

2022

REALTORS® & Sustainability: Commercial Report

National Association of REALTORS® Research Group



**NATIONAL
ASSOCIATION OF
REALTORS®**

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Table of Contents

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

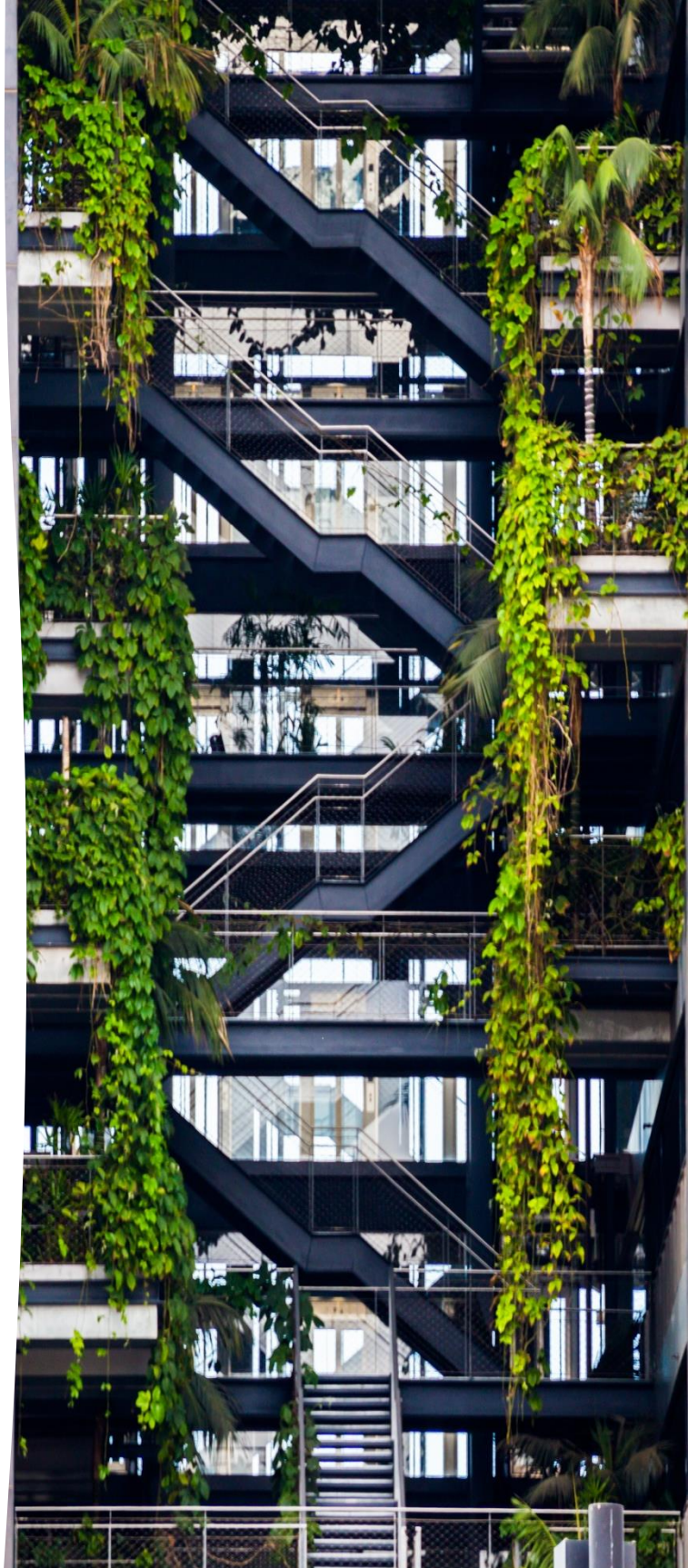


REALTOR® Sustainability Program

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 and is responsible for the implementation of NAR's Sustainability and Resilience Plan. 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

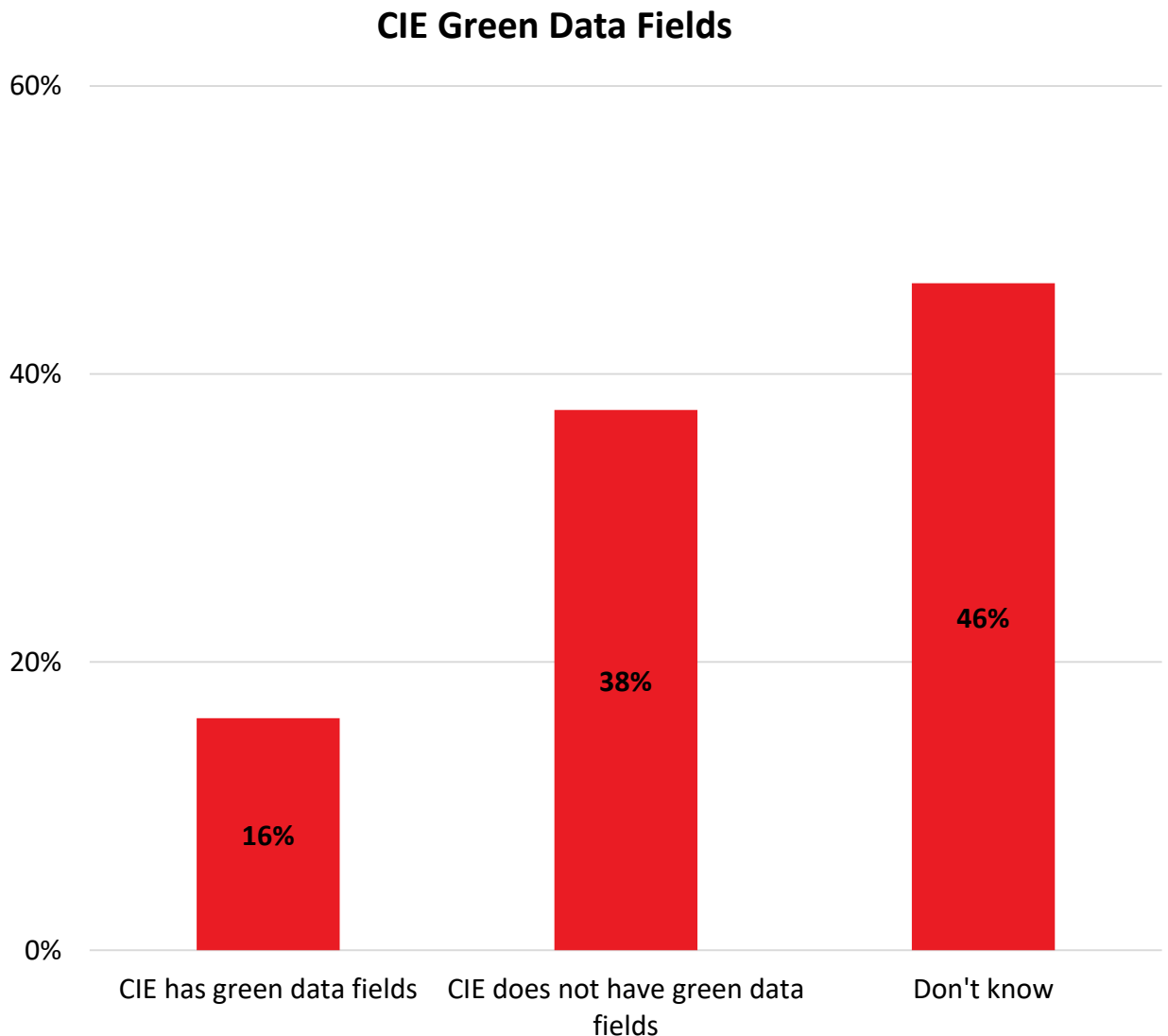
In July 2022, NAR surveyed its members about sustainability issues facing the industry. The findings are as follows:

Commercial Highlights:

- Sixteen 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 (71 percent) said that energy efficiency promotion in listings was very or somewhat valuable.
- Twenty-eight percent of buildings with green certifications, such as LEED, Green Globes, or the Living Building Challenge, spent neither more nor less time on the market.
- Thirty-six percent of brokerage firms had experience working with commercial building repurposing, such as converting empty malls into technical schools.
- Sixty-one 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 energy-efficient windows/doors.
- Thirty percent of respondents said that in the past 12 months, they had been directly involved with a property with green features, either on the buyer or seller side.

Commercial Information Exchange

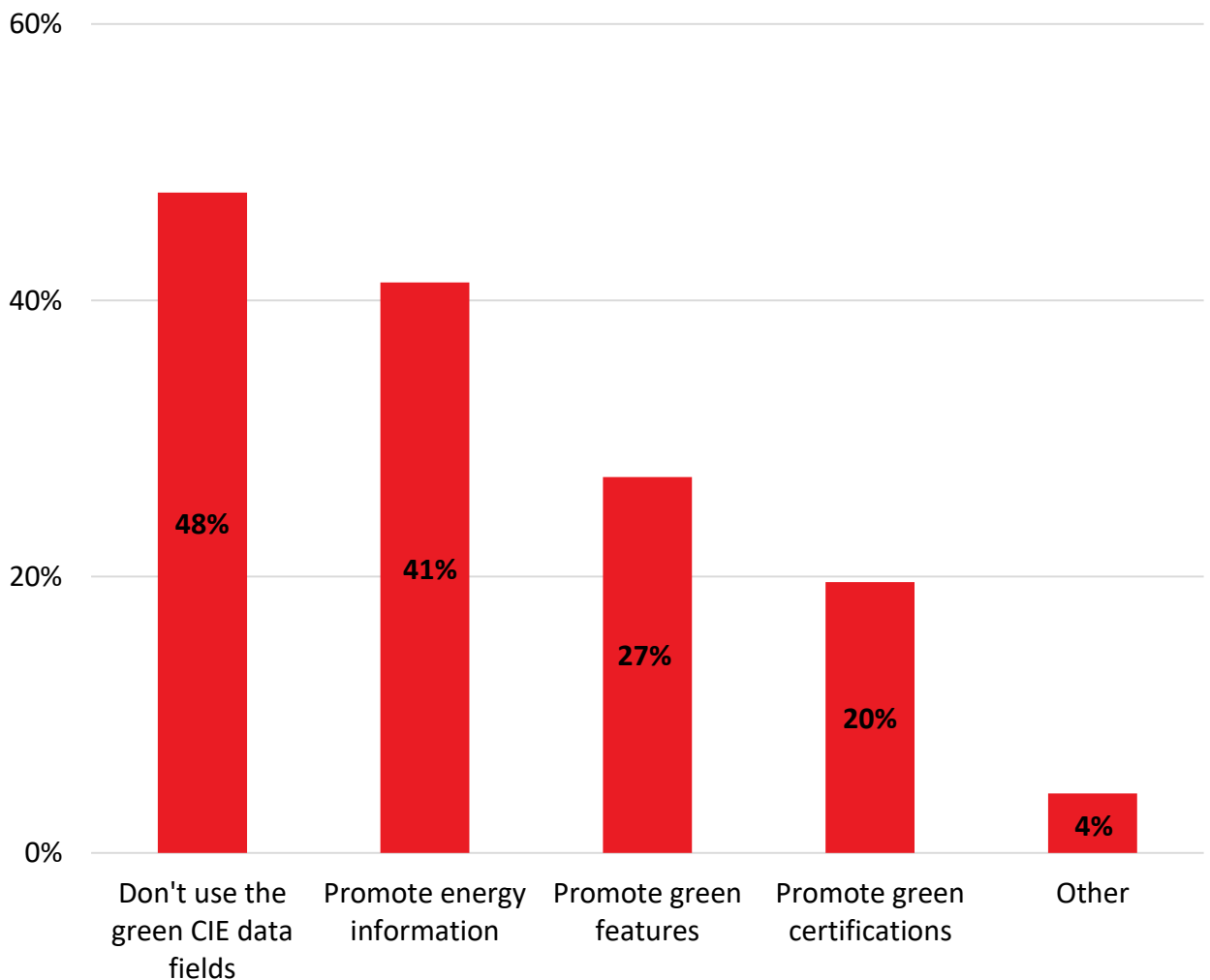
- Sixteen percent of respondents reported that their Commercial Information Exchange (CIE) had green data fields, compared to 38 percent that did not have green data fields.



CIE Green Data Field Uses

- Among those respondents who did have CIE green data fields, 41 percent used them to promote energy information, 27 percent to promote green features, and 20 percent to promote green certifications.

Uses of CIE Green Data Fields

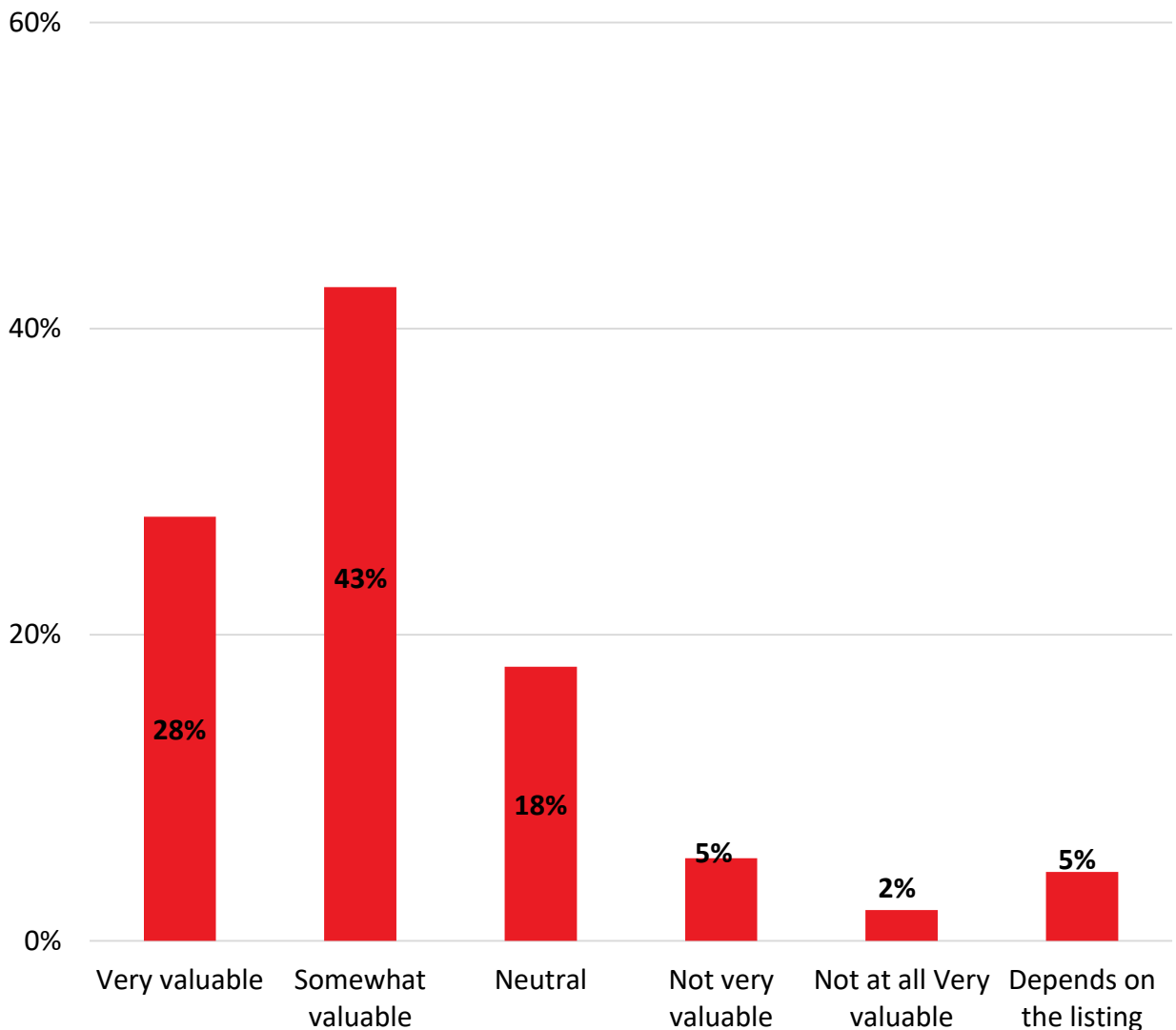


Note: Respondents were permitted to select as many responses as they felt applicable. The percentage distribution may therefore sum to more than 100 percent.

Value of Energy Efficiency Promotion in Commercial Listings

- A majority of agents and brokers (71 percent) said that energy efficiency promotion in listings was very or somewhat valuable.

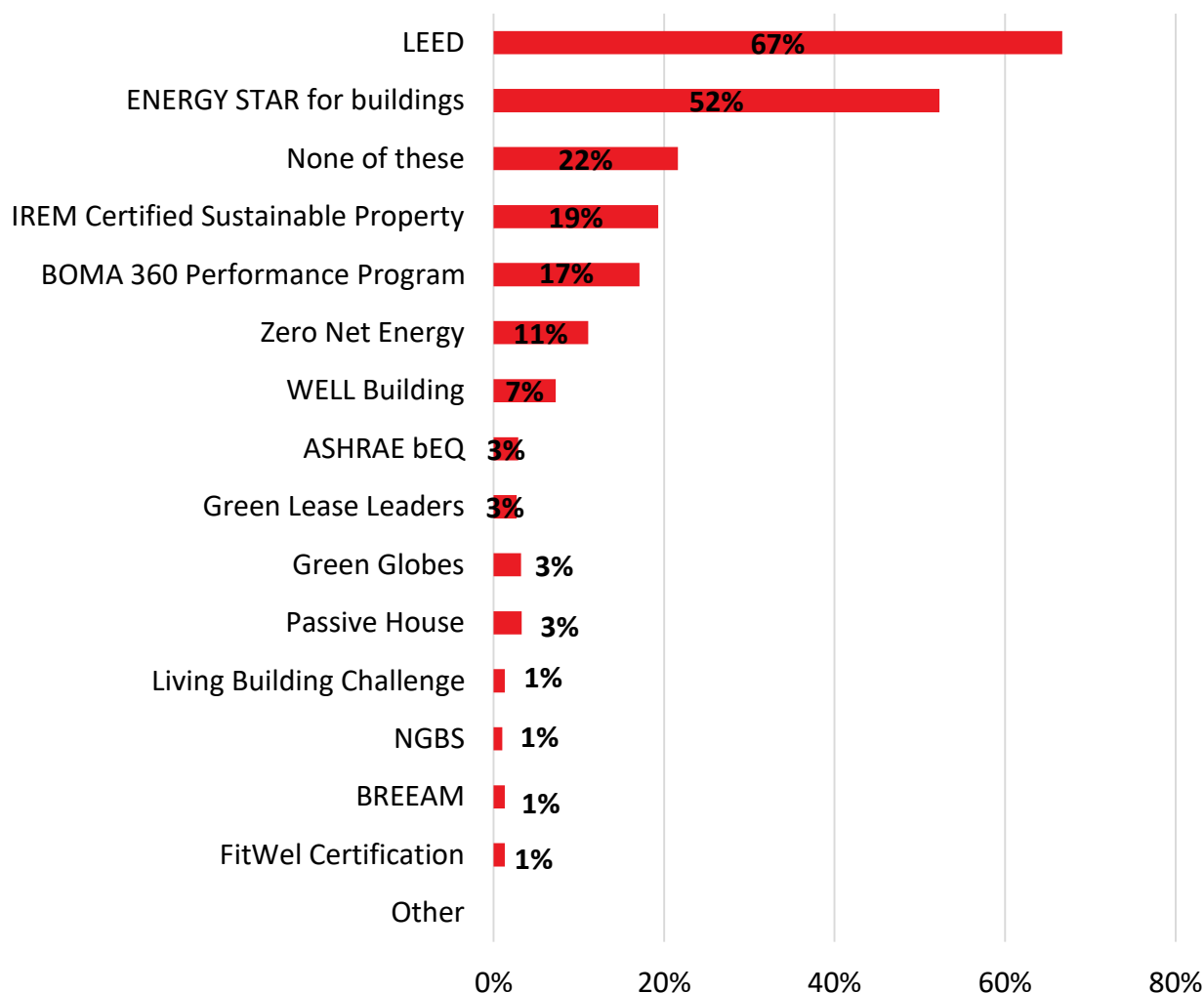
Value of Energy Efficiency Promotion



Green Building Certifications

- Respondents were most familiar with LEED (67 percent), ENERGY STAR for buildings (52 percent), IREM Certified Sustainable Property (19 percent), and the BOMA 360 Performance Program (17 percent).

Familiarity With Green Building Certifications

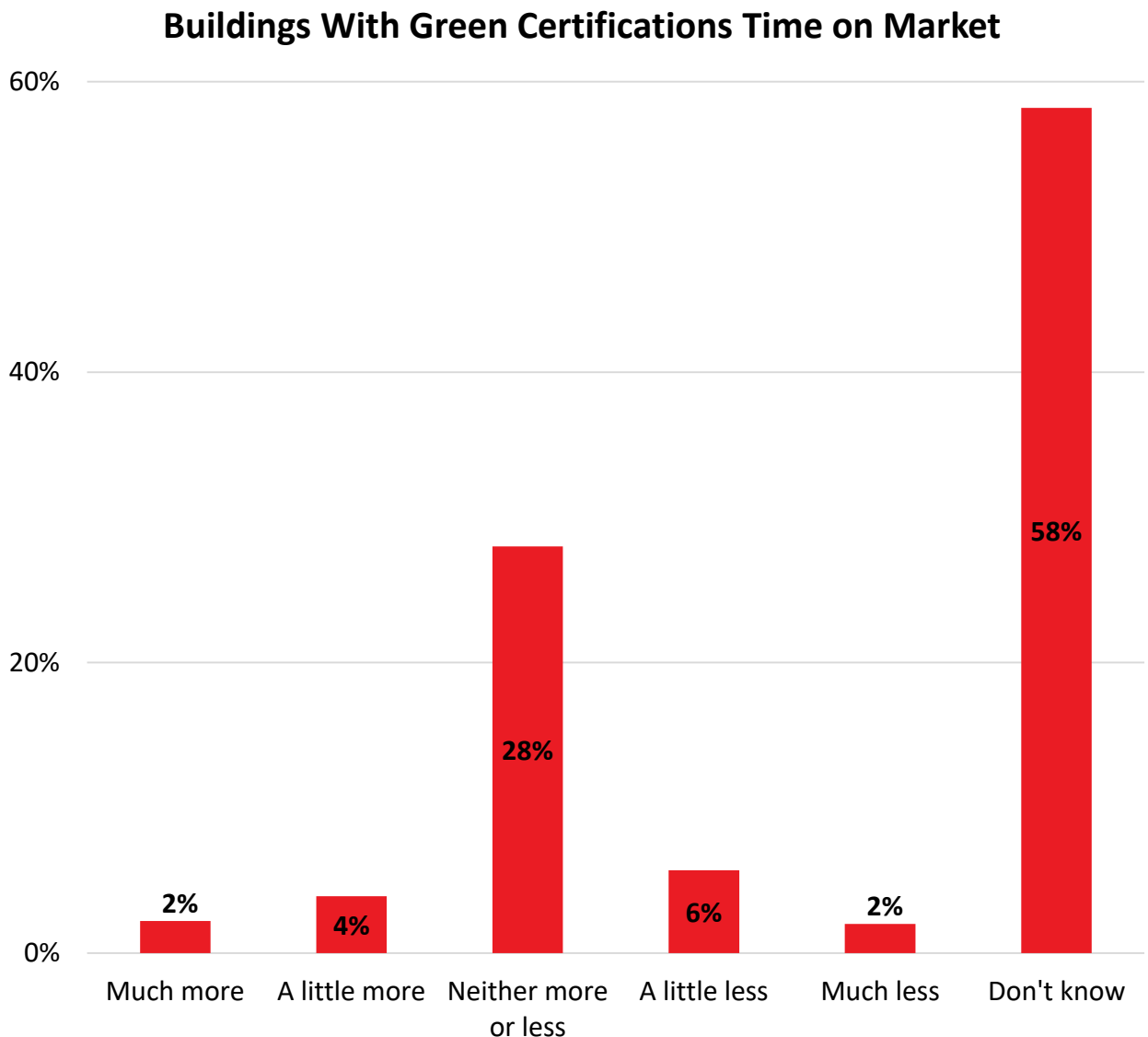


*Note: Respondents were permitted to select as many responses as they felt applicable.
The percentage distribution may therefore sum to more than 100 percent.*

Among those green building certifications, respondents typically had experience working with LEED (31 percent), ENERGY STAR for buildings (20 percent), and the BOMA 360 Performance Program (five percent).

Time on Market – Buildings with Green Certifications

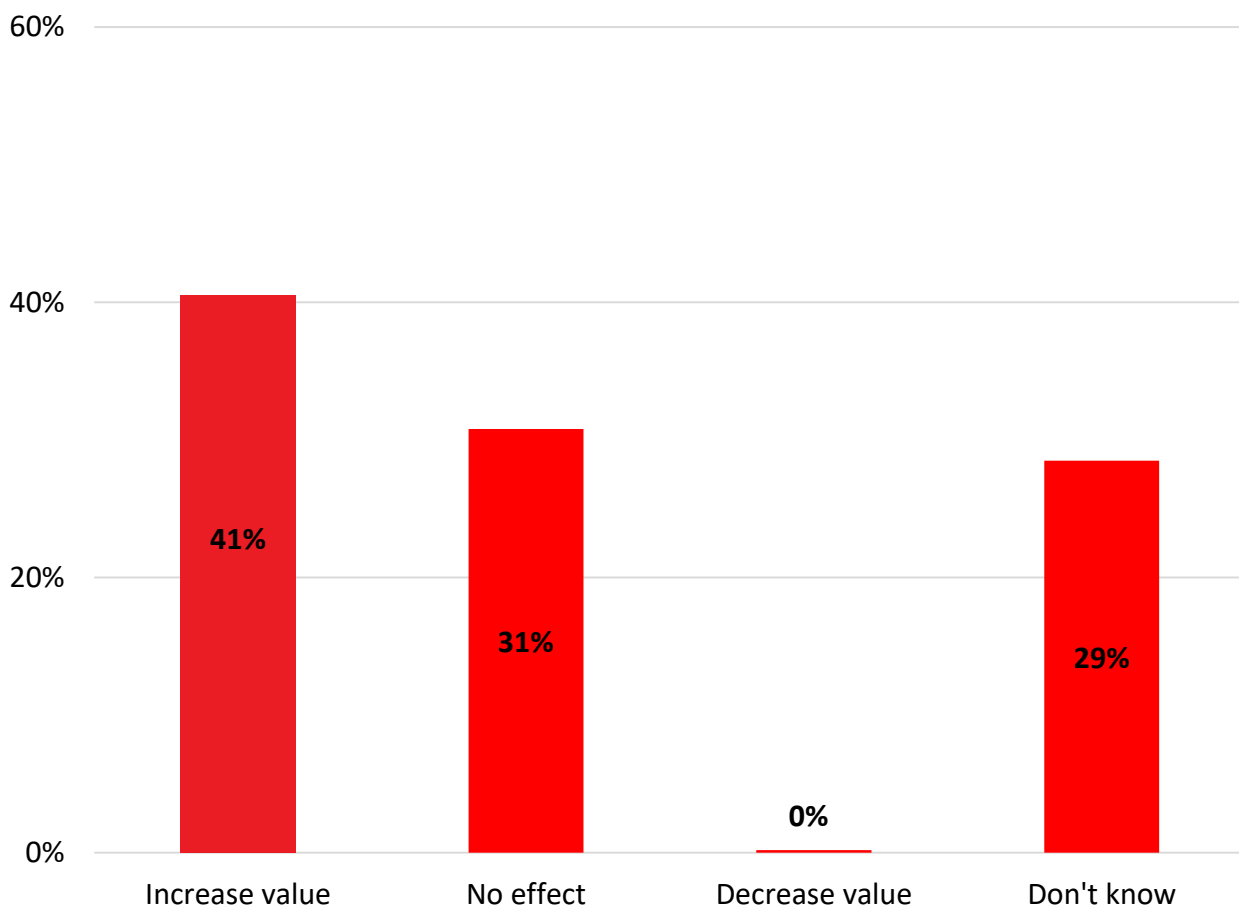
- Twenty-eight percent of REALTORS® said buildings with green certifications, such as LEED, Green Globes, or the Living Building Challenge, spent neither more nor less time on the market.
- Eight percent of respondents said buildings with green certifications spent a little less or much less time on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



Commercial Property Values

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

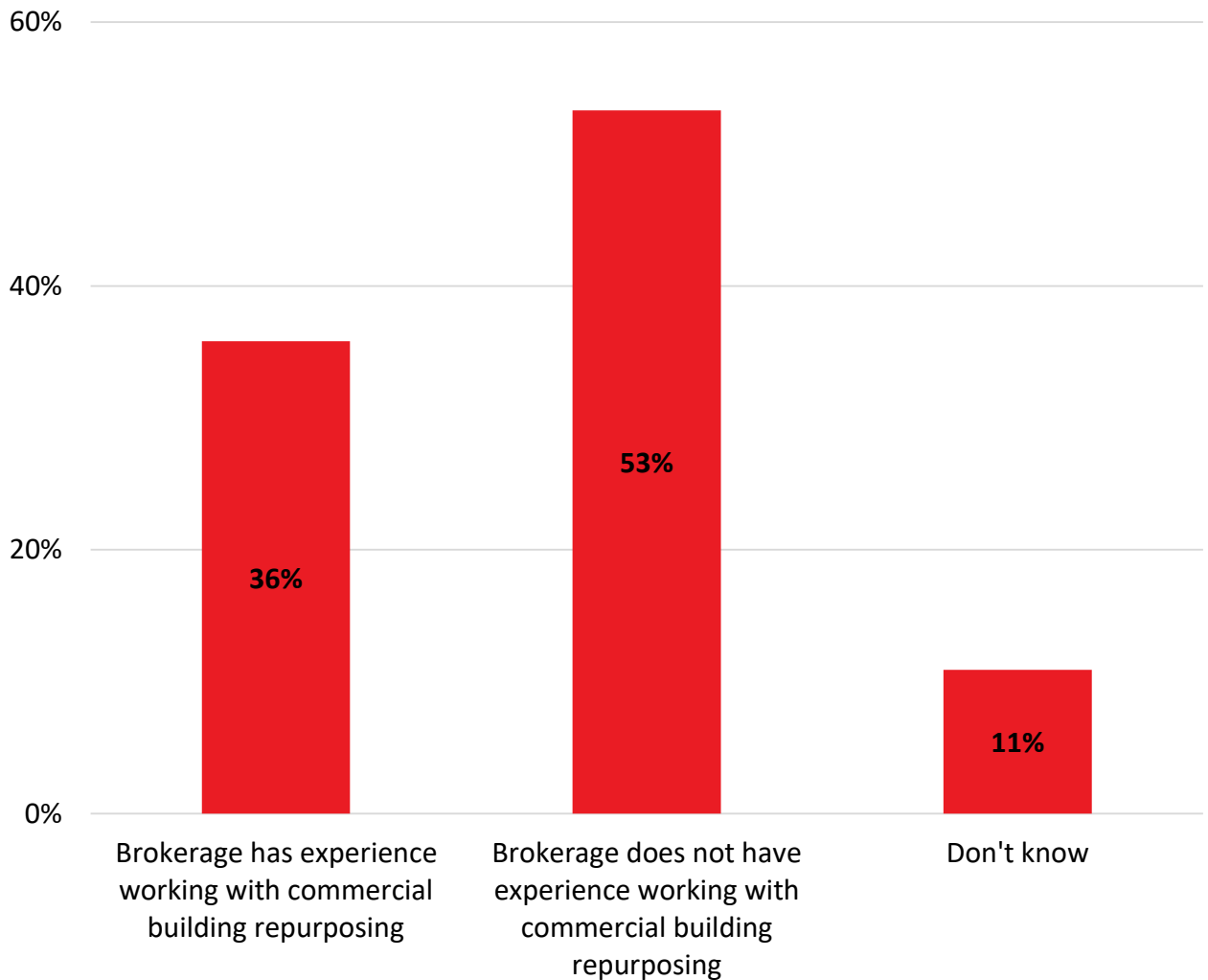
Buildings With Green Certifications Property Values



Commercial Building Repurposing

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

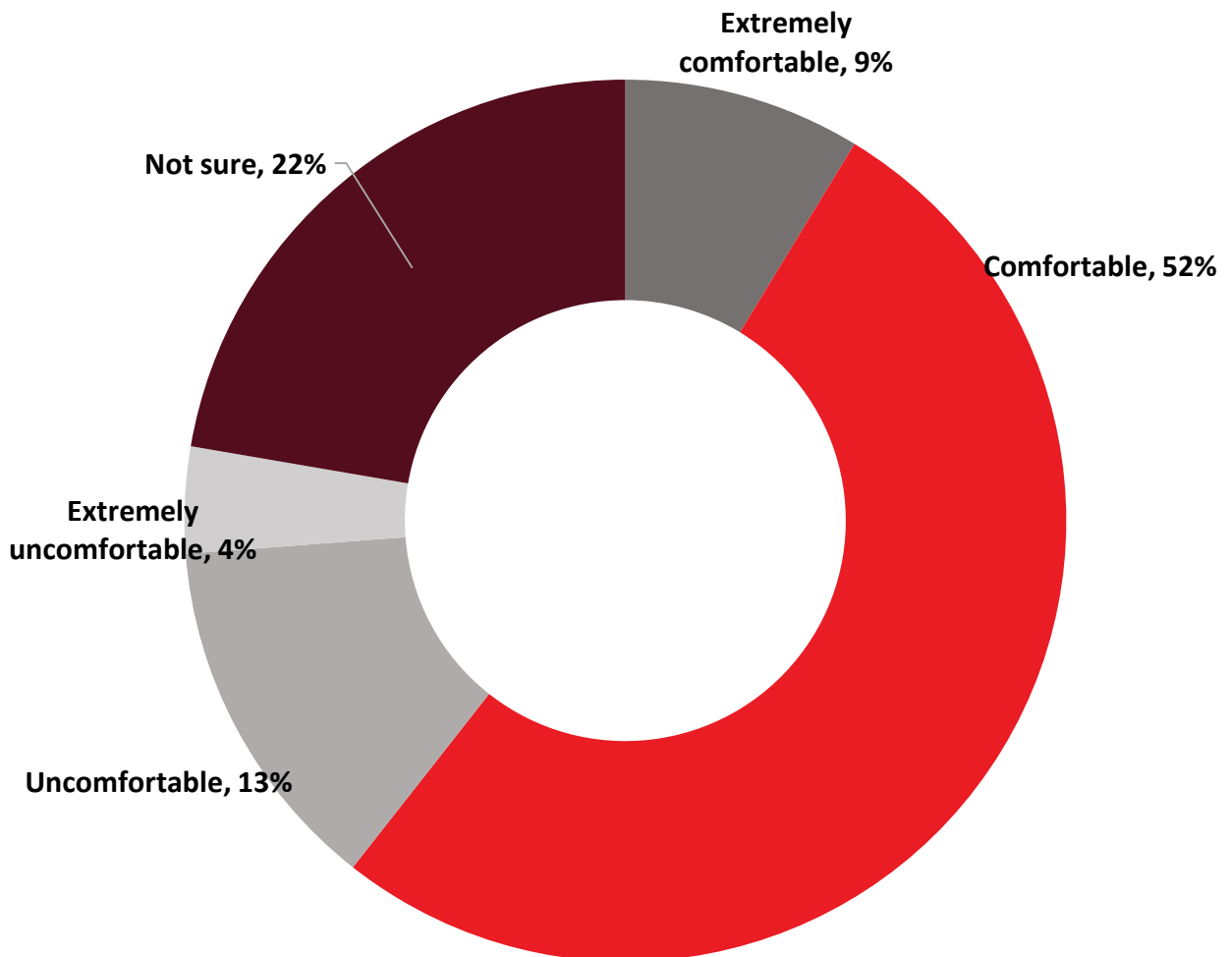
Commercial Building Repurposing



Comfort with Clients' Questions About Building Performance

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

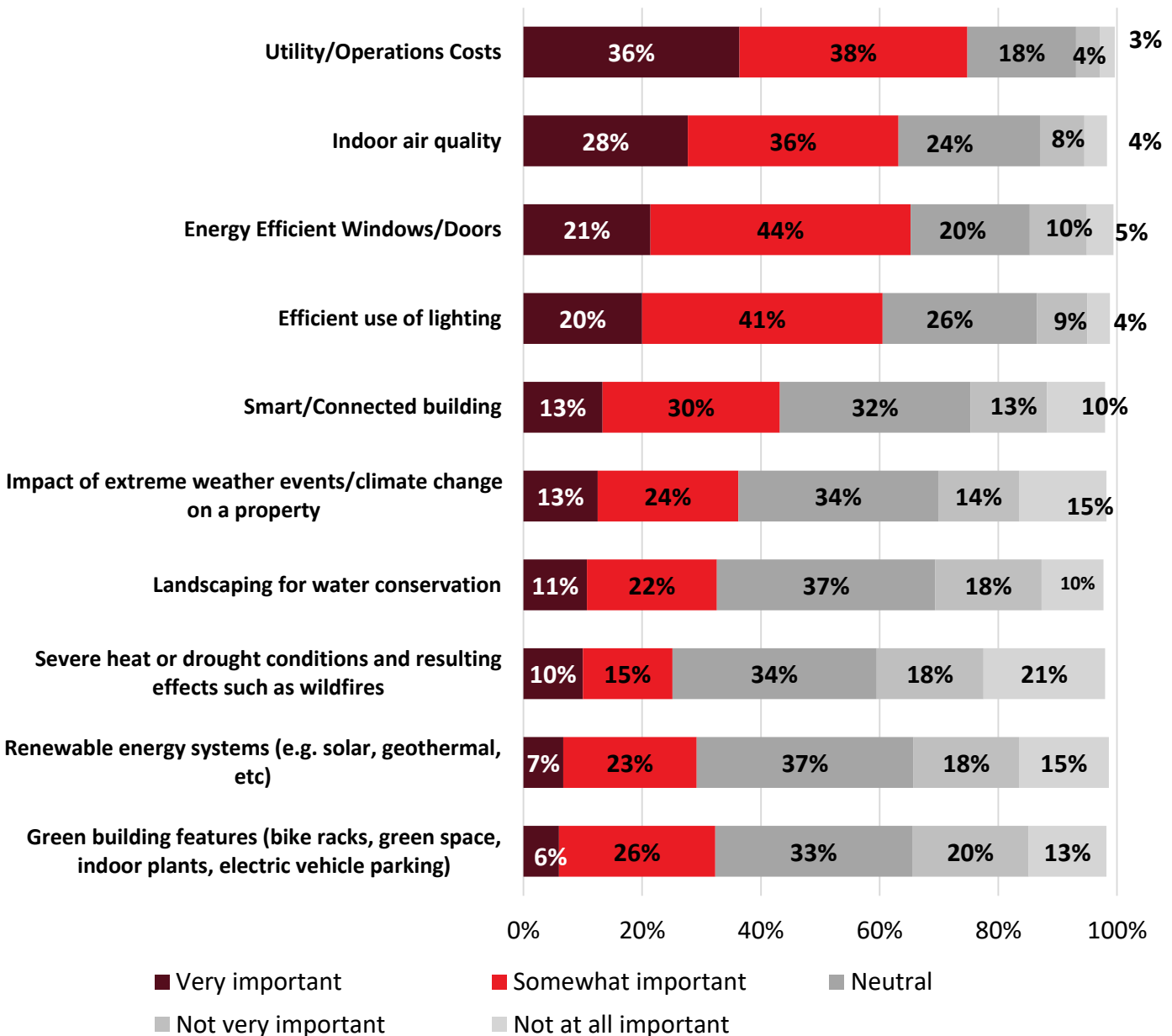
Comfort Answering Clients' Questions About Building Performance



Building Features

- The building features that REALTORS® believed were most important to clients included utility and operations costs (36 percent), indoor air quality (28 percent), energy-efficient windows/doors (21percent), and efficient use of lighting (20 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 (51 percent), lack of property data about building performance history (36 percent), and understanding lending options for sustainable properties (33 percent).

Issues and Considerations in Market

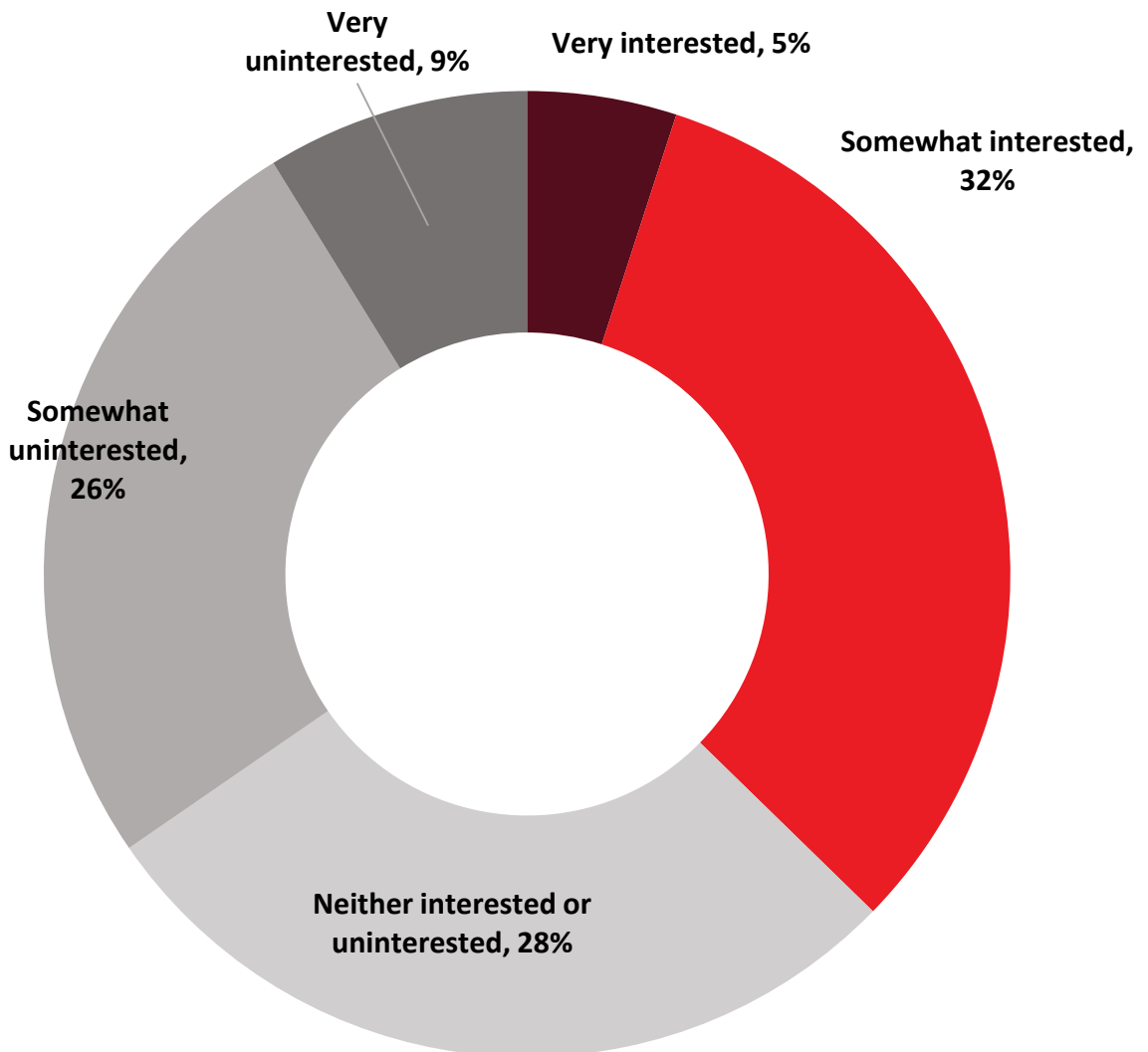


Note: Respondents were permitted to select as many responses as they felt applicable. The percentage distribution may therefore sum to more than 100 percent.

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.

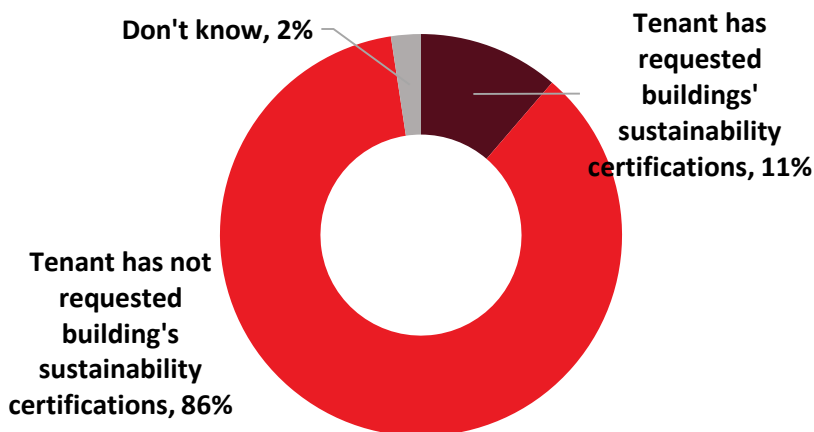
Perception of Client Interest in Sustainability



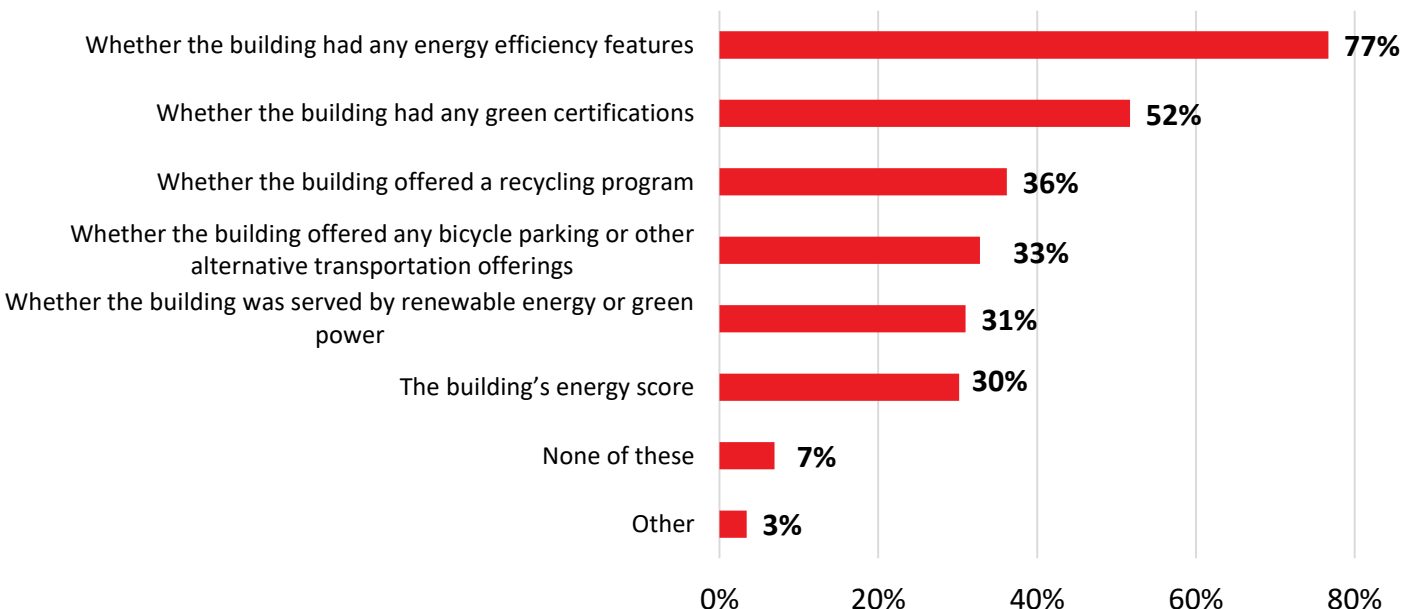
Buildings' Sustainable and Green Features

- Either as a landlord or tenant representative, 11 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, 77 percent were energy efficiency information, 52 percent requested green certification information, and 36 percent requested recycling program information.

Requests About Buildings' Sustainable and Green Features



Buildings' Feature Requests

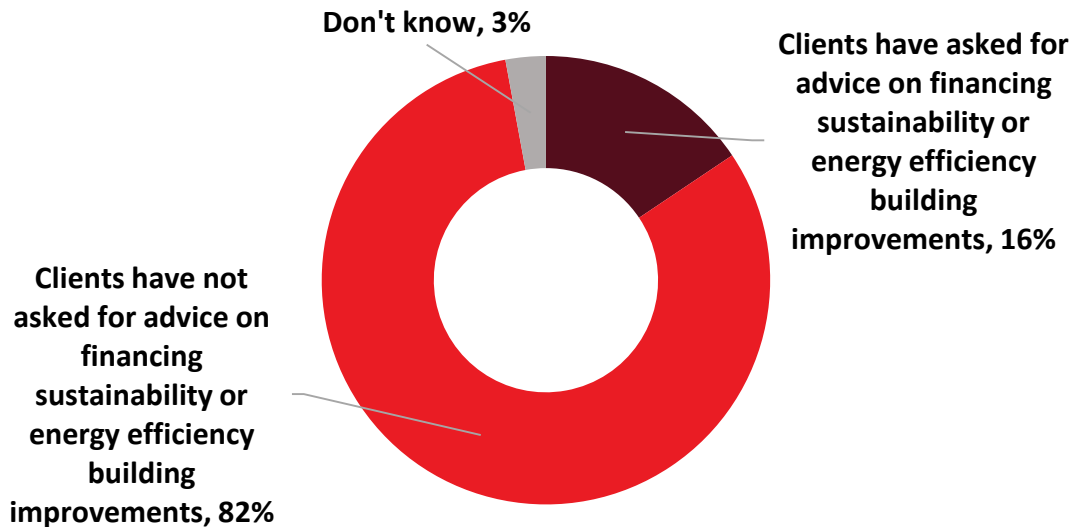


Note: Respondents were permitted to select as many responses as they felt applicable. The percentage distribution may therefore sum to more than 100 percent.

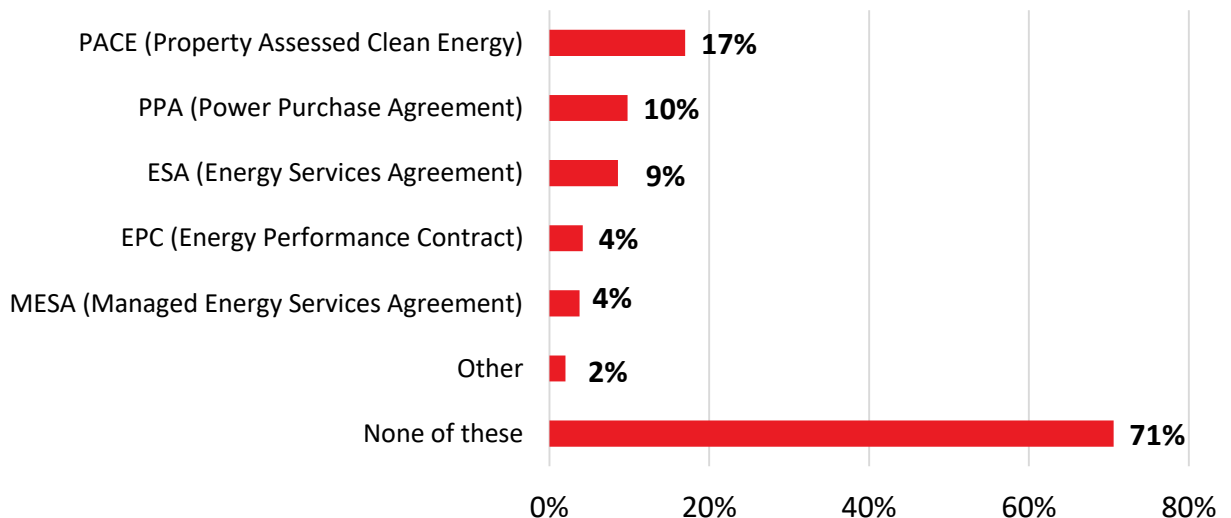
Financing Building Improvements

- Sixteen 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 17 percent and PPA (Power Purchase Agreement) at ten percent.

Advice on Financing Building Improvements



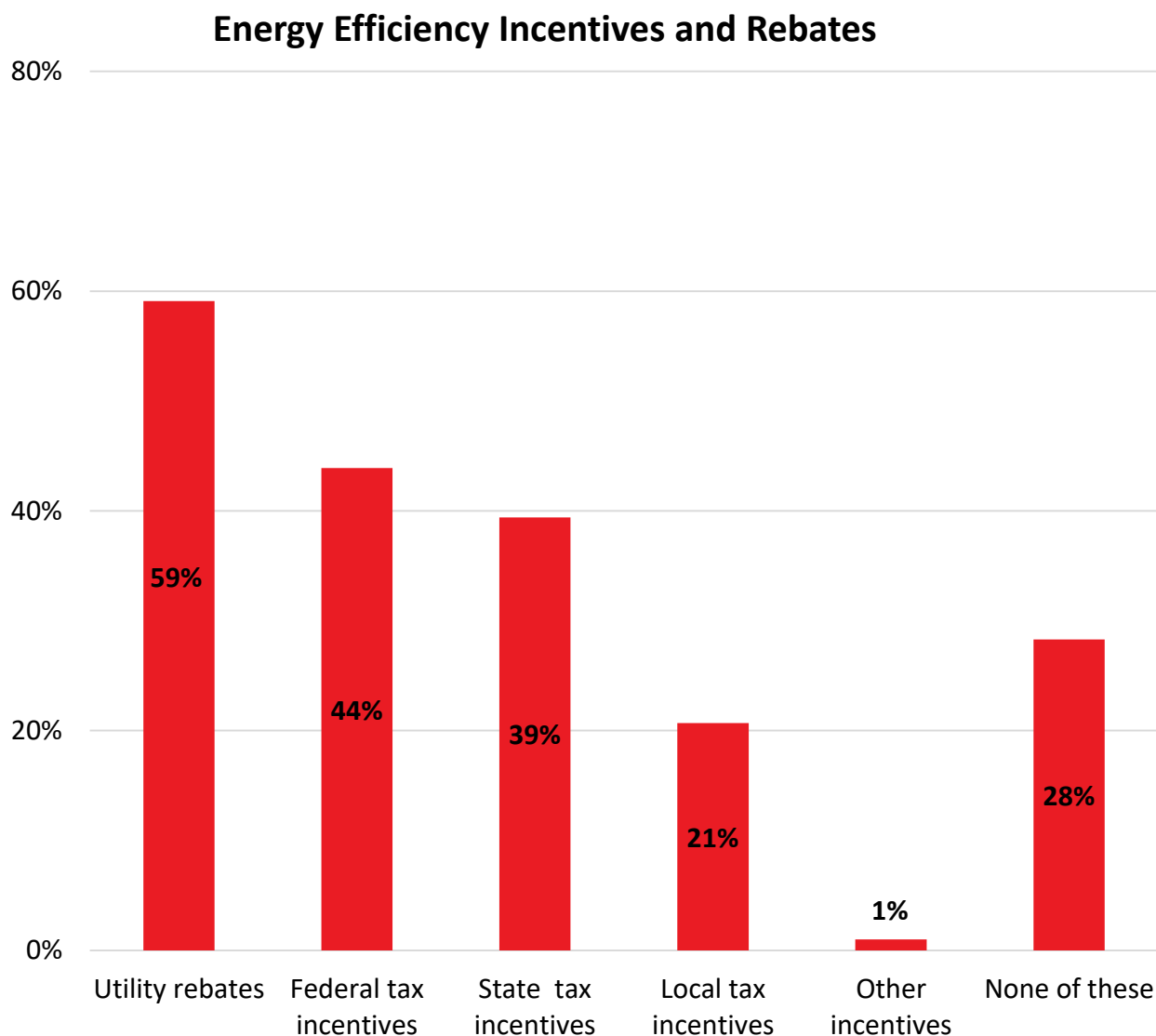
Familiarity of Financing Options



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

- Of the incentives and rebates available, respondents were most commonly aware of utility rebates (59 percent), federal tax incentives (44 percent), and state tax incentives (39 percent).

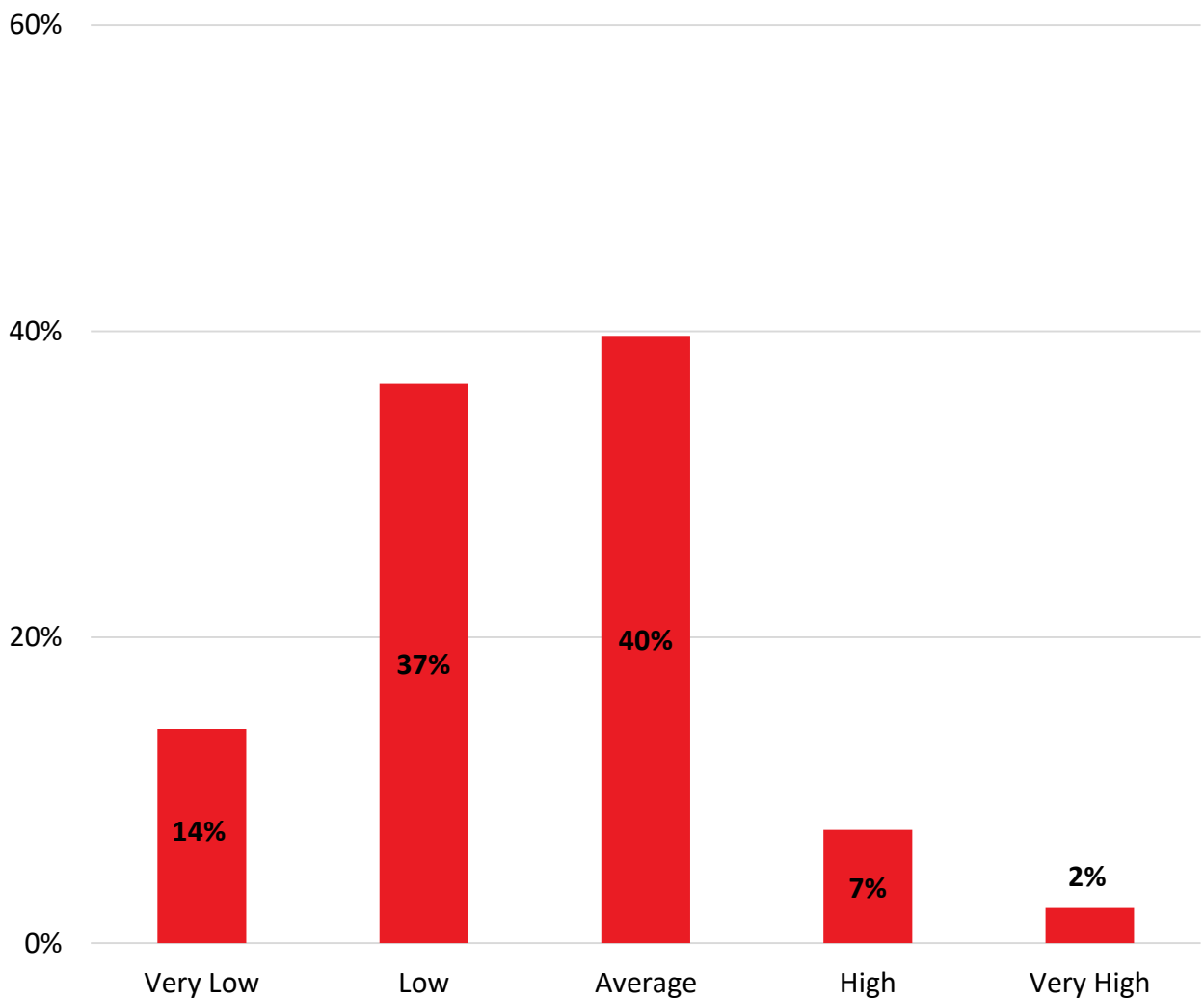


Note: Respondents were permitted to select as many responses as they felt applicable. The percentage distribution may therefore sum to more than 100 percent.

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 (37 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	25%	15%	16%	16%
No CIE green data fields included in listings	31%	40%	41%	25%
Don't know	44%	45%	43%	59%

Green Building Certifications Affect on Property Values

Region:	Northeast	Midwest	South	West
Increase value	42%	45%	37%	35%
No effect	28%	29%	38%	29%
Decrease value	1%	*	*	*
Don't know	28%	25%	25%	35%

* Less than 1%

Buildings' Time on Market with Green Certifications

Region:	Northeast	Midwest	South	West
Much more	3%	2%	2%	1%
A little more	4%	2%	6%	1%
Neither more or less	27%	31%	28%	27%
A little less	1%	8%	5%	9%
Much less	3%	2%	1%	3%
Don't know	62%	56%	58%	59%

* Less than 1%

Regional Breakouts

Value of Energy Efficiency Promotion in Commercial Listings

Region:	Northeast	Midwest	South	West
Very valuable	30%	22%	24%	27%
Somewhat valuable	41%	45%	45%	44%
Neutral	15%	19%	19%	17%
Not very valuable	6%	6%	5%	6%
Not at all valuable	3%	2%	2%	2%
Depends on the listing	6%	5%	5%	4%

Experience with Commercial Building Repurposing

Region:	Northeast	Midwest	South	West
Experience with Commercial Building Repurposing	39%	42%	36%	28%
No Experience with Commercial Building Repurposing	54%	53%	50%	59%

Client/Property Owner Interest in Sustainability Topics

Region:	Northeast	Midwest	South	West
Very interested	6%	3%	6%	2%
Somewhat interested	36%	34%	31%	29%
Neither interested or uninterested	26%	26%	26%	42%
Somewhat interested	20%	29%	29%	20%
Very interested	13%	8%	8%	6%

NAR Survey Respondents

- Among all of the respondents surveyed, the median age was 60— 30 percent falling into the age bracket between 55 to 64 years, 19 percent between 45 to 54 years, 26 percent between 65 to 74 years, and ten percent between 35 to 44 years.
- The primary functions of survey respondents were sales agents at 37.2 percent, followed by broker-owners at 31 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 (38 percent), West (26 percent), and Midwest (25 percent), and lowest in the Northeast (12 percent).
- Forty-eight percent of survey respondents worked 40 to 59 hours per week, followed by 25 percent who worked 20 to 39 hours.

Methodology

In June 2022, NAR invited a random sample of 74,541 active REALTORS® to complete an online survey. A total of 1,834 useable responses were received for an overall response rate of 2.5 percent. At the 95 percent confidence level, the margin of error is plus-or-minus 2.29 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 specific value.



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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.

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