

Green Gives Builders the Sales Edge in Tight Florida Markets

Seeking a competitive advantage in today's tight marketplace, Florida builders who are building high-performance energy-efficient homes that meet the U.S. Department of Energy's [Builders Challenge](#) are reporting higher sales and profits.

"The Building America process is not easy and requires a fundamental change in the ways homes are designed and built," Subrato Chandra, director of the [Building America](#) program at the [Florida Solar Energy Center](#), said during a seminar at last month's International Builders' Show in Las Vegas.

"But those that do are rewarded with higher rates of market penetration, very high levels of customer satisfaction and quicker sales," he said. "This all translates into more profits."

The Department of Energy has developed a [Home Energy Rating System](#) (HERS) to evaluate the overall energy performance of a home, awarding an energy rating score of between one and 100. The lower the score, the higher the energy rating.

Typical new homes are built with an energy score of about 100 and the Builders Challenge encourages homes to be 30% more efficient, or have a rating of 70 or lower.

Walt Staheli, director of construction for [G.W. Robinson Builders, Inc.](#) based in Gainesville, Fla., said that now is the time for builders to start considering building high-performance green homes.

"First, I want to dispel the myth that the process is cost-prohibitive. It isn't," Staheli said.

Staheli added that green does not sell itself and that his firm focused on location, lifestyle, design and pricing when it first delved into construction of energy-efficient homes.

"We had to figure out, 'Is green high performance marketable? How much will it cost customers?'"

G.W. Robinson Builders began by implementing green elements that brought the firm the greatest benefit with the least cost and perfected these fundamentals before moving on to other areas.

"One of the hardest things you will do is to establish the right working relationship with the energy rater in your area," said Staheli. "Their job is to give you options. Your job is to decide which options are cost-effective and what you can implement."

G.W. Robinson Builders began to work closely with its trade contractors to outline the changes they needed to build green.

"We wrote down what we wanted our subcontractors to do and got their price. We got our vendors and suppliers together to get the products we needed and price it right so that we could sell to our customers. It cost a bit more, but it was manageable," said Staheli.

To date, G.W. Robinson Builders has built 79 homes with an average HERS rating of 60, which is 40% more energy-efficient than comparable homes on the market.

"Our job is to make the buying public fully aware of what the HERS rating means and how a lower number saves them in energy costs," said Staheli. "Does the added cost allow our homes to be marketable in today's market? Absolutely."

Todd Louis, director of marketing for [Tommy Williams Homes](#) headquartered in Gainesville, concurs.

"My experience is that having a green home allows you to sell more homes than your competition," he said.

Louis said he is able to compare apples to apples because Tommy Williams Homes shares a subdivision with a competitor who does not offer energy-efficient homes. In the two years before he began offering green homes, Louis reported that his competitor outsold his firm, 46 homes to 26.

In the past two years, with Tommy Williams Homes building homes to the Department of Energy's Building Challenge standards, the company has sold nearly twice as many homes as its competitor - 42 to 22.

"And our homes on average sell for \$20 more per square foot," said Louis.

To sell consumers on the added benefits and value, Louis said it is important to describe the energy savings aspects as benefits rather than features.

For example, to stand out from the crowd, Tommy Williams Homes has run an ad that shows a couple lounging on the beach under the headline, "The money we save on energy costs pays for our baby sitter for a week!"

Another ad features a mother holding her baby, saying how glad she is that her baby's room is comfortably cool in the summer and toasty warm in the winter.

The benefit is a narrative scenario, explained Louis. It tells a story by focusing on emotions, which is a powerful motivator.

"In today's market, buyers are taking more time to make decisions," he said. "That only helps us. The more we can get them to look at the benefits, the better."

For information on NAHB's green home building resources, e-mail Kevin Morrow at kmorrow@nahb.com, or call him at 800-368-5242 x8375.