

BUILDING AND BUYING GREEN

HOW DO WE KNOW ITS VALUE?

BUILD AND BUY GREEN HAWAII MAY 10TH 2013



THE TRANSACTION PROCESS – TRANSMITTING THE VALUE



GREEN BUILDING – TRANSMITTING VALUE

COST V PRICE V VALUE

- Costs (Direct, Indirect + Profit Margin)
- Price (Transaction)
- Value (Transaction v Market/Appraised)

KEY FACTOR

- Homebuyers respond to comfort, aesthetics, location
- Constrained by affordability

GREEN HOME SALES – TRANSMITTING VALUE

VISIBILITY

- **MLS Input Form**
- **Documentation**
- **Lenders**

EDUCATION

- **Real Estate Agents**
- **Consumers**
- **Underwriters**
- **Appraisers**

HOMEBUYING – REAL ESTATE FUNDAMENTALS

PRIMARY

- **LOCATION**
- **EMOTIONAL APPEAL**
- **COMFORT**
- **HEALTH**
- **SAFETY**

SECONDARY

- **ENVIRONMENTAL RESPONSIBILITY**

HOMEOWNERSHIP – AFFORDABILITY

DIRECT COSTS

- **Principal**
- **Interest**
- **Taxes**
- **Insurance**

HIDDEN COSTS

- **Location Costs**
- **Utility Costs–
Energy and
Water/Sewage**
- **Maintenance
Costs**

THE VALUATION CYCLE IS COMPLETE

