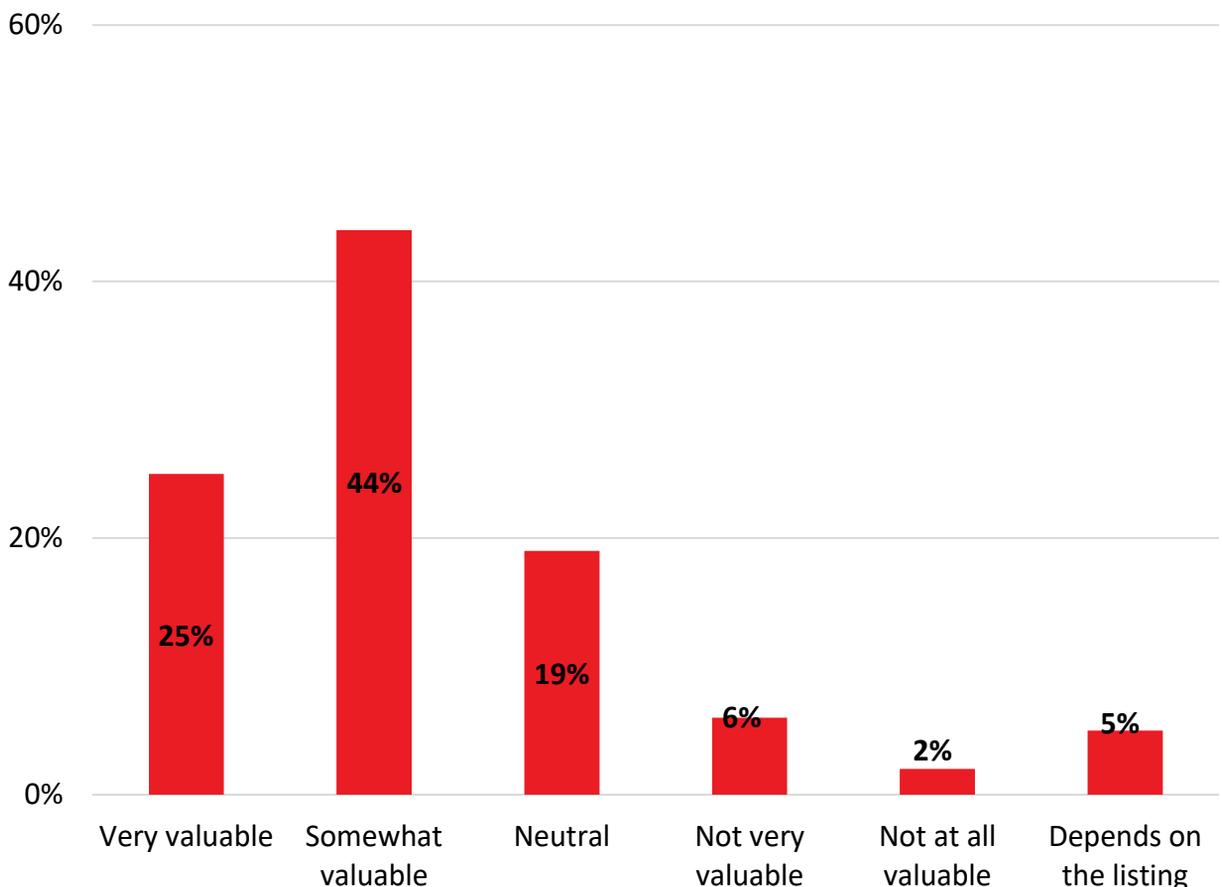
Value of Energy Efficiency Promotion in Commercial Listings

- A majority of agents and brokers (69 percent) said that energy efficiency promotion in listings was very or somewhat valuable.

Twenty-one 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-nine percent of respondents said that in the past 12 months they had not been directly involved with a property that had green features.

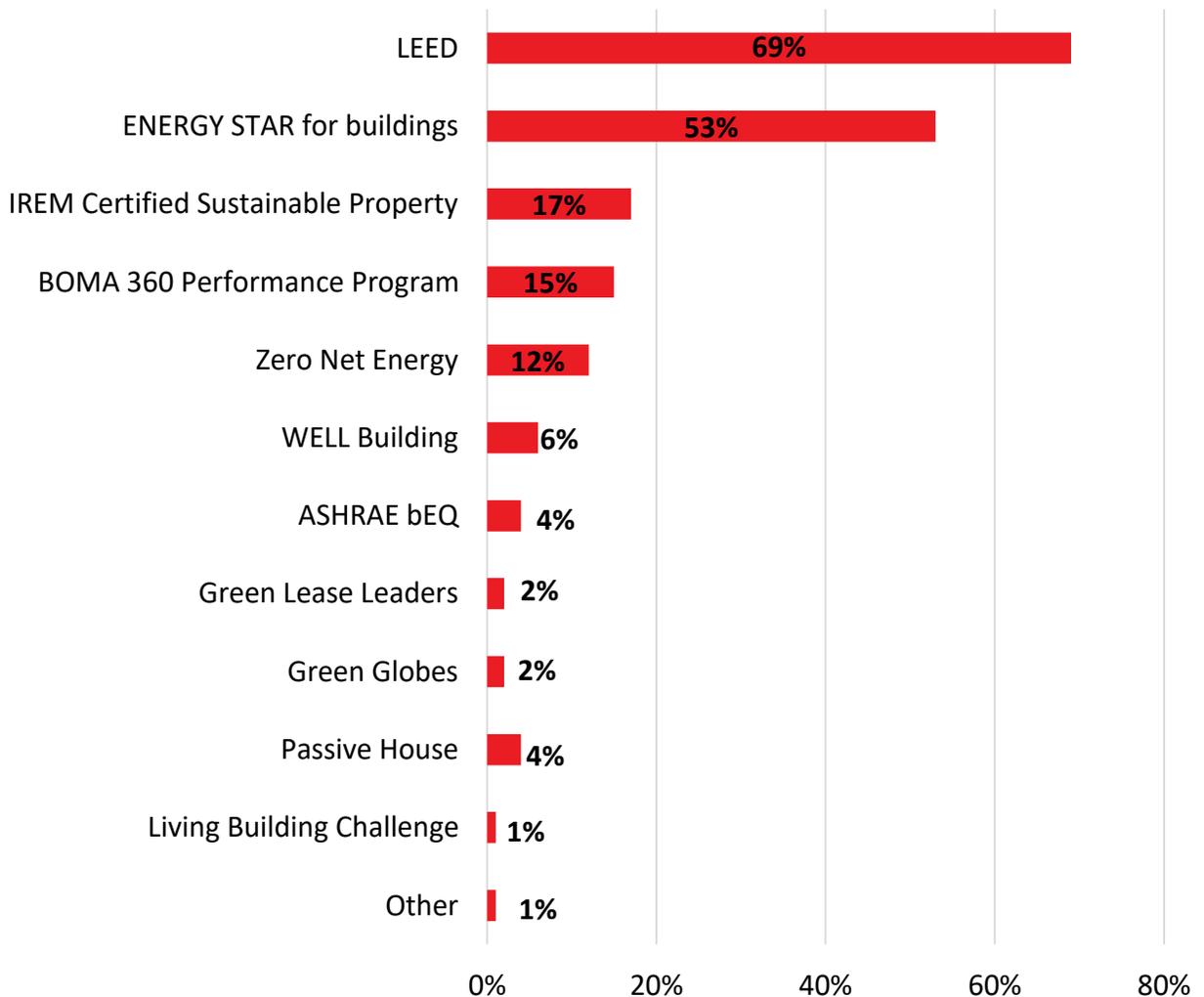
Value of Energy Efficiency Promotion



Green Building Certifications

- Respondents were most familiar with LEED (69 percent), ENERGY STAR for buildings (53 percent), IREM Certified Sustainable Property (17 percent), and the BOMA 360 Performance Program (15 percent).

Familiarity With Green Building Certifications



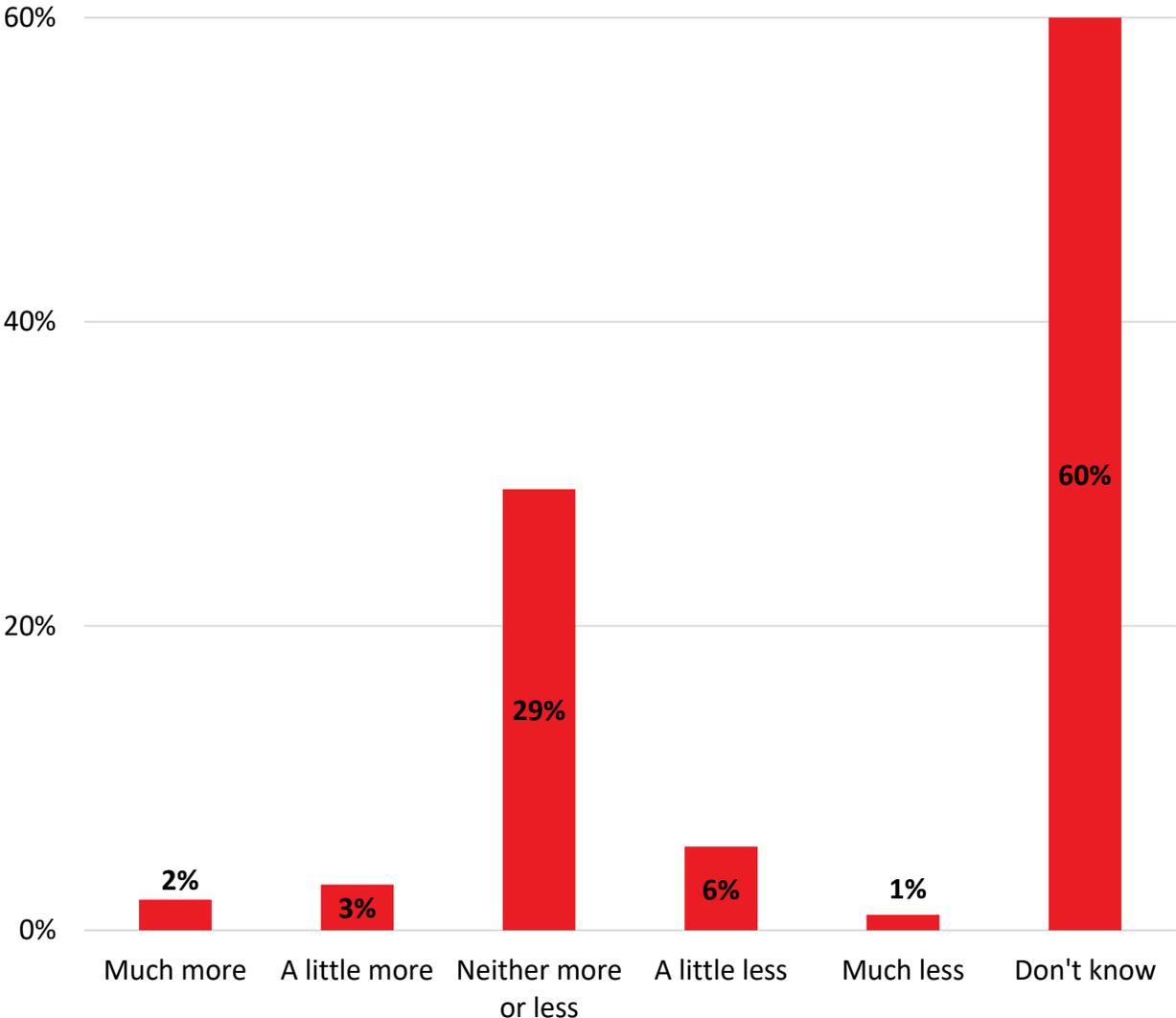
Note: Respondents were permitted to select as many responses as they felt applicable. The percentage distribution may therefore sum to more than 100 percent.

Among those green building certifications, respondents typically had experience working with LEED (69 percent), ENERGY STAR for buildings (53 percent), and the BOMA 360 Performance Program (fifteen percent).

Time on Market – Buildings with Green Certifications

- Twenty-nine percent of REALTORS® said buildings with green certifications, such as LEED, Green Globes, or the Living Building Challenge, spent neither more nor less time on market.
- Seven percent of respondents said buildings with green certifications spent a little less or much less time on market.

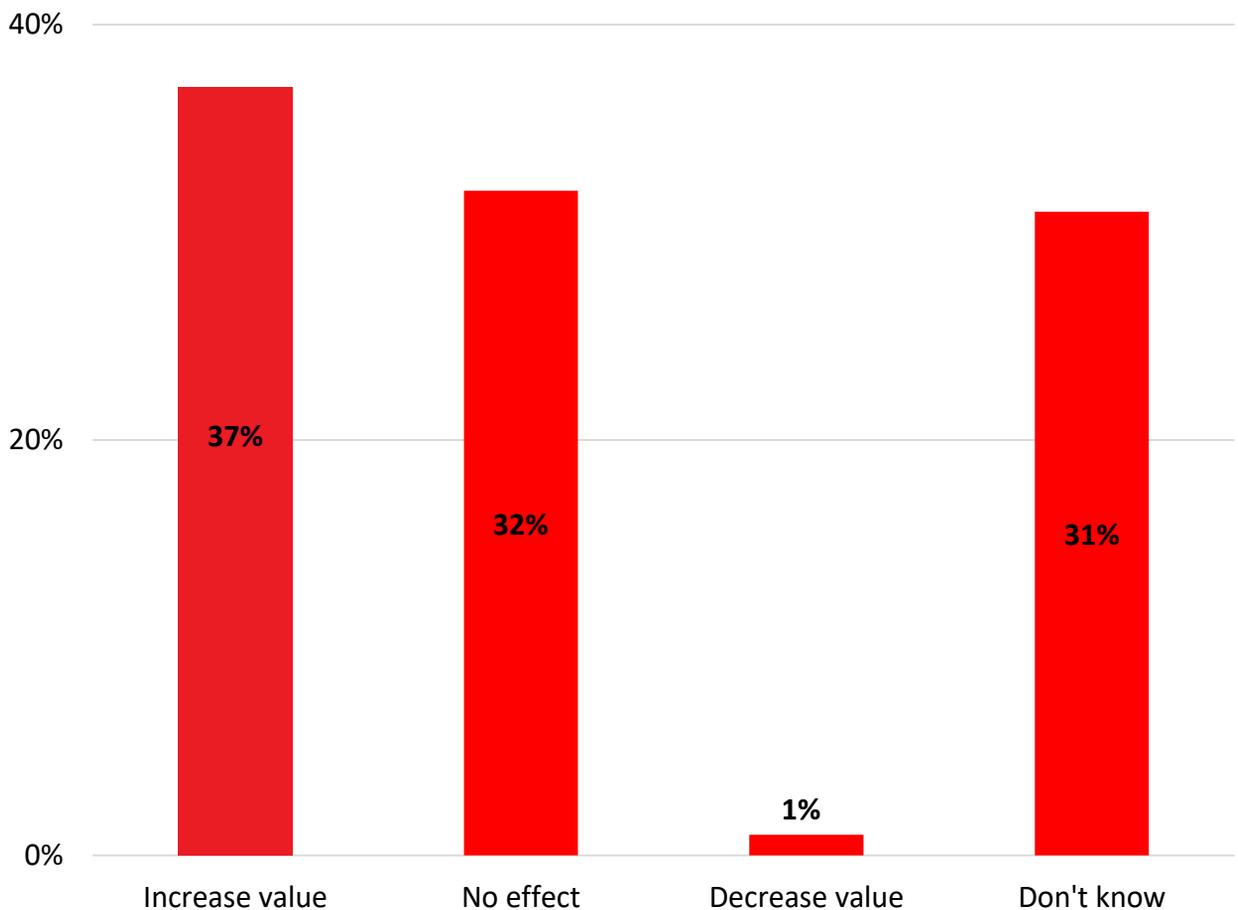
Buildings With Green Certifications Time on Market



Commercial Property Values

- Thirty-seven percent of REALTORS® said buildings with green certifications, such as LEED, Green Globes, or the Living Building Challenge, had increased commercial property values.
- Thirty-two percent of respondents said buildings with green certifications had no effect on the commercial property value.

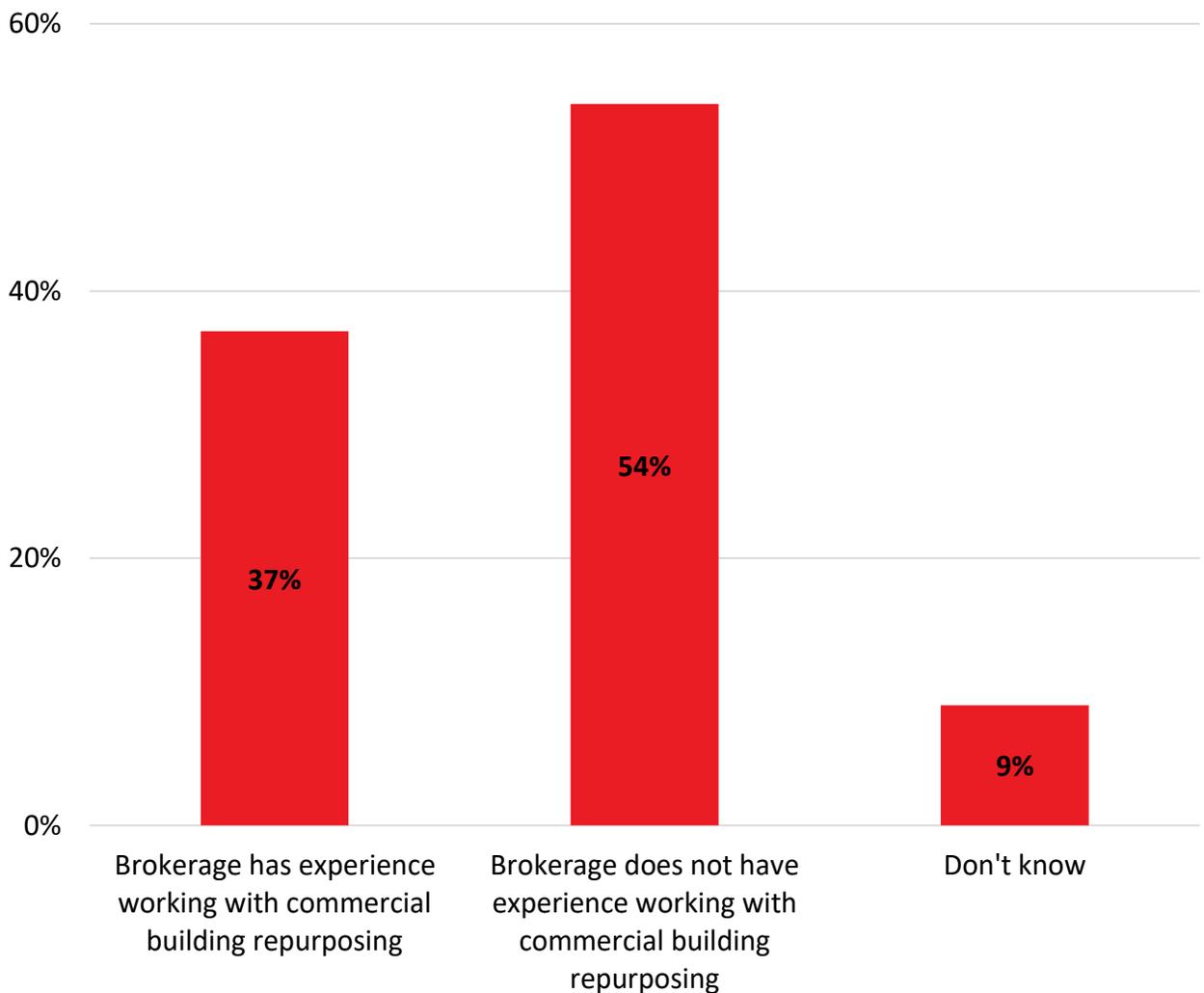
Buildings With Green Certifications Property Values



Commercial Building Repurposing

- Thirty-seven percent of brokerage firms had experience working with commercial building repurposing, such as converting empty malls into technical schools.

Commercial Building Repurposing

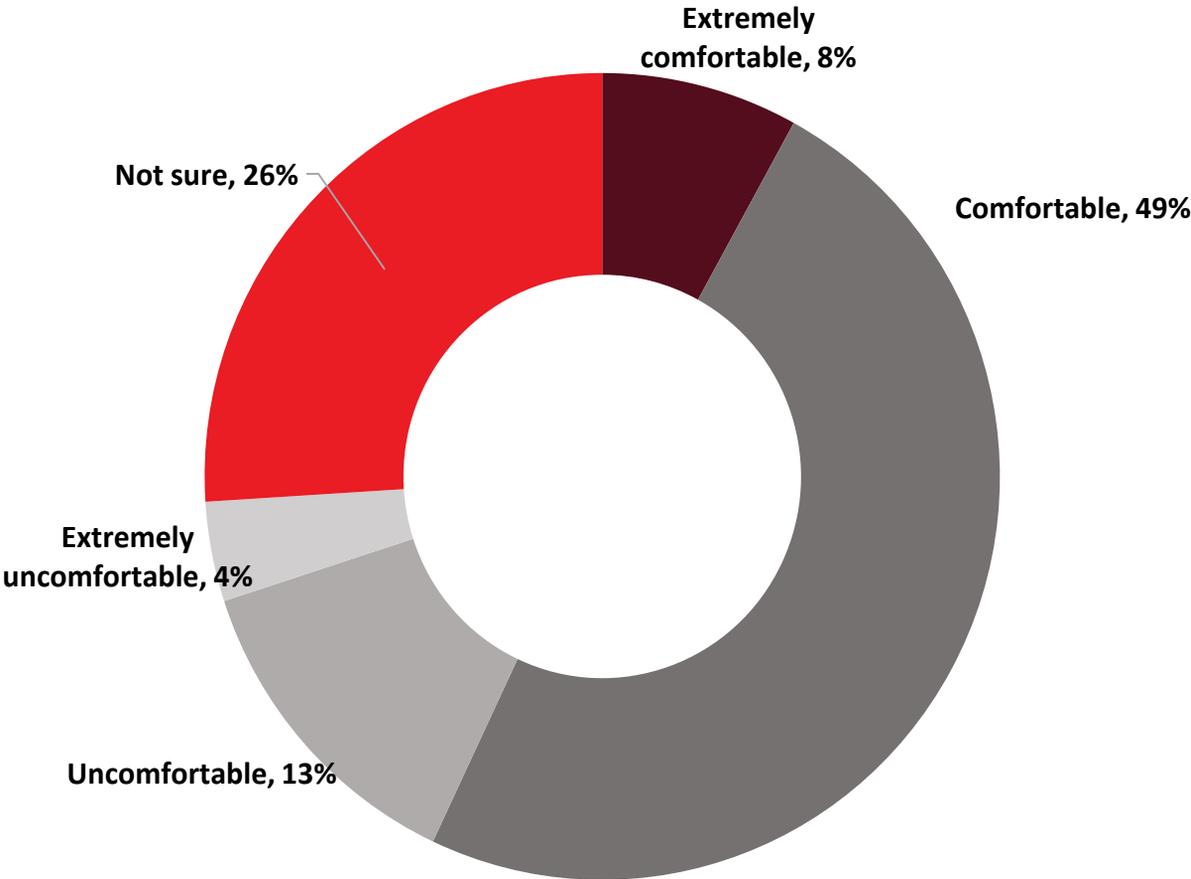


Comfort with Clients' Questions About Building Performance

Nine percent of respondents had clients ask for advice about obtaining a green building or sustainability certification.
Thirty percent of respondents had clients ask for advice on improving energy efficiency in their building or space.

- Fifty-seven percent of respondents were extremely comfortable or comfortable answering clients' questions about building performance, while 17 percent said they were uncomfortable or extremely uncomfortable.

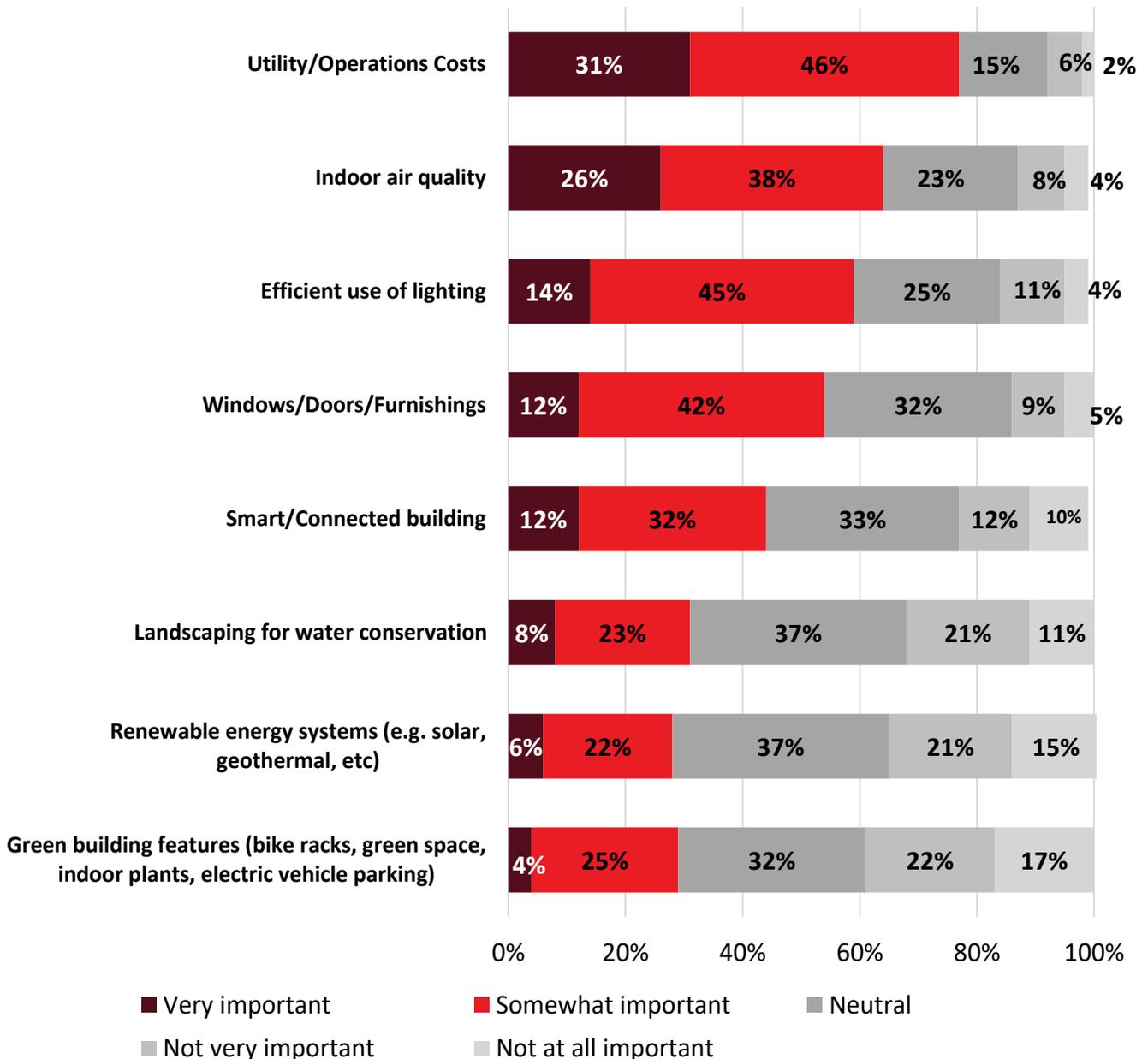
Comfort Answering Clients' Questions About Building Performance



Building Features

- The building features that REALTORS® believed were most important to clients included utility and operations costs (31 percent), indoor air quality (26 percent), efficient use of lighting (14 percent), and windows, doors, and furnishings (12 percent).

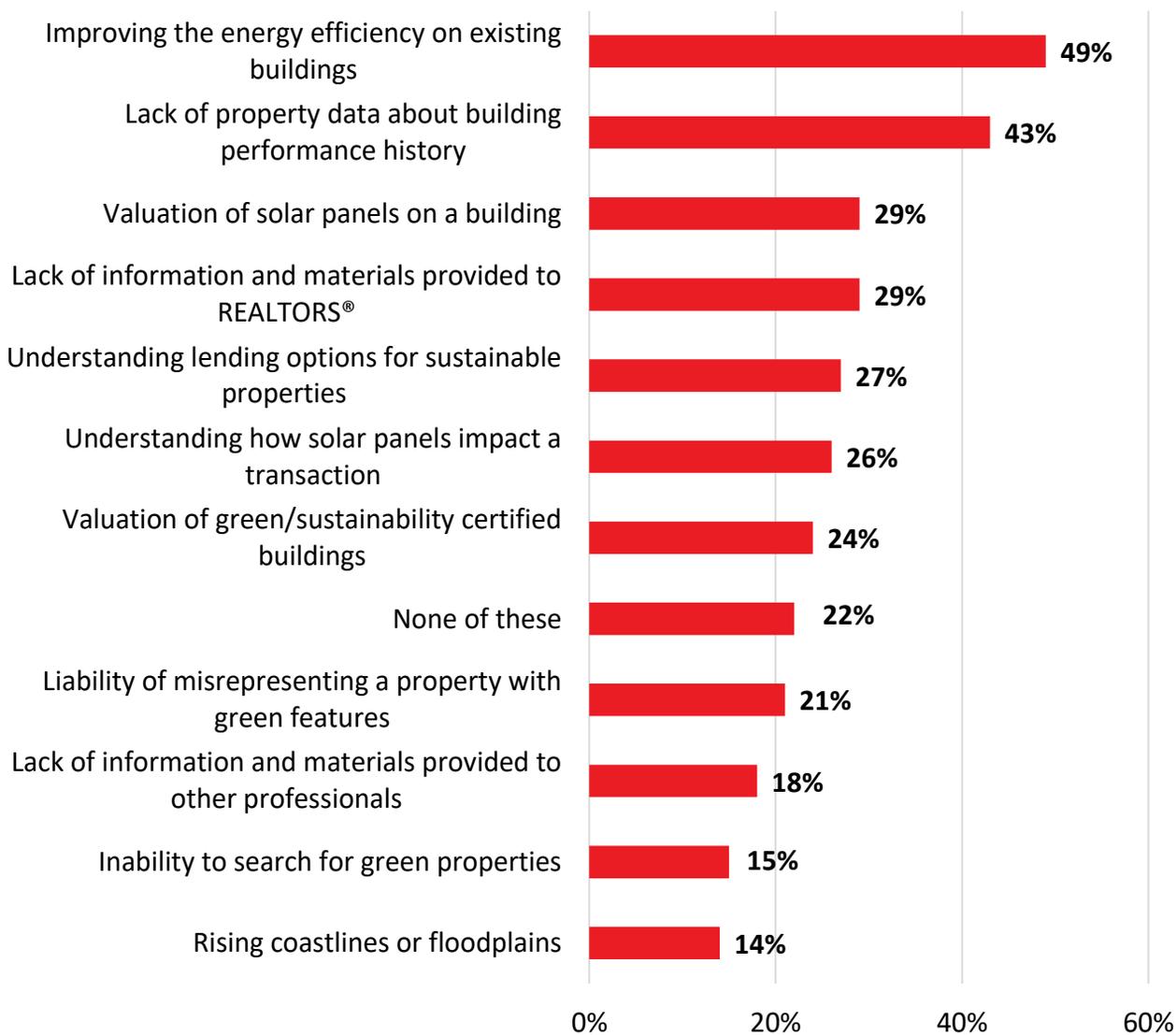
Importance of Building Features to Clients



Market Issues and Considerations

- Market issues and considerations agents and brokers listed as important included improving the energy efficiency on existing buildings (49 percent), lack of property data about building performance history (43 percent) and understanding lending options for sustainable properties (27 percent).

Issues and Considerations in Market

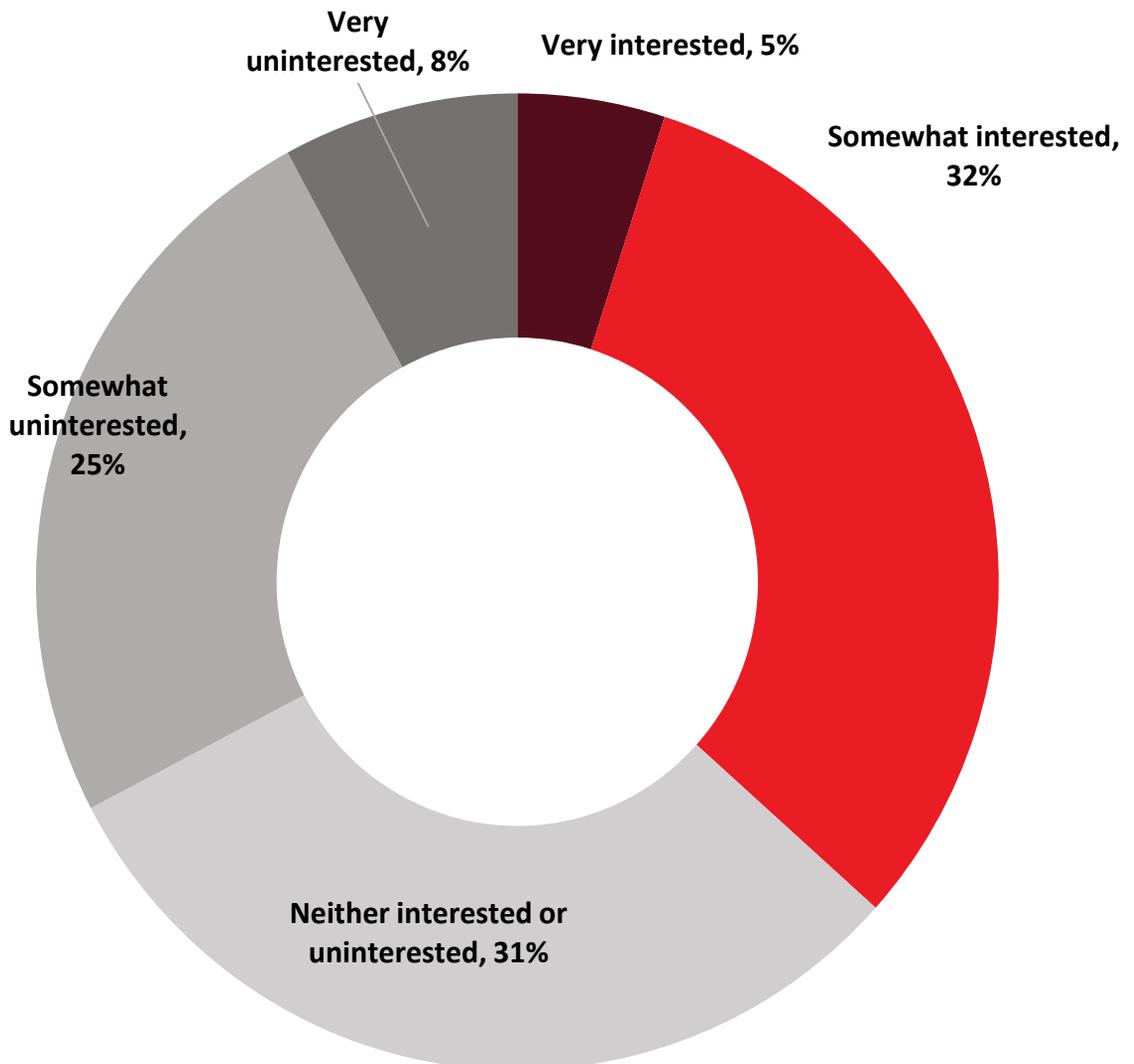


Note: Respondents were permitted to select as many responses as they felt applicable. The percentage distribution may therefore sum to more than 100 percent.

Perception of Client Interest in Sustainability

- Thirty-two percent of agents and brokers found clients were somewhat interested in sustainability, and five percent were very interested.

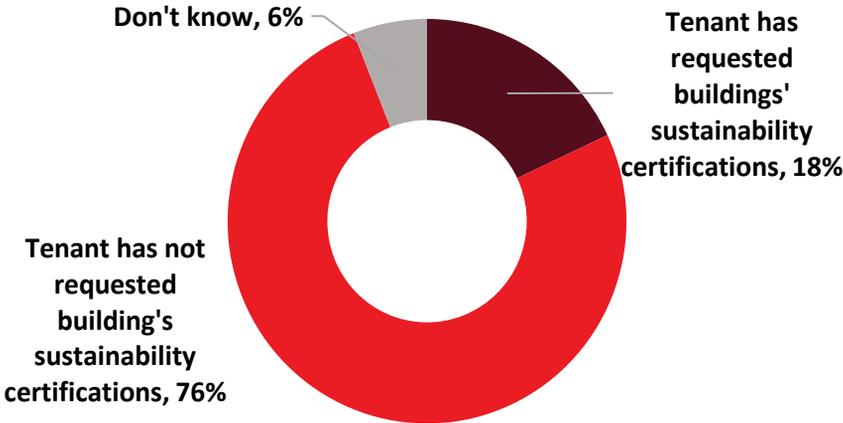
Perception of Client Interest in Sustainability



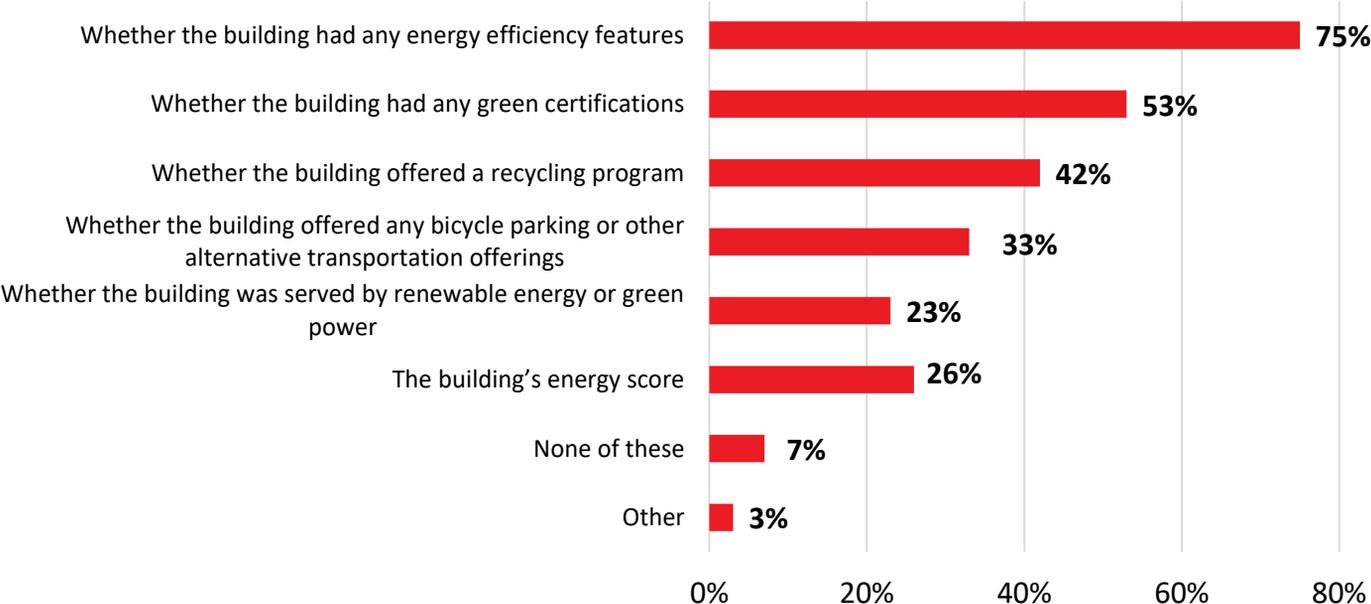
Buildings' Sustainable and Green Features

- Either as a landlord or tenant representative, 18 percent of respondents had requests from prospective tenants in an RFP or other pre-LOI documents asking for a building's sustainability certifications, green building features, or energy rating.
- Among those respondents who requested documents, 75 percent were energy efficiency information, 53 percent requested green certification information, and 42 percent requested recycling program information.

Requests About Buildings' Sustainable and Green Features



Buildings' Feature Requests

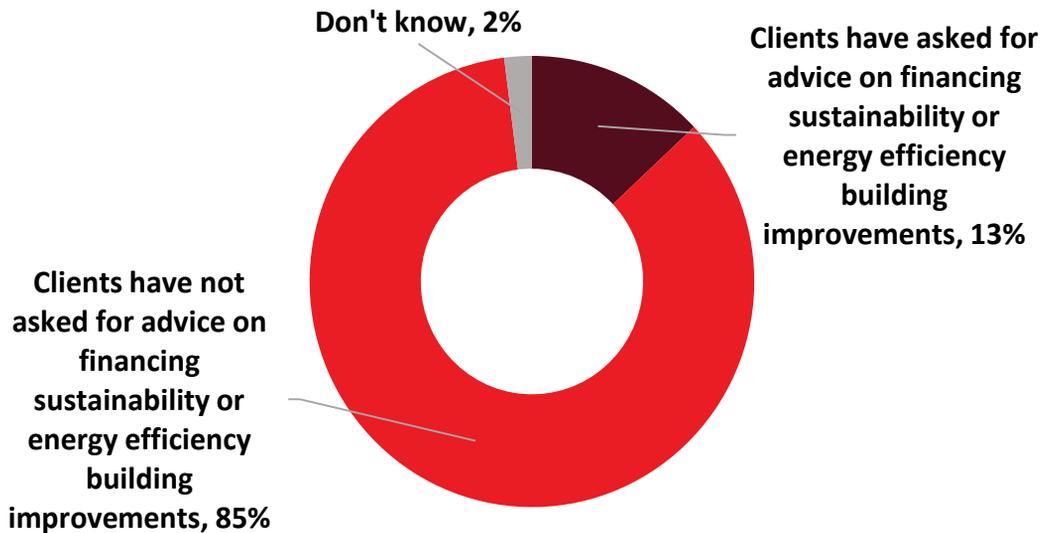


Note: Respondents were permitted to select as many responses as they felt applicable. The percentage distribution may therefore sum to more than 100 percent.

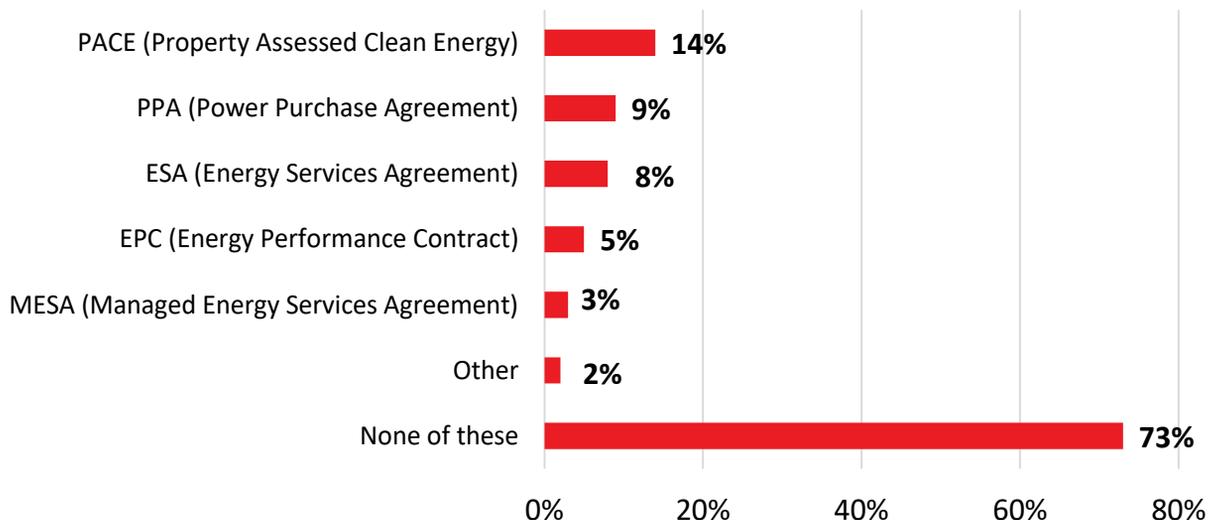
Financing Building Improvements

- Thirteen percent of respondents had clients ask for advice on financing sustainability or energy efficiency building improvements.
- Among options for financing energy efficiency or renewable energy investments, respondents were most familiar with PACE (Property Assessed Clean Energy) at 14 percent, and PPA (Power Purchase Agreement) at nine percent.

Advice on Financing Building Improvements



Familiarity of Financing Options



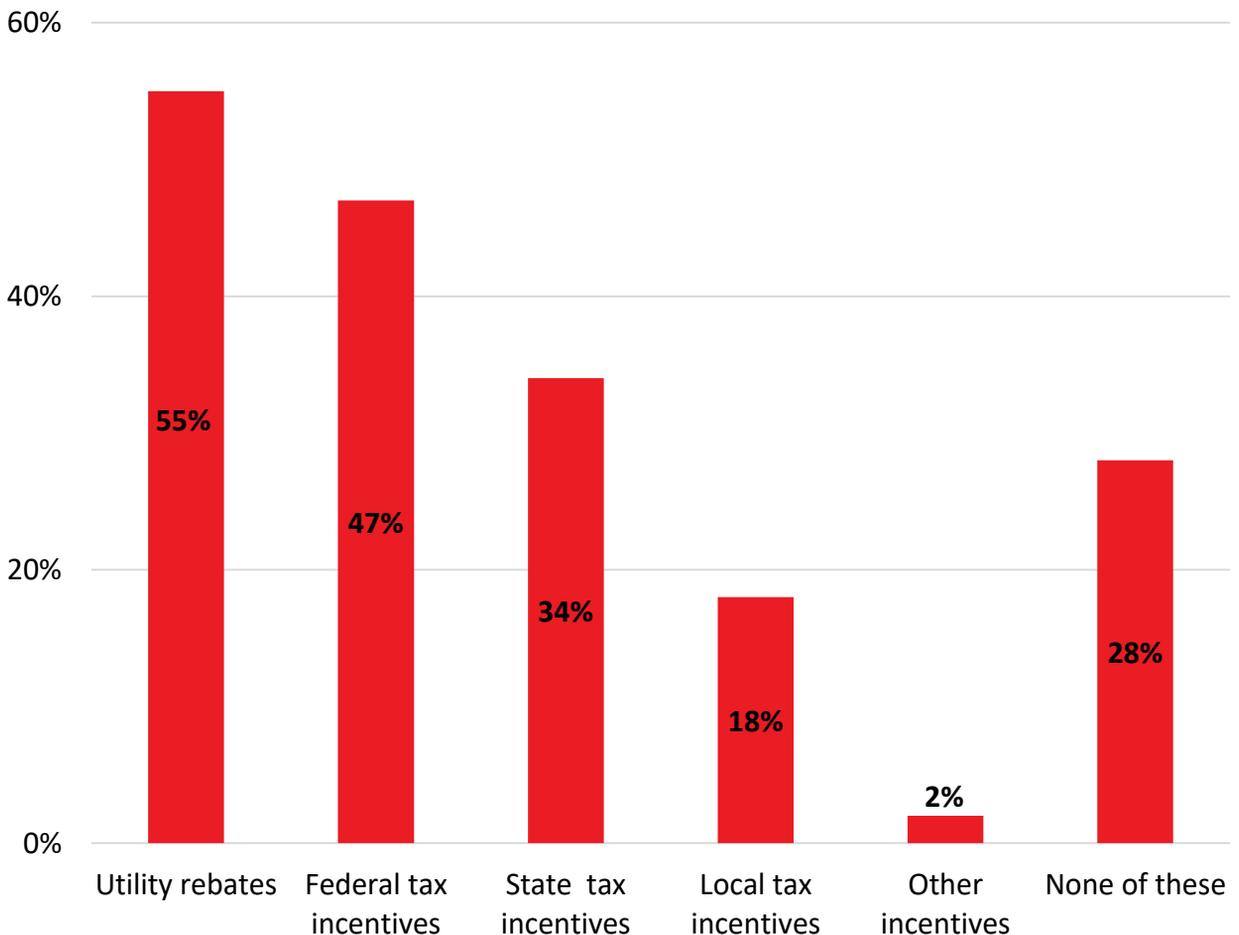
Note: Respondents were permitted to select as many responses as they felt applicable. The percentage distribution may therefore sum to more than 100 percent.

Energy Efficiency Incentives and Requirements

Among privately-owned buildings requiring energy benchmarking, 10 percent of respondents were aware of city requirements, six percent of state requirements, and five percent of county requirements. Forty-one percent of respondents had clients who owned buildings that were subject to city, county, or state energy benchmarking requirements.

- Of the incentives and rebates available, respondents were most commonly aware of utility rebates (55 percent), federal tax incentives (47 percent), and state tax incentives (34 percent).

Energy Efficiency Incentives and Rebates

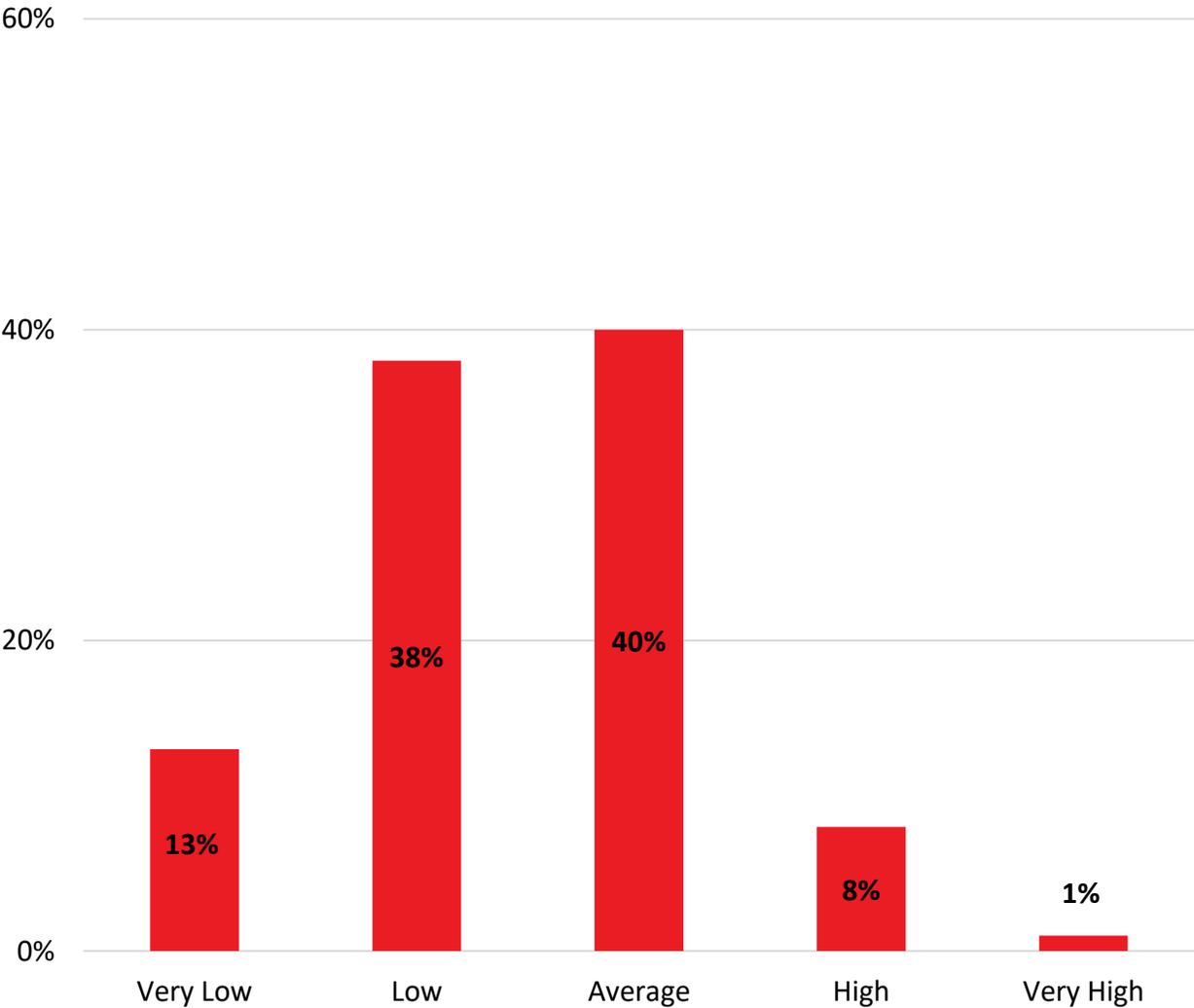


Note: Respondents were permitted to select as many responses as they felt applicable. The percentage distribution may therefore sum to more than 100 percent.

Knowledge of Energy Efficiency and Sustainability Management

- Respondents typically described their knowledge of energy efficiency and sustainability management for commercial properties as being average (40 percent), or low (38 percent).

Knowledge of Energy Efficiency and Sustainability Management



Regional Breakouts

CIE Green Data Fields in Listings

Region:	Northeast	Midwest	South	West
CIE green data fields included in listings	33%	15%	16%	14%
No CIE green data fields included in listings	24%	32%	34%	36%
Don't know	43%	53%	51%	50%

Green Building Certifications Affect on Property Values

Region:	Northeast	Midwest	South	West
Increase value	34%	35%	40%	40%
No effect	30%	28%	31%	33%
Decrease value	1%	*	1%	*
Don't know	34%	38%	28%	27%

* Less than 1%

Buildings' Time on Market with Green Certifications

Region:	Northeast	Midwest	South	West
Much more	1%	1%	2%	3%
A little more	6%	2%	3%	2%
Neither more or less	29%	25%	32%	27%
A little less	10%	4%	5%	8%
Much less	1%	2%	1%	1%
Don't know	53%	66%	59%	60%

* Less than 1%

Regional Breakouts

Value of Energy Efficiency Promotion in Commercial Listings

Region:	Northeast	Midwest	South	West
Very valuable	27%	22%	26%	25%
Somewhat valuable	43%	43%	45%	35%
Neutral	17%	21%	20%	23%
Not very valuable	9%	4%	5%	7%
Not at all valuable	1%	2%	1%	2%
Depends on the listing	3%	7%	3%	8%

Experience with Commercial Building Repurposing

Region:	Northeast	Midwest	South	West
Experience with Commercial Building Repurposing	42%	34%	38%	32%
No Experience with Commercial Building Repurposing	46%	56%	53%	65%

Client/Property Owner Interest in Sustainability Topics

Region:	Northeast	Midwest	South	West
Very interested	12%	8%	9%	4%
Somewhat interested	30%	21%	20%	32%
Neither interested or uninterested	28%	37%	34%	28%
Somewhat interested	26%	29%	31%	35%
Very interested	4%	5%	6%	1%

NAR Survey Respondents

- Among all of the respondents surveyed, the median age was 61 years— 31 percent falling into the age bracket between 55 to 64 years, 19 percent between 45 to 54 years, 28 percent between 65 to 74 years, and nine percent between 35 to 44 years.
- The primary functions of survey respondents were sales agents at 39 percent, followed by broker-owners at 30 percent.
- Respondents have been active as real estate professionals for a median of eight years.
- The regional distribution of survey respondents was highest in the South (37 percent), West (26 percent), and Midwest (24 percent), and lowest in the Northeast (13 percent).
- Forty-five percent of survey respondents worked 40 to 59 hours per week, followed by 27 percent who worked 20 to 39 hours.

Methodology

In June 2021, NAR invited a random sample of 70,729 active REALTORS® to fill out an online survey. A total of 2,917 useable responses were received for an overall response rate of 4.1 percent. At the 95 percent confidence level, the margin of error is plus-or-minus 1.81 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.



©2021 National Association of REALTORS®
All Rights Reserved.

May not be reprinted in whole or in part without permission of the
National Association of REALTORS®.

For reprint information, contact data@realtors.org.



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.

To find out about other products from NAR’s Research Group, visit nar.realtor/research-and-statistics

NATIONAL ASSOCIATION OF REALTORS®

Research Group
500 New Jersey Avenue, NW
Washington, DC 20001
202-383-1000
data@realtors.org