

# Building Green for a Competitive Advantage

The benefits of using green building techniques far outweigh the costs builders may incur up-front.

By Patrick S. Duffy

**W**hen green building terms and techniques first entered the construction industry's policies and procedures manuals, they were initially designed for new commercial office buildings, allowing developers and cities to advertise their forward-thinking designs with iconic structures in well-trafficked locations.

Today, however, with increasing consumer sensitivity towards sustainability and a higher awareness among home builders that energy-efficient homes can boost both absorption rates and profits, building green homes will likely become the most important trend this industry has seen in a generation.

The market could be huge: according to a McGraw-Hill Construction Residential Building SmartMarket Report from 2006, green homes could make up as much as 10% of new construction by 2010 – a quintupling from a comparatively measly 2% in 2005. Seeking to retain its leadership in a quickly changing world, the National Association of Home Builders (NAHB) recently announced that more than 2,700 builders and remodelers have achieved the Certified Green Building (GCB) designation, which requires 24 hours of classroom instruction, two years of industry experience and a commitment to continuing education.

Not to be outdone, the U.S. Green Building Council's now-ubiquitous LEED certification (Leadership in Energy and Environmental Design) – which began for commercial structures in 2000 – naturally led to "LEED for Homes" in late 2007 following a two-year pilot program. The national certification program, which awards points for various categories and ranges from simple certification (45-59 points out of 136) to Platinum (90-136 points), has quickly become a powerful marketing strategy

that now mirrors the EnergyStar® label for appliances.

Since applying for the LEED Platinum status is so rigorous, most green builders today are opting for the more permissive Silver label, but in all cases applicants are judged in eight primary categories: Innovation and Design, Location & Linkages (site placement), Sustainable Sites (using the entire property responsibly), Water Efficiency, Energy & Atmosphere (especially heating and cooling design), Materials and Resources (minimizing waste, using local supplies when possible and selecting environmentally friendly materials), Indoor Environmental Quality, and Awareness & Education (to the homeowner, tenant, or building manager).

In many cases, green building techniques simply involve some common sense and creativity, such as including larger, south-facing windows for more natural light (and free solar heating), installing second-generation low-flush toilets, using factory-built components such as roof trusses and pre-hung doors whenever possible, and adding covered entries over exterior doors to prevent water intrusion.

For those who do take the lead, the benefits are hard to ignore. In the master-planned Whitney Ranch community of Rocklin, California, in January of 2007 local builder Grupe Company created Carsten Crossings, the country's first all LEED-certified new home community. Ranging in size from 2168 to 2755 square feet, not only did the builder's plans out-sell its competition by a factor of 2:1, but found that having a third-party reviewer as judge and jury dramatically reduced customer calls and complaints. At the same time, Grupe managed to divert 75% of its waste from concrete, drywall and wood from the local dump, squeeze out energy efficiency ratings 35% higher than what California's tough laws require and installed on-

site solar arrays that can reduce electricity bills by up to 70%. Not bad for construction costs of \$70 per square foot!

But let's also not forget some extra bonuses. Firstly, homes offering the latest technologies in energy efficiency and sustainable components will, by definition, no longer have to compete with similar designs built by the same builders in the recent past. Secondly – and perhaps more importantly – builders who've long been chastised for contributing to insensitive urban sprawl can now actually lead the way for a sustainable planet.



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## Fast Facts

- By 2010, green homes could make up 10% of all new homes built.
- Green homes can out-sell the competition while reducing customer service calls.
- With careful planning, building green doesn't have to cost more.
- Building green is a process in which builders can constantly improve.