



Selling the Unseen

Higher performance construction costs more at the outset, and may be harder to sell, but then the benefits kick in.

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New homes are built everyday that use about one-third to one-half the energy that the same exact home built to lesser standards uses. The energy-saving home is no more complicated, looks no different, has less dust, is more comfortable, and usually safer than the “regular” home. Why isn't every new home built to perform better?

One of the usual answers to this question is cost. It is true that the cost to build these homes is slightly higher. Many estimates are that the cost is about 1 percent of the selling price of the home for the increased insulation, caulking and sealing, and upgraded HVAC equipment.

However, those costs are clearly an excellent risk-free investment for home buyers. A \$3,000 upgrade can save the home buyer more than \$50 per month, while the increased payment for the upgrade would be about \$20 per month in the mortgage installment. This investment is saving the customer money on his or her monthly cost! Increased cost is clearly not a valid reason for not at least offering the option of a better performing home.

The lack of availability of widespread knowledge and technology to build these homes has been cited as another reason that more energy-efficient homes aren't coming down the pipeline. Build America, operated by the U.S. Department Of Energy, has been a great success. A visit to their Web site (http://www1.eere.energy.gov/buildings/building_america/) will give the names of several public and private partnerships with information about the program. There are also commercial programs available through manufacturers and installers of insulation. Not only is the technology available, there are programs ready to help.

The most compelling reason for the rarity of energy-saving options in new homes is that builders are not able gain the value back for the energy upgrades in the

selling process. It is much more difficult to gain the investment back from these upgrades than from the more visible upgrades of flooring, cabinets, and appliances. The concept of selling the unseen is difficult. It becomes more difficult when builder sales people are used to selling the location and the glitz of the house, rather than benefits of performance.

While the sale is more difficult, some builders are having good success selling energy-efficient homes. Pulte has been a leader in energy efficiency and has enjoyed stellar results in quality rankings. Pulte has also led the large builders into structural insulated panels, a framing technology that uses foam in the core of an engineered panel system, used for both roof and walls in new homes. Beazer Homes has offered energy-efficient upgrades in some of its markets, including solar power in the west.

Energy-efficient homes as an option and as standard practice will grow quickly. Manufacturers, distributors, and installers should look at the supply chain to see how they can help builders build better performing homes.