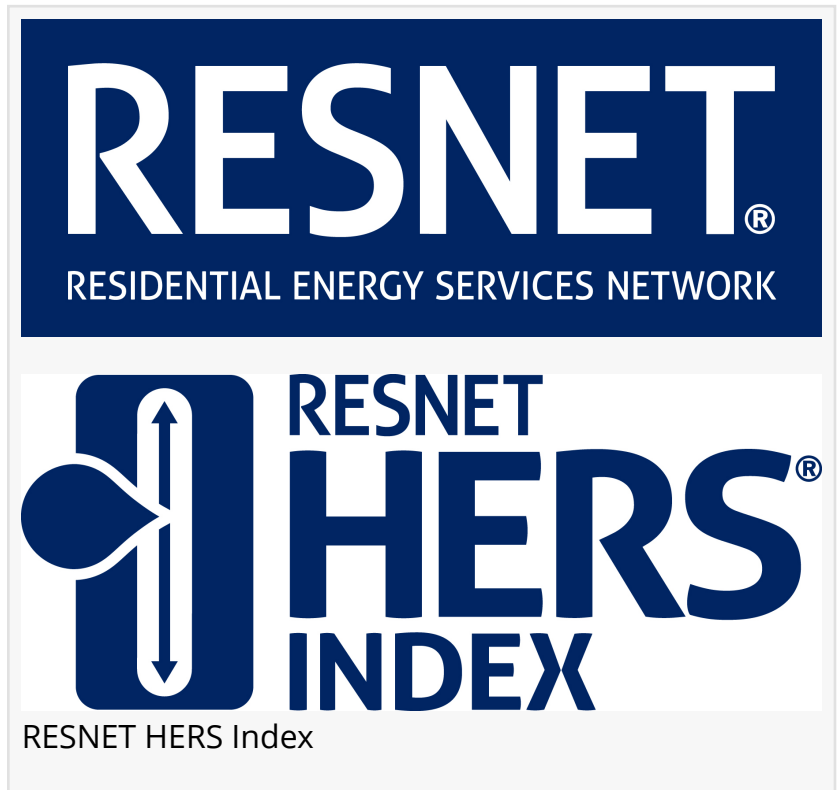


The Builders and Buyers of HERS® Rated Homes

RESNET Analysis of Builder's Top 200 on which builders are selling HERS Rated Homes

OCEANSIDE, CA, USA, October 1, 2020 /EINPresswire.com/ -- Each year, Builder Magazine releases its list of the [Top 200](#) builders from the previous year. These builders are ranked by the number of closings they had in a calendar year. For the second year in a row, [RESNET](#) undertook an analysis of Builder's Top 200 list to see how many were getting their homes HERS Rated. In addition to builders, RESNET also has some interesting demographic data on the buyers of HERS rated homes, courtesy of a Freddie Mac study released late last year.



First, a look at who is building HERS rated homes:

Builder's Top 200 list spans an array of builders that closed as few as 152 homes to more than 58,000 in 2019. In total, these 200 builders closed more than 376,000 homes.

- Of those 376,000+ homes, 39 percent received a RESNET [HERS Index](#) Score
- 145 of the 200 builders chose to have their homes HERS Rated (Compared to 140 in 2018)
- 85 of the top 100 builders chose to have their homes HERS Rated (Compared to 80 in 2018)

The 18 publicly traded building companies on the Top 200 list were responsible for more than 96,000 HERS Ratings in 2019 (compared to 75,000 in 2018). That amounts to forty percent of their total closings last year. Perhaps an even more interesting statistic is that every publicly

traded builder was doing HERS Ratings in 2019; while eight of them chose to receive HERS Ratings on nearly 100% of their homes. It is thought that much of the disparity in the number of ratings versus the number of closings among some of these big builders is due to the authority given to their local and regional divisions. Some divisions choose to do HERS Ratings in their markets, while others do not.

In 2019, RESNET recorded nearly 242,000 HERS Ratings by a little more than 6,000 home building, remodeling and development companies (compared to 4,000 in 2018). Five hundred builders recorded 50 or more ratings, while the rest recorded fewer than 50 HERS ratings. The top builder by number of ratings, recorded nearly 23,000 in 2019. When we look at the top 20 builders by number of ratings, we see that they ordered more than 104,000 ratings, accounting for nearly 43% of all ratings last year.

See below for a list of the top 20 builders with the most HERS Rated homes in 2019 (in alphabetical order).

- Ashton Woods Homes
- Beazer Homes
- Clayton Properties Group
- D.R. Horton
- David Weekley Homes
- Highland Homes
- Hovnanian Enterprises
- KB Home
- Lennar Corp.
- M.D.C. Holdings
- M/I Homes
- Mattamy Homes
- Meritage Homes Corp.
- Mungo Homes
- NVR
- Perry Homes
- PulteGroup
- Taylor Morrison
- Toll Brothers
- TRI Pointe Group

Even though large national and regional builders are recording thousands of HERS ratings each year, there are thousands of smaller, local builders also doing ratings. In 2019 more than 3,000 builders—roughly half of all builders doing ratings last year—recorded 3 or fewer ratings.

What about the added value of HERS rated homes?

Freddie Mac also undertook a significant study of the sales value of HERS rated homes compared to non-rated comparable homes.

The analysis of this data concluded:

- HERS rated homes are sold for, on average, 2.7% more than comparable unrated homes
- Homes with lower HERS Index Scores are sold for 3-5% more than homes with higher HERS Index Scores.

Homes with lower HERS Index Scores also had better mortgage profiles in general: owners with higher average credit scores (FICO), lower Loan to Values (LTV) ratios at origination, higher origination unpaid principal balances (UPB), higher owner incomes, and higher neighborhood incomes at the census tract level.

The conclusion of Freddie Mac's analysis is good news for builders, buyers and sellers of energy efficient HERS rated homes. Not only did HERS rated homes sell for an average of 2.7% more than comparable unrated homes, but better-rated homes sold for more than lesser-rated homes—meaning homes with greater energy efficiency are being valued more.

The loan performance statistics for HERS rated homes indicate that purchasers of these homes should be a desirable demographic for builders and lenders.

A home can only be considered a HERS rated home if it is uploaded to RESNET's National Registry. Homes in the RESNET Registry are available to more than 3,500 appraisers through RESNET's Appraiser Portal, where they can confirm the HERS Index score and verify the home's energy savings potential.

For more information, visit www.resnet.us and www.hersindex.com

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