Energy Matters:
New Tools to Inform the Valuation of Commercial Buildings
Course Outline

**Registration/Opening**

**Course Introduction**
Objectives:
- Understand how the role of energy has grown in the commercial marketplace.
- Identify and analyze how energy factors into market trends and investor decisions today
  - Discussion of publications reflecting market practice
    - EERE Buildings Database
    - Green Building Adoption Index
    - Greenprint Foundation Performance Report

**Addressing Competency**
Objectives:
- Familiarize appraisers with The Appraisal Foundation's Guidelines on Background & Competency.
- Review and discuss main topics identified as salient points in the valuation of high performing, energy efficient buildings.
- Understand what constitutes a competent valuation of a green, energy efficient property.

**Break**

**Identify the Role of Energy in the Appraisal Process**
Objectives:
- Identify and assess the metrics investors are using today to assess their energy position.
- Understand the relevance and appropriate application of energy as a factor in:
  - Executive Summary
  - Market Analysis
  - Sector Specific Analysis
  - Property Description
  - Taxes
  - Zoning
  - Highest and Best Use

**The Applicability of Energy and How to Analyze it as a Factor in the Three Approaches to Value, Valuation and Reconciliation**
Objectives:
- Cost Approach: Understand the importance of a cost benefit analysis to assess feasibility of various energy strategies/systems.
  - Determine whether or not an adjustment for energy saving is appropriate.
- Sales Comparison Approach: Compare energy features with the subject's peer set.
  - Identify the implications energy features, upgrades, and green labels have on Market Value.
- Income: Analyze the influence of energy strategies on:
  - Building performance, perception of risk, building positioning and other
Valuation: Understand how energy considerations impact various assumptions made in the three approaches.

Reconciliation: Identify which approaches are most impacted by energy considerations.

### Federal tools and their potential applicability/utilization in the Appraisal Process

#### Objectives:
- Be able to assess energy's role in the commercial real estate market.
- Identify and review the most relevant industry publications on energy performance.
- Be able to determine energy's relevance in the appraisal process.

### US Environmental Protection Agency’s ENERGY STAR® Portfolio Manager®

#### Objectives:
- Understand what Portfolio Manager is.
- Assess the role it plays with owners/users in the commercial real estate markets.
- Determine how the data outputs can be used in the appraisal process.

### US Department of Energy’s Asset Score

#### Objectives:
- Understand what the Asset Score is and how it works.
- Learn how the tool works through a class demonstration of the tool.
- Be able to read Asset Score Outputs/Reports accurately and assess their application in the appraisal process.
- Understand the sources for this information and how to access this data.
- Identify the relevance of the outputs and how that data can be utilized in the appraisal process.

### US Department of Energy's Buildings Performance Database (BPD)

#### Objectives:
- Appraisers will learn what the Buildings Performance Database is and how it works.
- Learn the depth and breadth of the associated data gathering process.
- Learn how the tool works through a class demonstration of the tool.
- Review applications of the BPD.
- Identify how the outputs of the BPD can be used to compare assets and systems.

### How do the tools work together?

#### Objectives - Appraisers will:
- Learn how the tools work together to provide data for the appraisal process.
- Review a case study on an actual property - 4 Times Square.
- Learn how each of the three tools are applied in an actual scenario.
- Review a case study on a second property from a smaller market - Greensboro Case Study (IMT).
- Learn how each of the three tools are applied in an actual scenario.

### Closing remarks

Course wrap up – Questions/Class discussions