

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

Registration/Opening
<p>Course Introduction</p> <p>Objectives:</p> <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> Discussion of publications reflecting market practice <ul style="list-style-type: none"> EERE Buildings Database Green Building Adoption Index Greenprint Foundation Performance Report
<p>Addressing Competency</p> <p>Objectives:</p> <ul style="list-style-type: none"> • 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
<p>Identify the Role of Energy in the Appraisal Process</p> <p>Objectives:</p> <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> ○ Executive Summary ○ Market Analysis ○ Sector Specific Analysis ○ Property Description ○ Taxes ○ Zoning ○ Highest and Best Use
<p>The Applicability of Energy and How to Analyze it as a Factor in the Three Approaches to Value, Valuation and Reconciliation</p> <p>Objectives:</p> <ul style="list-style-type: none"> • Cost Approach: Understand the importance of a cost benefit analysis to assess feasibility of various energy strategies/systems. <ul style="list-style-type: none"> ○ Determine whether or not an adjustment for energy saving is appropriate. • Sales Comparison Approach: Compare energy features with the subject's peer set. <ul style="list-style-type: none"> ○ Identify the implications energy features, upgrades, and green labels have on Market Value. • Income: Analyze the influence of energy strategies on: <ul style="list-style-type: none"> ○ Building performance, perception of risk, building positioning and other

aspects.

- Valuation: Understand how energy considerations impact various assumptions made in the three approaches.
- Reconciliation: Identify which approaches are most impacted by energy considerations.

Lunch

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.

Break

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