

2023

REALTORS® & Sustainability Report - Residential

National Association of REALTORS® Research Group



NAR Research Staff:

Lawrence Yun, Ph.D.

Chief Economist and Senior Vice President

Jessica Lautz, Dr.RealEst.

Deputy Chief Economist and Vice President of Research

Meredith Dunn

Research Manager

Sidnee Holmes

Research Associate

Brandi Snowden

Director, Member and Consumer Survey Research

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For reprint information, contact

data@realtors.org.

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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.



Residential Executive Summary

In March 2023, NAR surveyed its members about sustainability issues facing the industry. The findings are as follows:

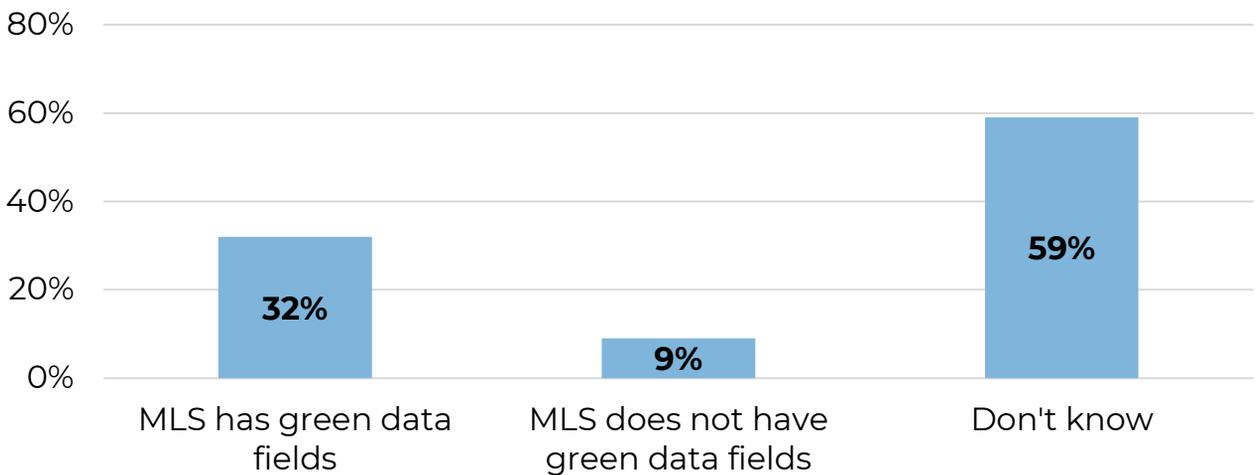
Residential Highlights:

- Thirty-two percent of respondents reported that their MLS has green data fields, and respondents typically used the green data fields to promote green features and energy information.
- Sixty-three percent said energy efficiency promotion in listings was very or somewhat valuable.
- Forty-eight percent of respondents found clients were at least somewhat interested in sustainability.
- Forty-two percent of homes with green certifications spent neither more nor less time on the market.
- Seventy-four percent of respondents said properties with solar panels were available in their market. Thirty-four percent said properties with solar panels increased the perceived property value.
- The home features that clients listed to their agent or broker as very important included windows, doors, and siding, proximity to frequently visited places, and comfortable living space.
- Eleven percent of respondents said that a high-performance home (defined as a systematic, building-science approach to home improvements that increase indoor comfort, health, operational efficiency, and durability) had an increase of one to five percent of the dollar value offered compared to other similar homes.
- Nine percent of brokerage firms had experience working with residential building repurposing.
- Fifty 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.

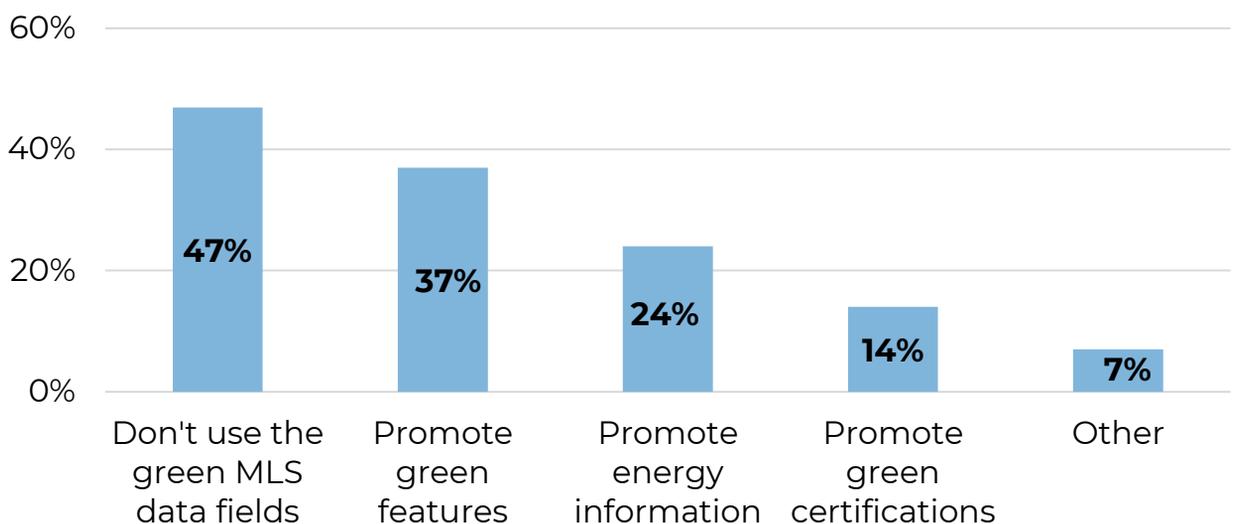
Multiple Listing Service

- Thirty-two percent of respondents reported that their Multiple Listing Service (MLS) had green data fields, compared to nine percent that did not have green data fields.
- Among respondents who did have MLS green data fields, 37 percent used them to promote green features, 24 percent to promote energy information, and 14 percent to promote green certifications.

MLS Green Data Fields



Uses of MLS Green Data Fields



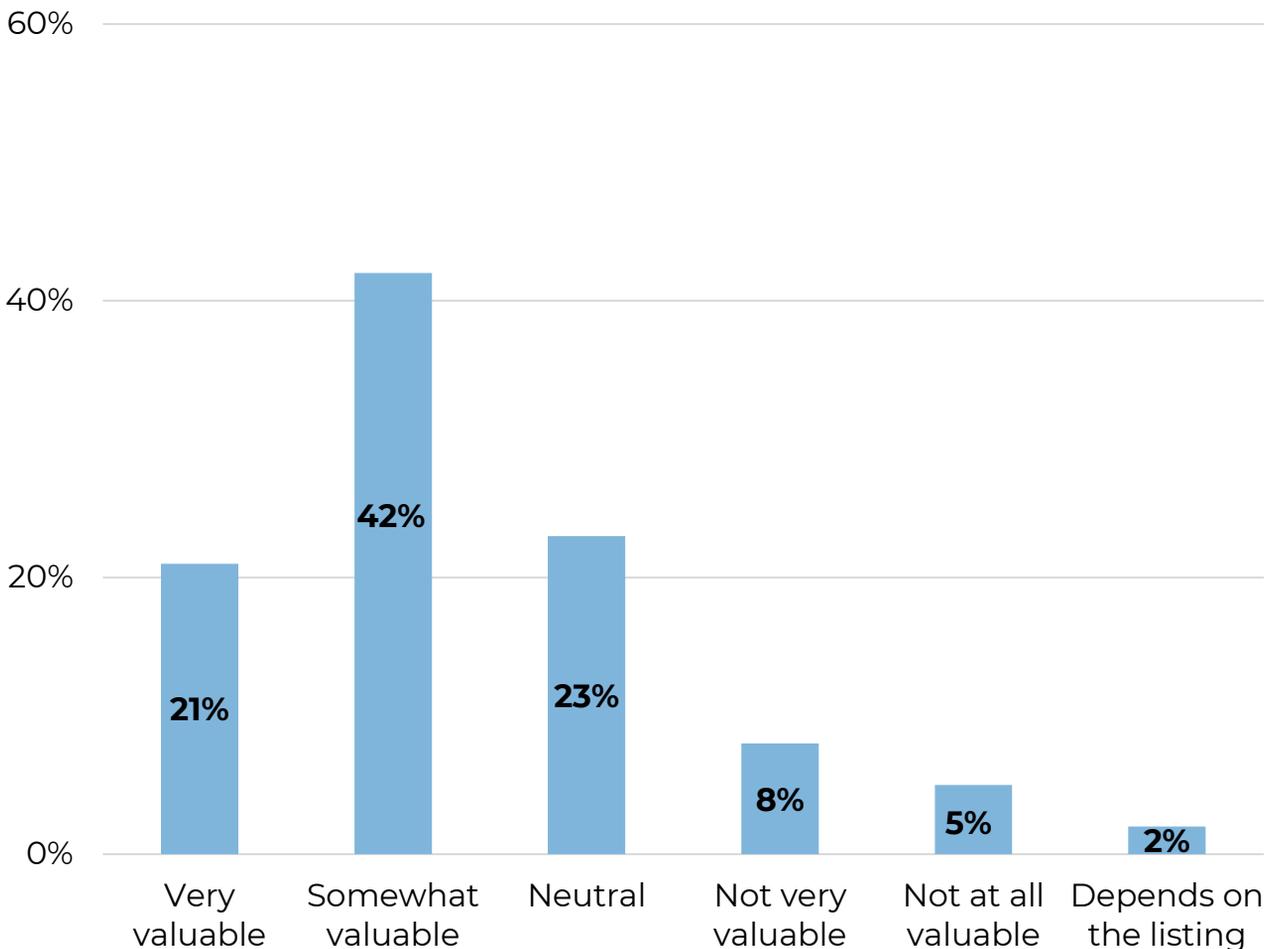
Note: Respondents were permitted to select as many responses as they felt applicable. The percentage distribution may therefore sum to more than 100 percent.

Value of Energy Efficiency Promotion in Listings

A majority of agents and brokers (63 percent) said that energy efficiency promotion in listings was very or somewhat valuable.

- Fifty 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.

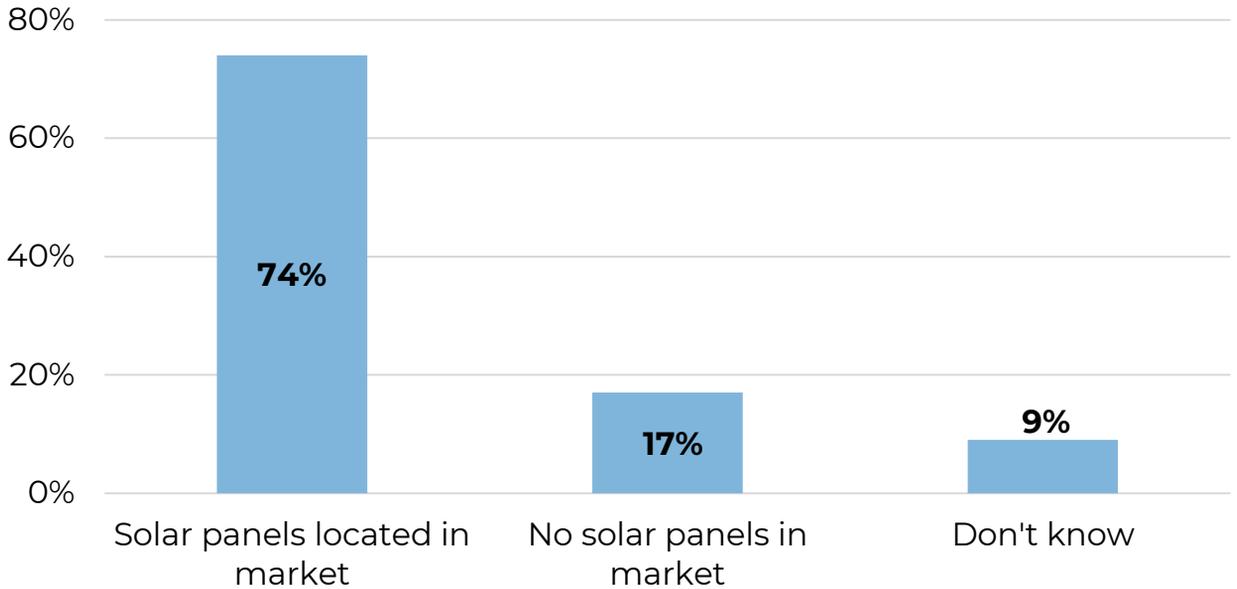
Value of Energy Efficiency Promotion



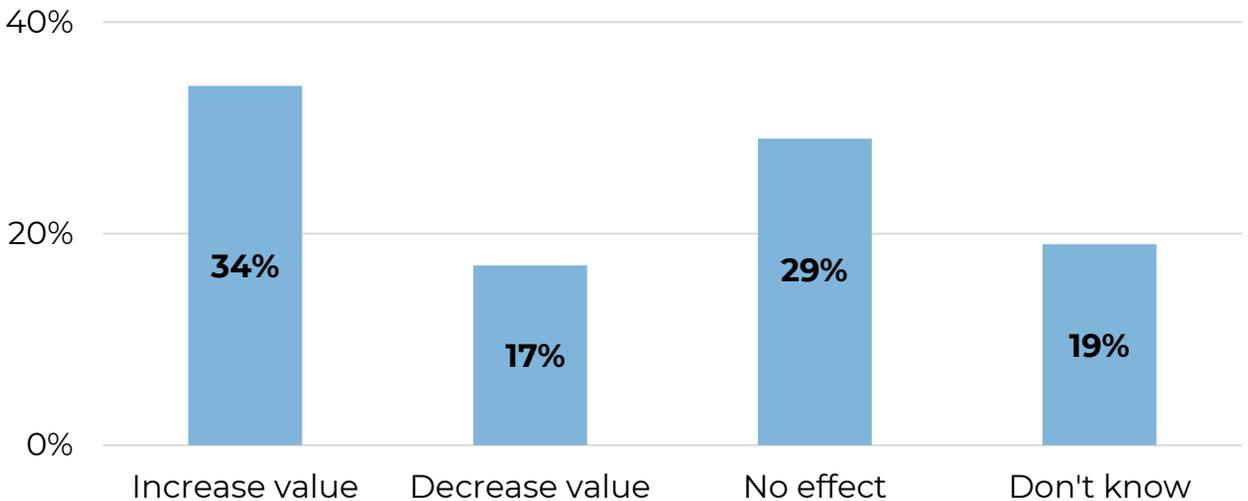
Solar Panels

- A majority of agents and brokers (74 percent) said that properties with solar panels were available in their market.
- Thirty-four percent said properties with solar panels increased the perceived property value, compared to 29 percent that said they had no effect.

Solar Panels in Market



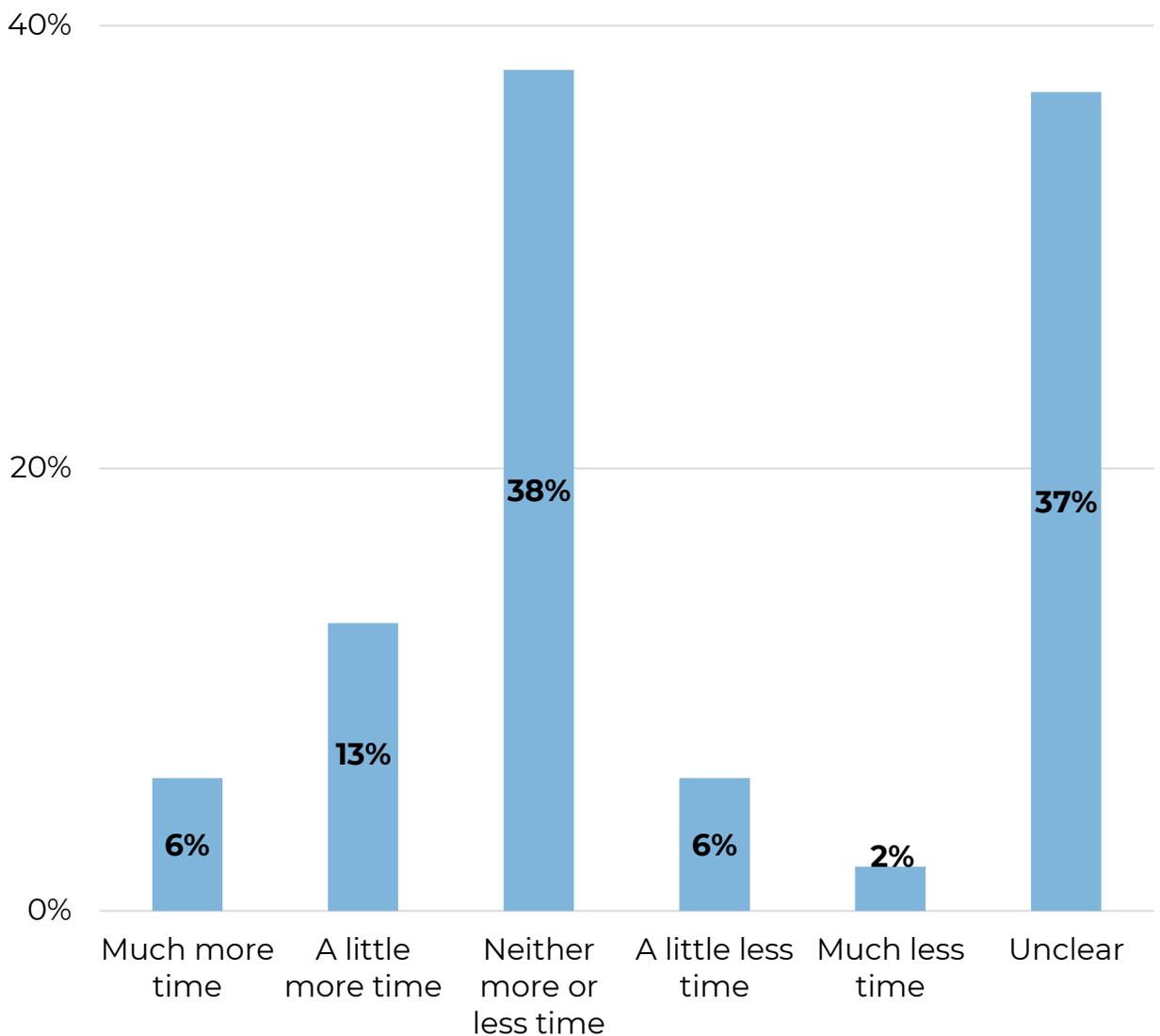
Solar Panels Perceived Effect on Property Value



Perceived Time on Market with Solar Panels

- Thirty-eight percent of agents and brokers said that the time on the market was neither longer nor shorter for properties with solar panels.
- Thirty-seven percent believed the difference in time on the market due to the solar panels was unclear.

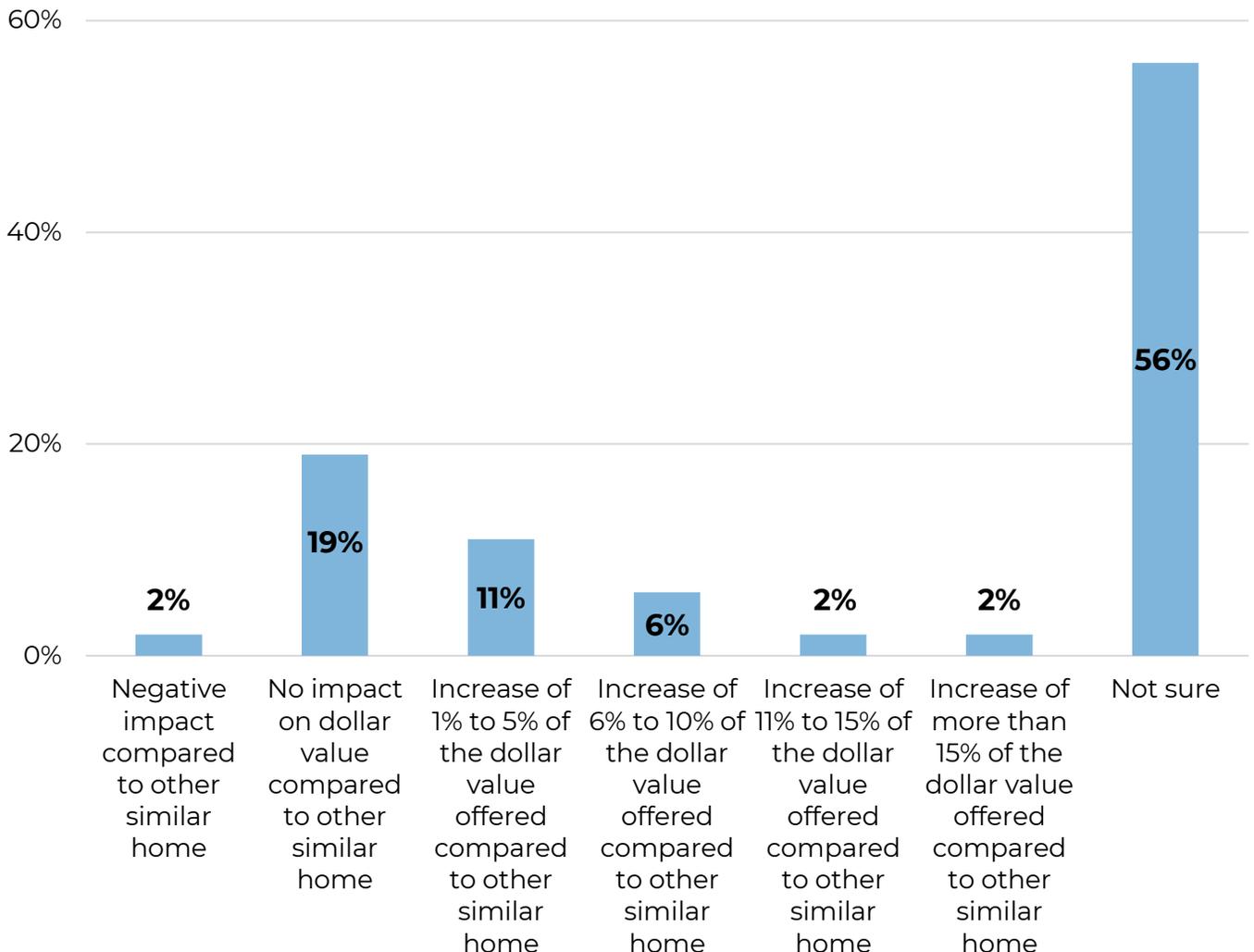
Perceived Time on Market with Solar Panels



High Performance Home

- Eleven percent of respondents said that a high-performance home (defined as a systematic building science approach to home improvements that can increase indoor comfort, health, operational efficiency, and durability) had an increase of one to five percent of the dollar value offered compared to other similar homes.
- Six percent said that a high-performance home had an increase of six to 10 percent of the dollar value offered.
- Fifty-six percent were unsure of the impact on dollar value that a high-performance home had compared to other similar homes.

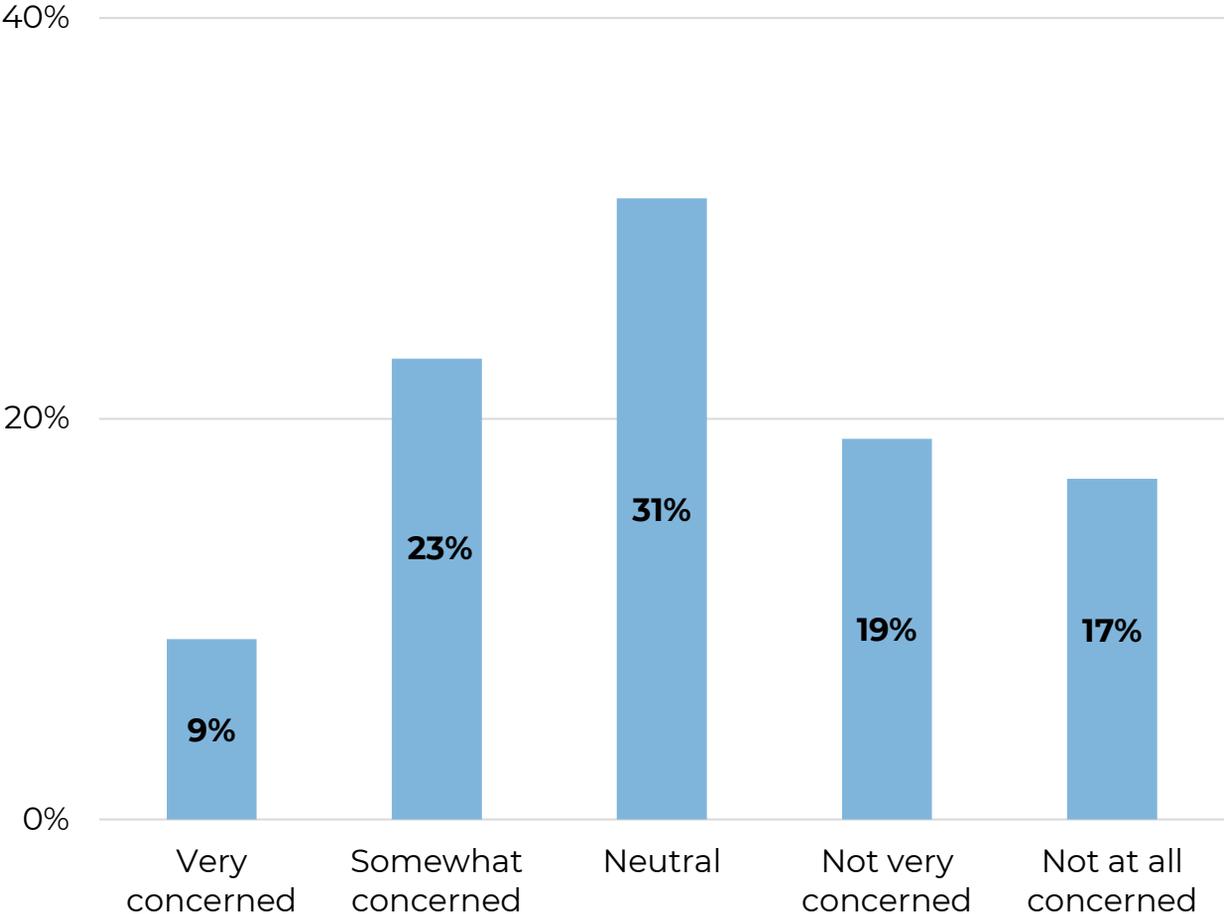
High Performance Home Impact on Dollar Value



Climate Change Events on Market

- Thirty-two percent of agents and brokers were somewhat or very concerned about the effects of climate change events on the real estate market compared to 31 percent who remained neutral.

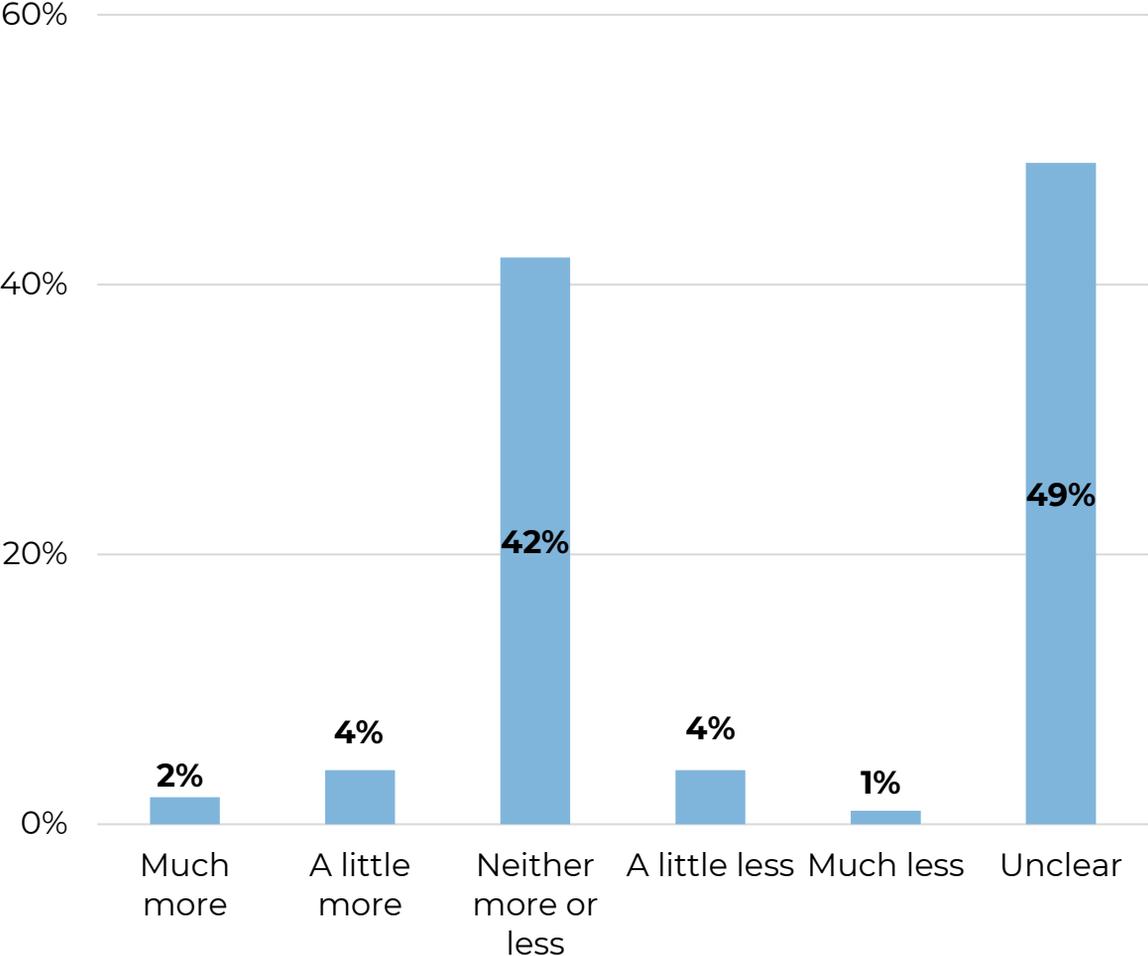
Climate Change events on real estate market



Time on Market – Homes with Green Certifications

- Forty-two percent of respondents said they believed homes with green certifications, such as LEED, Energy Star, or NGBS, spent neither more nor less time on the market.

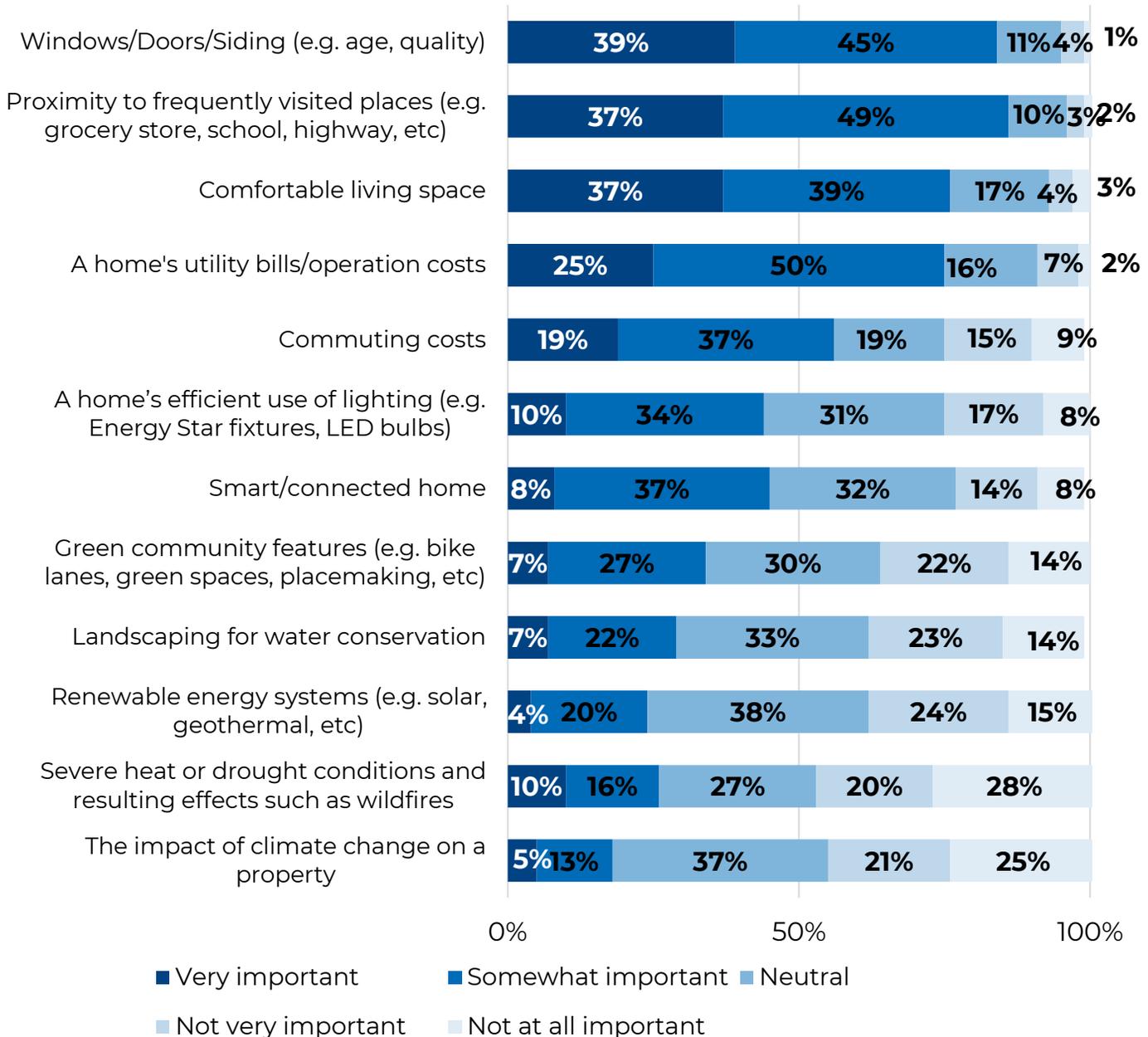
Homes With Green Certifications Time on Market



Green Home Features

- The home features that respondents believed were most important to clients included windows, doors, and siding (39 percent), proximity to frequently visited places (37 percent), a comfortable living space (37 percent), and a home’s utility bills and operating costs (25 percent).

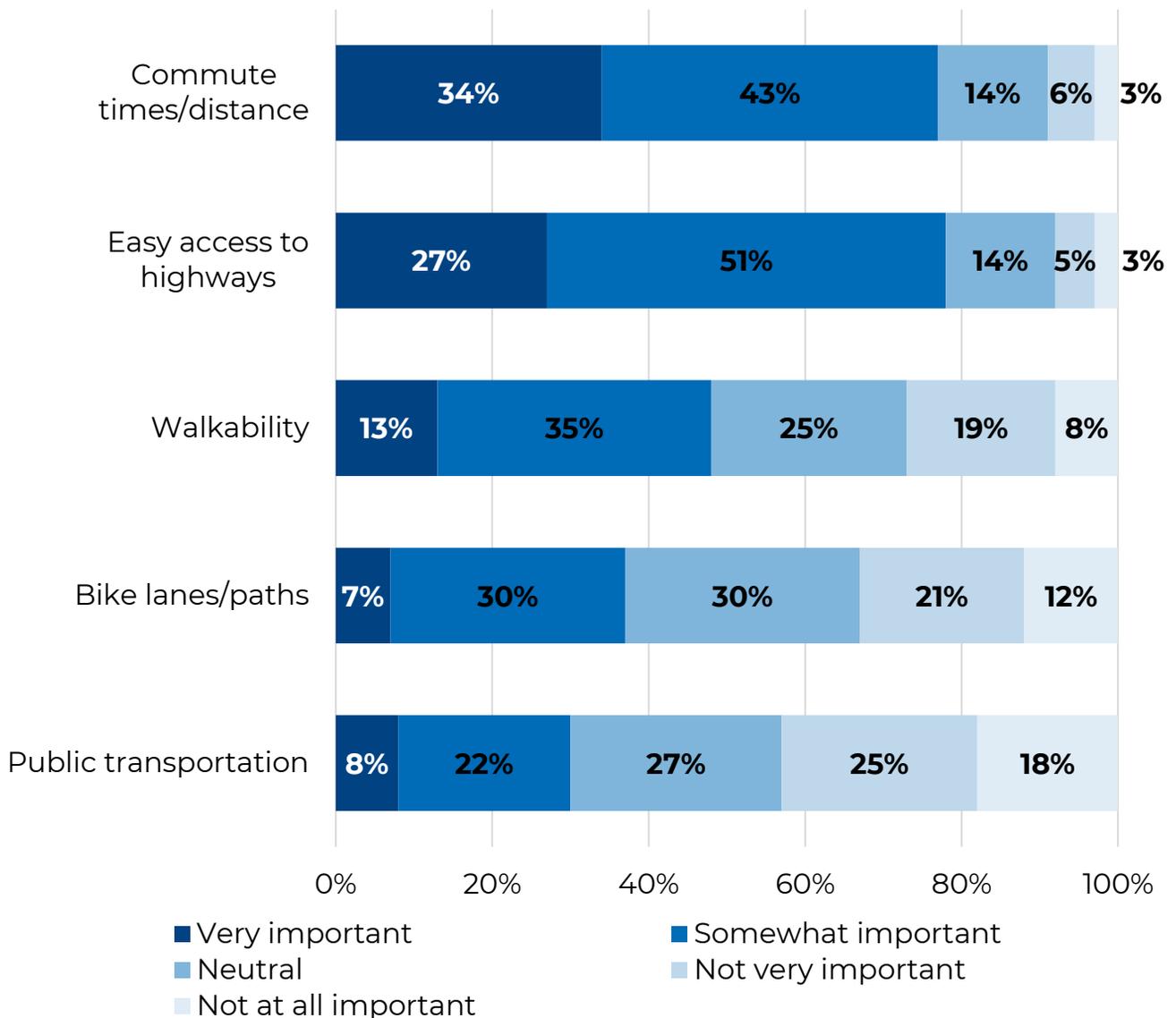
Importance of Home Features to Clients



Transportation and Commuting Features

- The transportation and commuting features that clients listed as very or somewhat important included easy access to highways (78 percent), commute times and distance (77 percent), and walkability (48 percent).

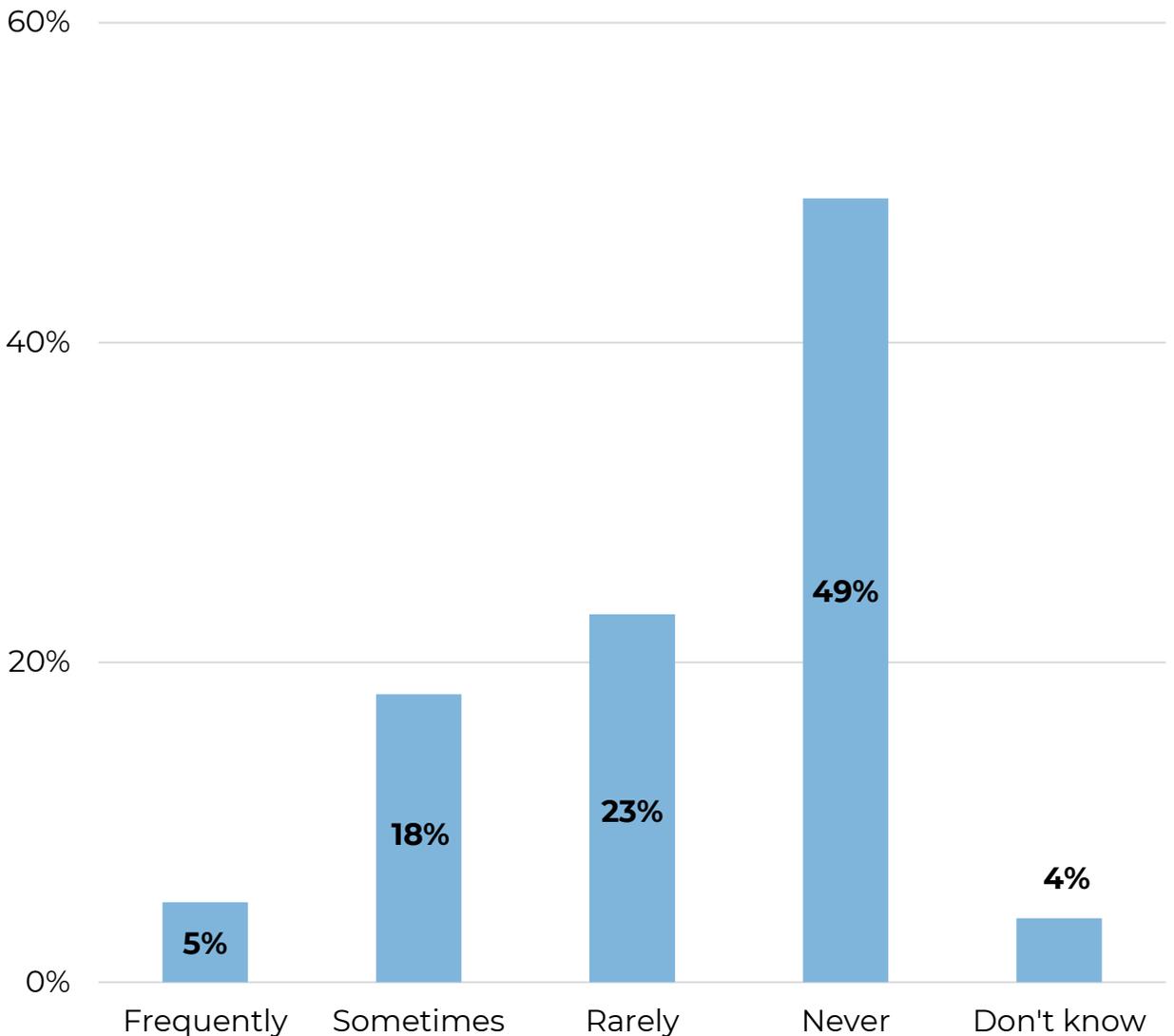
Importance of Transportation and Commuting Features to Clients



Public Transportation

- Five percent of respondents frequently had clients who requested to see properties close to public transportation, 18 percent sometimes had clients who made the request, and 23 percent rarely had clients who made the request.

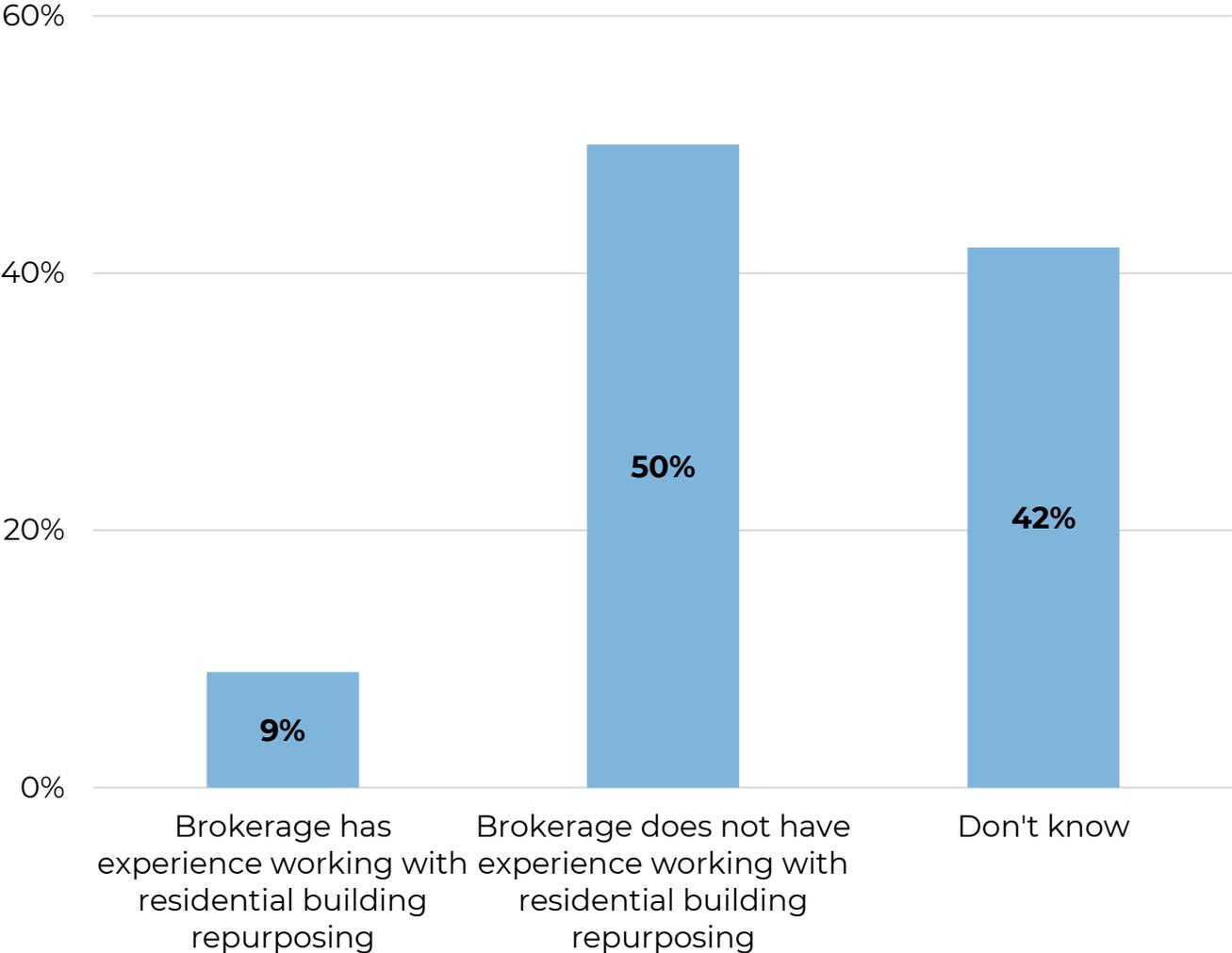
Clients Request to See Properties Close to Public Transportation



Residential Building Repurposing

- Nine percent of brokerage firms had experience working with residential building repurposing. Repurposing occurs when markets reuse space in buildings that once served a different purpose altogether, such as factories that have been converted to lofts or apartments.

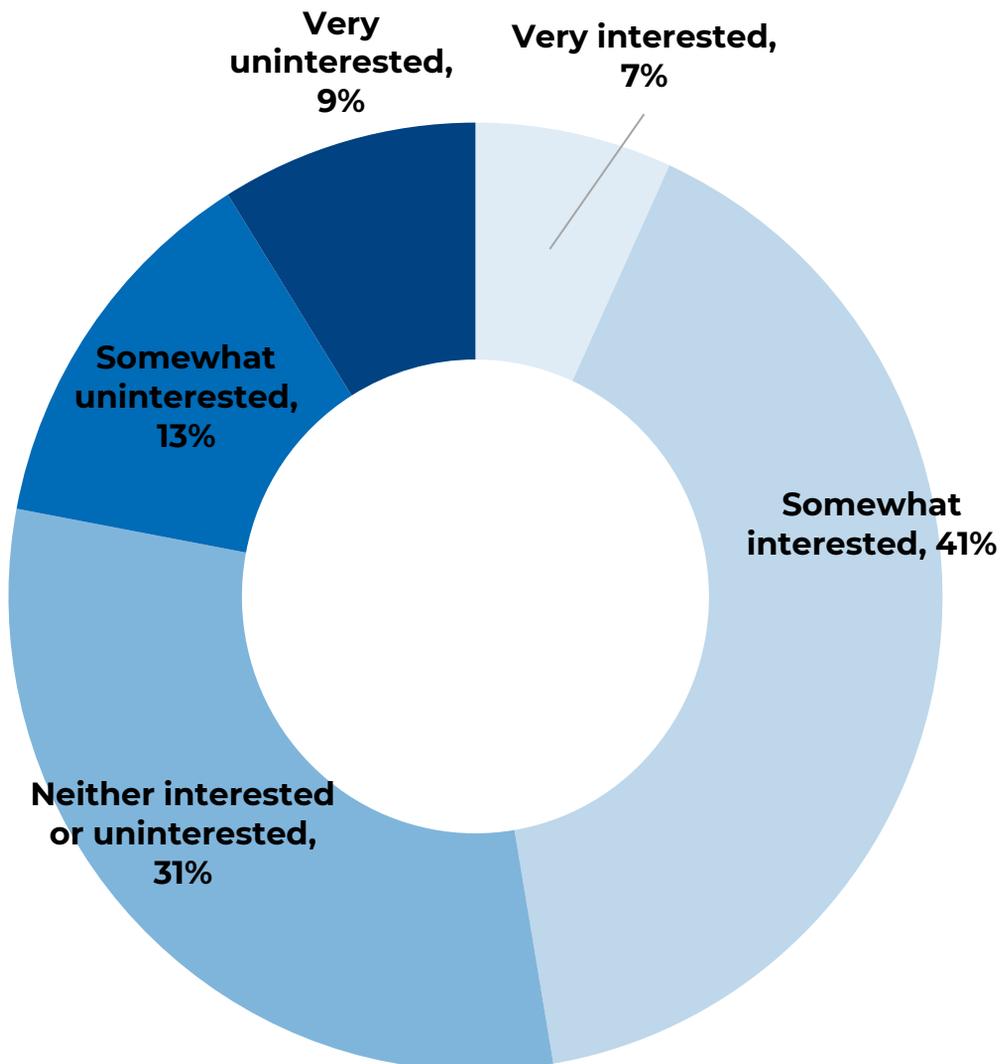
Residential Building Repurposing



Perception of Consumer Interest in Sustainability

- Nearly half of agents and brokers found that consumers (48 percent) were somewhat or very interested in sustainability.

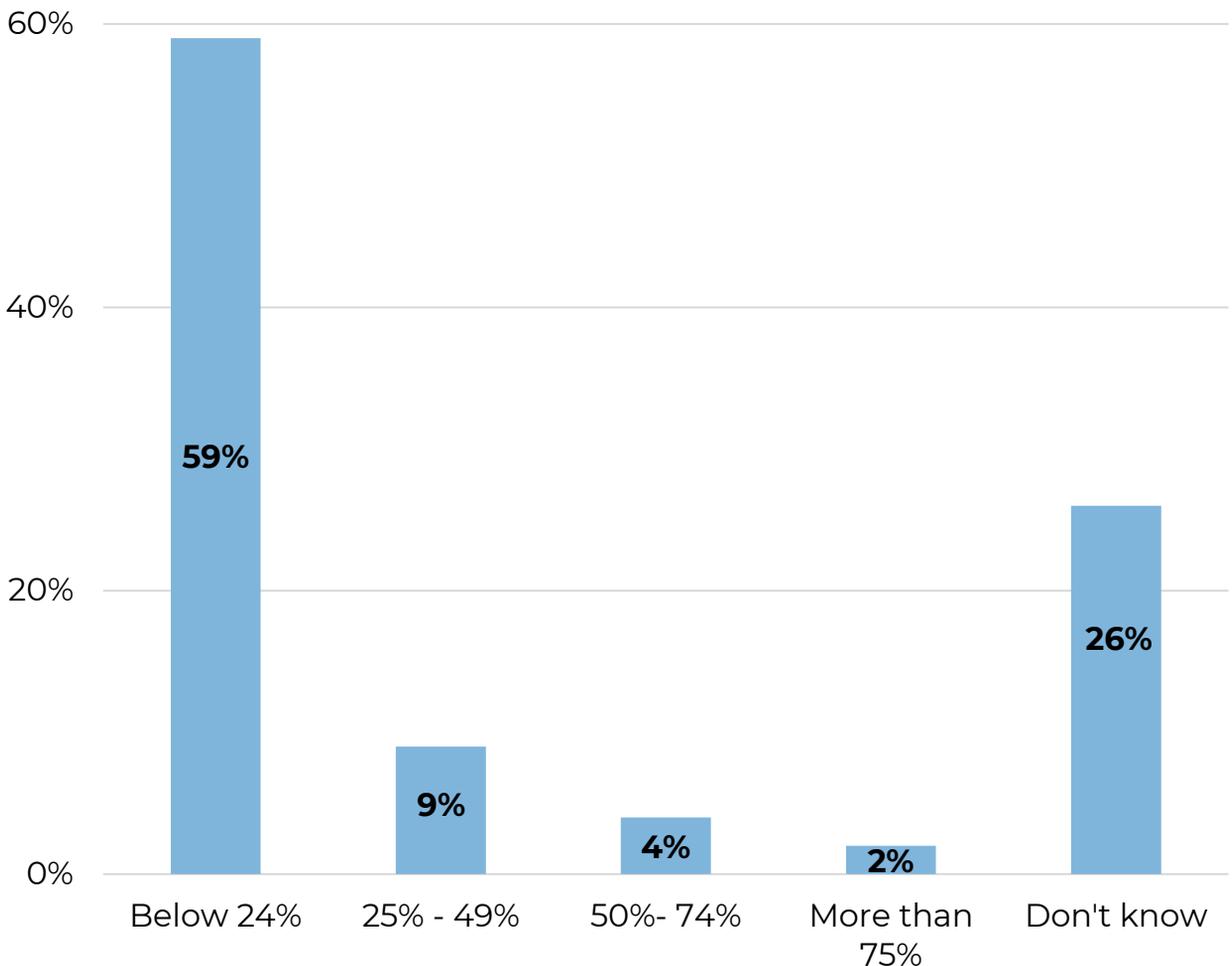
Perception of Consumer Interest in Sustainability



Consideration of Climate or Environmental Risk in the Purchase Process

- Fifteen percent of respondents say that between 25%-74% of their clients consider environmental risk in their purchase process, and 26 percent are unsure.

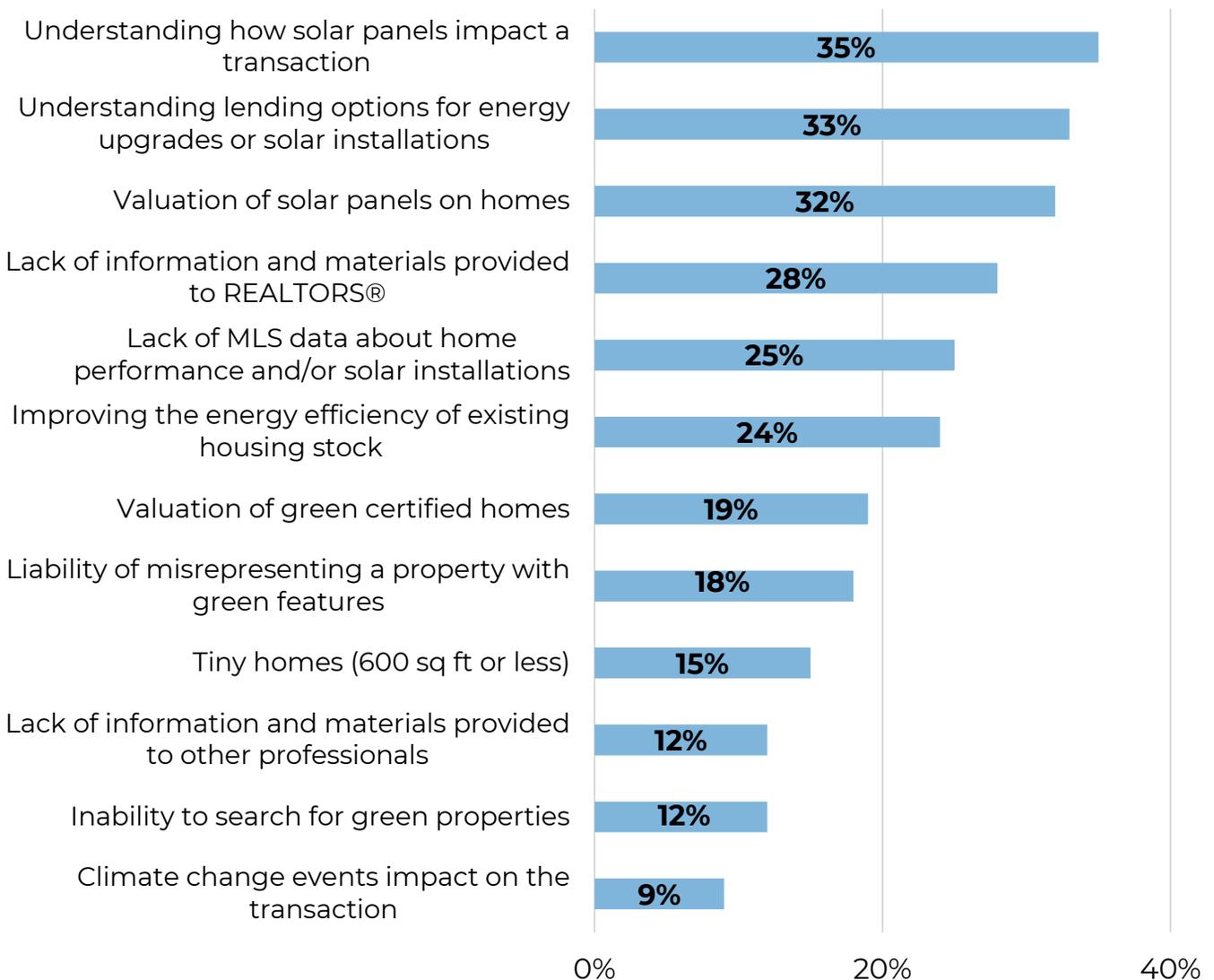
Percent Of Clients Who Consider Climate And Environmental Risk



Market Issues and Considerations

- Market issues and considerations that agents and brokers listed included: understanding how solar panels impact a transaction (35 percent), understanding lending options for energy upgrades or solar installations (33 percent), and valuation of solar panels on homes (32 percent).

Issues and Considerations in Market

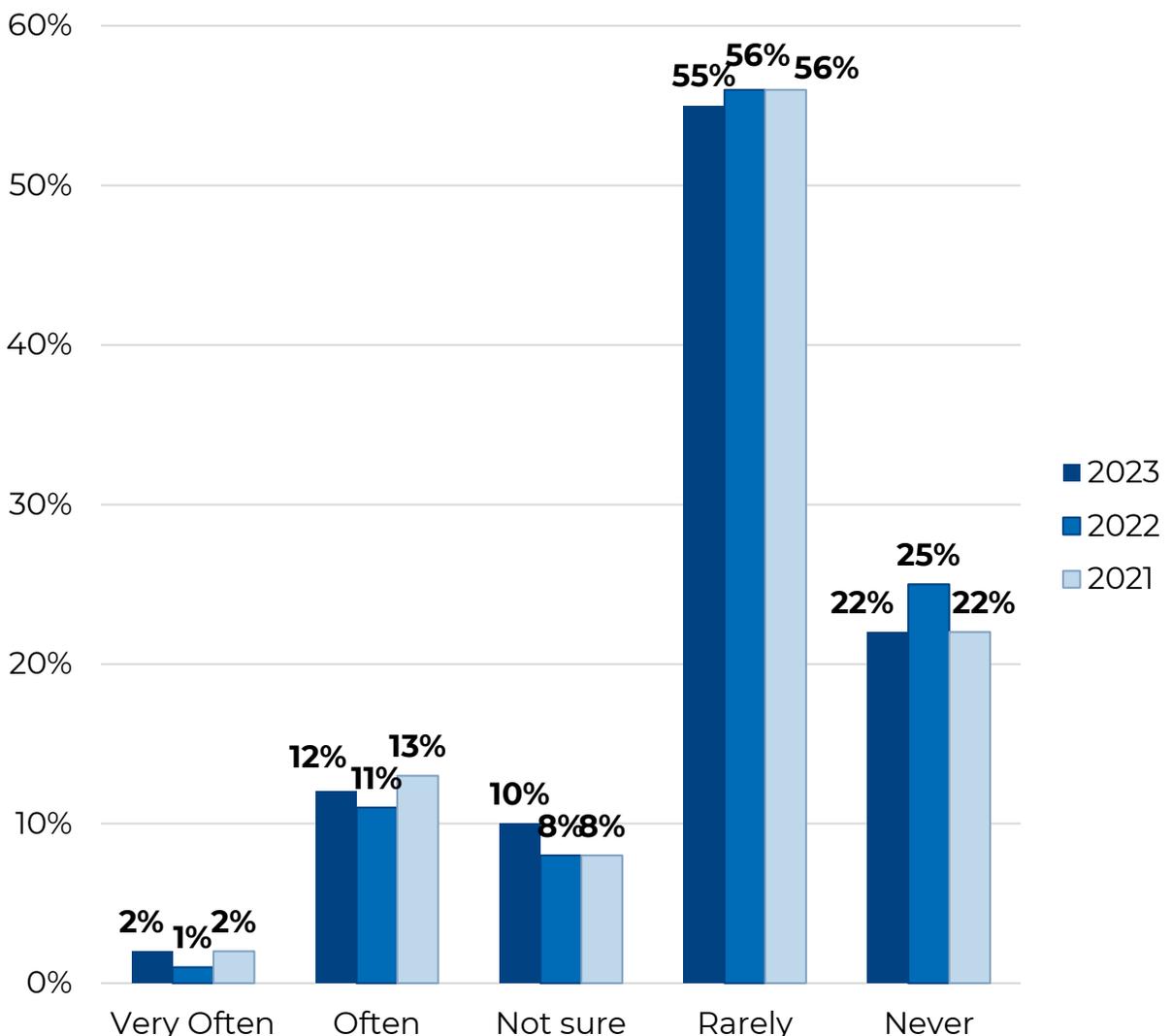


Note: Respondents were permitted to select as many responses as they felt applicable. The percentage distribution may therefore sum to more than 100 percent.

Clients Ask for Advice About Energy Efficiency Upgrades

- In 2023, 14 percent of respondents had clients ask for advice about energy efficiency upgrades very often or often.

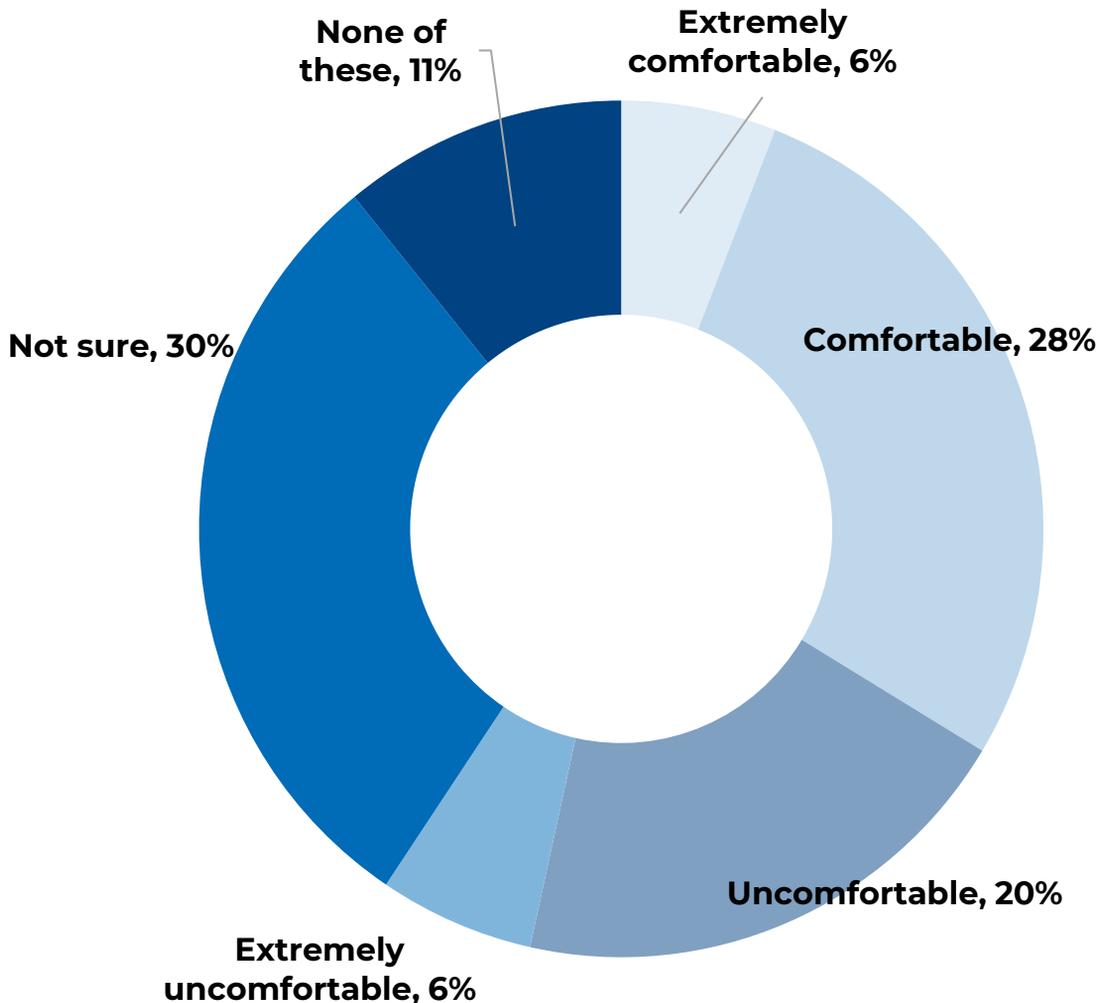
Ask For Advice About Energy Efficiency Upgrades



Comfort with Clients' Questions About Home Performance

- Thirty-four percent of respondents were extremely comfortable or comfortable answering clients' questions about home performance, while 26 percent said they were uncomfortable or extremely uncomfortable.

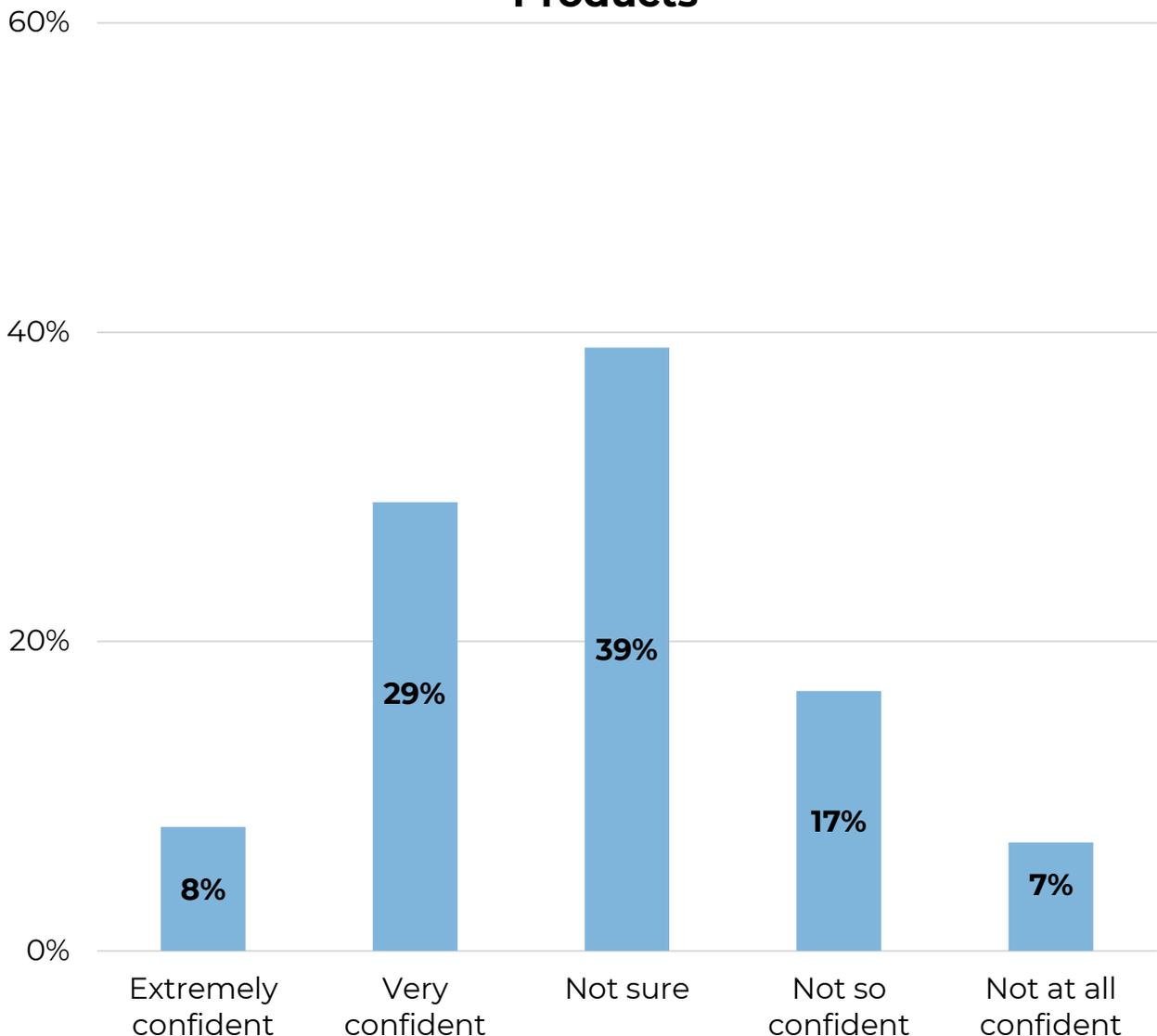
Comfort Answering Clients' Questions About Home Performance



Confidence in Connecting Clients with Green Lending Products

- Thirty-seven percent of respondents were extremely confident or very confident with connecting a client to a lender who could provide lending products that encourage energy-efficient improvements to existing homes.
- Twenty-four percent of respondents were not so confident or not at all confident with connecting clients to green lending products.

Connecting Clients with Green Lending Products



Regional Breakouts

Rooftop Solar Panels in Market

Region:	Northeast	Midwest	South	West
Rooftop solar panels in market	82%	70%	68%	86%
No rooftop solar panels in market	10%	23%	20%	9%
Don't know	8%	7%	11%	5%

Rooftop Solar Panels Affect on Property Values

Region:	Northeast	Midwest	South	West
Increase value	31%	28%	34%	44%
No effect	21%	24%	17%	13%
Decrease value	27%	27%	31%	30%
Don't know	21%	21%	18%	14%

Homes' Time on Market with Rooftop Solar Panels

Region:	Northeast	Midwest	South	West
Much more	6%	8%	8%	4%
A little more	17%	14%	9%	14%
Neither more or less	38%	34%	37%	44%
A little less	5%	5%	5%	7%
Much less	1%	*	2%	1%
Unclear	33%	39%	39%	29%

*-less than 1%

Regional Breakouts

Value of Energy Efficiency Promotion in Residential Listings

Region:	Northeast	Midwest	South	West
Very valuable	21%	17%	22%	23%
Somewhat valuable	35%	47%	40%	41%
Neutral	27%	21%	23%	23%
Not very valuable	9%	7%	9%	7%
Not at all valuable	5%	5%	5%	4%
Depends on the listing	3%	2%	2%	3%

Experience with Residential Building Repurposing

Region:	Northeast	Midwest	South	West
Experience with Residential Building Repurposing	7%	11%	7%	8%
No Experience with Residential Building Repurposing	45%	54%	48%	49%
Don't Know	48%	34%	45%	43%

Client Interest in Sustainability Topics

Region:	Northeast	Midwest	South	West
Very interested	6%	5%	6%	8%
Somewhat interested	38%	38%	40%	47%
Neither interested or uninterested	33%	34%	30%	26%
Somewhat uninterested	14%	14%	13%	11%
Very uninterested	10%	9%	12%	8%

NAR Survey Respondents

- Among all of the respondents surveyed, the median age was 54 years— 27 percent falling into the age bracket between 55 to 64 years, 22 percent between 45 to 54 years, 16 percent between 65 to 74 years, and 16 percent between 35 to 44 years.
- The primary functions of survey respondents were sales agents at 72 percent, followed by associate brokers at 14 percent.
- Respondents have been active as real estate professionals for a median of 7 years.
- The regional distribution of survey respondents was highest in the South (31 percent), West (29 percent), and Midwest (28 percent) and lowest in the Northeast (12 percent).
- Thirty-five percent of survey respondents worked 40 to 59 hours per week, and 36 percent worked 20 to 39 hours.
- Fifty-seven percent of survey respondents worked in suburban areas, followed by 36 percent in urban and central city areas, 26 percent in rural areas, and 27 percent in small towns.

Methodology

In March 2023, NAR invited a random sample of 47,441 active REALTORS® to complete an online survey. A total of 2,062 usable responses were received for an overall response rate of 4.3 percent. At the 95 percent confidence level, the margin of error is plus-or-minus 2.2 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.



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The National Association of REALTORS® is America's largest trade association, representing more than 1.5 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.

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NATIONAL ASSOCIATION OF REALTORS®

Research Group

500 New Jersey Avenue, NW

Washington, DC 20001

202-383-1000

data@nar.realtor