

# Sen. Bennet's SAVE Act Will Bring Sense to Valuing Solar-Powered Homes

I had the privilege of representing the Realtor community last week at a press conference promoting the SAVE Act, an important (and rare) bi-partisan bill co-sponsored by Sen. Michael Bennet, (D-Colorado) and Sen. Johnny Isakson (R-Georgia).

"SAVE" is an acronym for "Sensible Accounting to Value Energy." The act is long overdue, and let's hope it does not become a victim of the partisan gridlock in Congress. Besides its bi-partisan sponsorship in the Senate, it costs nothing, merely instructs underwriters to modify appraisal guidelines.

On the one hand the Act will improve the underwriting of mortgages by requiring energy costs to be considered alongside property taxes and insurance. It makes no sense that lenders don't factor in the cost of operating a house when

determining whether a borrower can afford it. After all, the average energy costs of American homes today is greater than the average cost of property taxes.

The flip side, which is dear to me as the owner of a solar-powered home, is that appraisers will be empowered to assign extra value to homes which consume less energy, whether through extra insulation or on-site power generation.

As I've written in the past, appraisers — and the underwriters who evaluate their appraisals — are not allowed under current guidelines to give value to such features unless there are comparable sales proving that homes with these features have sold for more than homes without them.

Personally, I have sold two listings which had photovoltaic (PV) systems resulting in near-zero

electrical bills. Both sold for no more than homes which lacked such systems, because there were no comps to support extra value. The result of those sales merely reinforced the problem, since they created comps which proved such systems have no value! It's a catch -22 situation which the SAVE Act and a "greener" MLS can address.

Sen. Isakson, himself a 30-year practitioner of residential real estate in Georgia, points out that in addition to improving underwriting guidelines (which could reduce foreclosures), the bill could actually create jobs by improving the return on investment for energy efficiency and renewable energy improvements made by homeowners. Currently, you can expect far less (or zero) return from such investments than, say, for redoing a kitchen or bathroom.

Golden Real Estate welcomes back broker associate Brian Dixon, returning from a hiatus.

## This Week's Featured New Listing

### One of My Favorite (& Best Built) Listings Ever!

Behind the otherwise ordinary exterior of this house at 16455 W. 51st Ave. lies an extraordinary home. Built in 2007 by its original owner, this home has features I haven't seen elsewhere, or at least not all in one home. It has radiant floor heating throughout, plus central air conditioning. It has no wall to wall carpeting anywhere — all floors are either hardwood or tiled. It has an EPA-approved wood burning fireplace that you can use on no-burn days. The kitchen has some of the finest finishes I've seen, too. The 0.6-acre lot is beautifully landscaped, with RV parking. There are no covenants. You've got to see this one! Open Saturday 1-4 p.m.



### REAL ESTATE TODAY



By JIM SMITH, Realtor®



Serving the West Metro Area

**Jim Smith**     
Broker/Owner  
**Golden Real Estate, Inc.**  
DIRECT: 303-525-1851  
EMAIL: [Jim@GoldenRealEstate.com](mailto:Jim@GoldenRealEstate.com)  
17695 South Golden Road, Golden 80401  
WEBSITE: [www.GoldenRealEstate.com](http://www.GoldenRealEstate.com)

This column is also posted at [www.JimSmithBlog.com](http://www.JimSmithBlog.com), where you can comment on it. Hundreds of previous columns are archived at [www.JimSmithColumns.com](http://www.JimSmithColumns.com).