

# Promoting Green Living as a Lifestyle

Sustainability extends beyond the home itself.

By Patrick S. Duffy

Imagine, if you will, walking through what looks like a fairly typical model home complex for a new green community. Perhaps it offers the latest in energy-efficient appliances, LED lighting, solar panels, drought-tolerant landscaping and more. But in addition to that, the homes in question feature an array of sustainable consumer products — tightly secured to tables, cabinets and countertops, of course — that the eventual occupants might use in their daily lives.

From household chemicals and children's toys to food and personal care items, to obtain ratings on the greenest of the green, these shoppers would only need to scan product bar codes via an iPhone application or visit the website for a new company called the Good Guide. The site was started in 2004 by professor Dara O'Rourke of environmental policy at the University of California, Berkeley. After he realized he didn't really know what was in the sunscreen being applied to the face of his two-year-old daughter (which, after testing in his lab included a suspected carcinogen as well as a chemical which could disrupt hormones), O'Rourke's goal was to bring academic-quality research on everyday products to the masses.

As I was reading this story recently in a national newsmagazine, I couldn't help but to think how easy it would be for homebuilders to leverage the mainstreaming of green products into their own sales and marketing campaigns. In September 2010, the site for Good Guide tracked 300,000 visitors who reviewed its ratings on more than 75,000 items, so the interest is certainly there. It's also an opportune time to provide objective research — sort of a

Consumer Reports for green products — to a general public who overwhelmingly say they prefer environmentally responsible products in surveys but have grown increasingly wary of "greenwashing."

To address its own environmental footprint, Wal-Mart effectively became the most powerful regulator in the market in July 2009 by setting up sustainability requirements for suppliers and manufacturers. By 2012, the retail giant hopes to offer product ratings on its vendors' ecological footprints to its customers with the idea that such transparency is good for business.

At a time when up to 70 percent of companies listed in the S&P 500 have issued their own targets to release greenhouse gases, managing the corporate green reputation is becoming almost as important as hitting financial targets. Moreover, following one of the worst oil spills in history and the eventual day of reckoning when oil supply can no longer meet demand (also known as "peak oil"), the awareness of investing in renewable energy has probably never been higher.

Few industries will be able to benefit more from these trends than homebuilding. For those builders which have strongly promoted solar energy, their homes have been selling at a faster clip than the rest of the market. According to market leader SunPower Corp., the additional cost for the solar systems are often more than paid for through higher absorption rates, helped in part by federal tax credits and California's own Million Solar Roofs rebate program. To find these green homes, websites such as Listed Green Homes and some local Multiple Listing Services now allow potential buyers to seek out sustainable new

homes and retrofits when conducting their own online searches.

As homebuyers increasingly look for a sustainable lifestyle that accompanies a home, those builders and developers willing to invest in the technology and creativity to promote green products throughout the homes they're marketing can potentially increase sales velocity while adding to the bottom line. At the same time — like Wal-Mart — they can also continue to re-invigorate their own brands for a new decade.



**For those builders which have strongly promoted solar energy, their homes have been selling at a faster clip than the rest of the market.**

**Patrick S. Duffy** is a principal with MetroIntelligence



Real Estate Advisors ([www.metrointel.com](http://www.metrointel.com)), a division of Beacon Economics ([www.beaconecon.com](http://www.beaconecon.com)) and authors *The Housing Chronicles Blog* ([www.housingchronicles.com](http://www.housingchronicles.com)). He may be contacted at [pduffy@metrointel.com](mailto:pduffy@metrointel.com) or 888-82-DEVELOP.

## Fast Facts

- Promoting green products can extend beyond the home itself.
- The Good Guide now rates over 75,000 products.
- Wal-Mart is creating its own green rating program for its products.
- Seventy percent of companies listed in the S&P 500 have committed to reducing greenhouse gases.