

# Green Means Money

AS CONSUMERS STEADILY TURN TO ENVIRONMENTALLY FRIENDLY PRODUCTS, LOCAL BUILDERS, BUSINESSES AND PUBLIC UTILITIES ARE STEPPING UP EFFORTS TO MEET THE DEMAND.

by Kevin Fritz

THIS SUMMER, MANY people received an education about what global warming and energy conservation are all about. With the success of “Live Earth,” an event featuring musical acts from around the world, we learned that it isn’t just about global warming. Rather, it’s about conserving energy, it’s about saving money and it’s about being green.

Yes, green is in. Green *anything*.

Not coincidentally, one of the newest catchphrases in construction and home improvement is “Building Green,” and it seems that everyone is eager to climb aboard that train. Particularly given the jump in gas prices during the past couple of years, with folks becoming more energy conscious to save a buck, energy efficiency is on the minds of everyone, especially homeowners who have become sensitive to the savings they can enjoy from doing as little as installing a low-flow shower head, turning off a ceiling fan or installing ENERGY STAR appliances.

Although many government leaders, developers and other businesspeople have long shared the vision of being more environmentally conscious, it has taken a while for average consumers to say, yes, they do believe.

It’s happening now.

“People are saying, ‘We need to do something,’” says John Masiello, director of Demand Side Management for Progress Energy. “Every time

you go to the gas pump, fuel prices seem to escalate. And there is a real concern for global warming.”

## HOMEBUYER SAVINGS

In addition, consumers are realizing the monetary gains involved with conserving at home.

Mortgage giant Fannie Mae, for example, allows a much larger debt-to-income ratio for an energy-efficient home. That translates into customers buying a larger house for a smaller mortgage payment. And Masiello goes one step further. “Banks are more likely to offer a mortgage because of lower energy bills,” he says, “because [energy] savings will offset the mortgage. So buyers will be more capable of paying their mortgage.”

Whether it’s about money or the environment, consumers are making themselves heard. According to the National Association of Home Builders, there aren’t enough green builders to satisfy demand, even though such homes are likely to sell for more. The NAHB estimates a home with certain green features will cost an average of \$17,000 more on a home priced at \$292,000.

The National Association of Realtors thought building green was so important it erected the first new building in Washington, D.C., that met



## WHAT’S ENERGY STAR?

The key to saving money for most homeowners who are not necessarily building a new home or doing a major renovation is the replacement of appliances, air-conditioning systems and computers with alternatives that carry the blue ENERGY STAR logo. ENERGY STAR is a U.S. government program to promote energy-efficient consumer products.

Compared with standard homes, ENERGY STAR-qualified homes use substantially less energy for heating, cooling and water heating, delivering \$200 to \$400 in annual savings. Properly installed energy-efficient improvements provide better protection against cold, heat, drafts, moisture, pollution and noise. An energy-efficient home helps ensure consistent temperatures between and across rooms, improved indoor air quality and greater durability.

To date, nearly 3,500 homebuilders have partnered with the U.S. Environmental Protection Agency to construct more than 750,000 ENERGY STAR-qualified homes. By the end of the decade, more than 2 million homes are expected to have earned that ENERGY STAR designation.





standards set by the U.S. Green Building Council. Among the environmentally advanced features are outside views from all workstations, a lighting system that balances inside light with sunlight and a carbon monoxide cleaning system. Such a precedent could prompt Realtors across the country to encourage customers to buy green.

**BUILDERS AND REALTORS JOIN IN**

Most builders in Central Florida have already hopped on the bandwagon. Almost all of them offer some sort of energy-saving package, while others have taken the leap of faith and made green the standard. For the 2007 International Builders' Show, Homes by Carmen Dominguez built a green house in downtown Orlando that was certified green by the Florida Green Building Coalition. Also ENERGY STAR rated, the house is 74 percent more energy efficient than a standard-built house, according to Mike Williams, general manager of Homes by Carmen Dominguez.

"It's a living laboratory," he says. Located on the corner of Broadway and Ridgewood avenues, the house includes extensive integration of various low-voltage systems, such as home-run structured wiring, whole-house lighting control, and high-tech

entertainment and security. The house also offers a stormwater irrigation system that reuses 95 percent of stormwater runoff. The house uses 74 percent less energy for heating and cooling and 54 percent less energy for heating water than a standard comparable house in this climate.

Actually, it may come as a surprise that many of these options and certifications have been around for a while in one form or another. These days, however, an awakening has occurred.

"It opened our eyes to the green building undercurrent," say Williams about building the green home for the builders' show. "We were not aware of a lot of it until this process started.

"It's the right thing to do."

Indeed, it's not only the actual builders and contractors who are getting more involved with this environmentally friendly way of life. The Orlando Regional Realtor Association recently held a first-ever class called "Building Green" for members. The Home Builders Association of Metro Orlando launched a "Green Building Committee." Gov. Charlie Crist signed into law a bill requiring state government buildings to be constructed with energy-saving mechanisms. Even his mansion was retrofitted green. The City of Orlando announced the formation of a task force to



find ways for its day-to-day operations to be made more energy efficient. Hotels are joining the fray, too: Four of them across the state have been certified this year by the Green Building Council, including the Hilton at Walt Disney World. And on and on and on.

**THE POWER OF EDUCATION**

Furthermore, local power companies have done their part by seeking to educate consumers with creative advertising and marketing campaigns. Florida Power and Light began a statewide campaign in June with the tagline: “Powering Today, Empowering Tomorrow.”

Progress Energy’s “It’s Your Wallet. It’s Your World. Save the Watts” integrated marketing campaign was launched this summer “for the benefit of both the consumer and ... the builder,” says Masiello. The campaign, complete with a Web site ([www.SaveTheWatts.com](http://www.SaveTheWatts.com)), uses humor to stress the importance of conserving energy.

The Orlando Utilities Commission is doing something a bit more concrete at its new headquarters. OUC is installing a solar water heater and solar panels to generate electricity, among other green features.

According to Grant J. Heston, manager of OUC’s corporate communications, the new OUC building will be downtown Orlando’s first LEED-certified commercial building. (LEED stands for Leadership in Energy and Environmental Design, a program of the U.S Green Building Council.) “We believe this will be the greenest building downtown and serve as an example of green building practices that make sense,” says Heston.

In the home construction industry, a program called myEarth, recently introduced by KB Home, touts green by educating homebuyers about available eco-friendly products. Since consumers are increasingly interested in ways they can help preserve the environment, myEarth

highlights products that offer benefits to both the homebuyer and the environment, contends George Glance, division president of KB Home Orlando. “We kicked off the myEarth tags in February and have increased green-option sales by 30 to 40 percent,” he says.





## FOCUS ON | THE ENVIRONMENT

Glance says all products are on display at the new 12,000-square-foot KB Home Studio, located on John Young Parkway in Orlando. Items throughout the studio bear the myEarth logo

and are accompanied by information explaining their benefits.

“Less than 2 percent of our buyers were asking for green options prior to the launch. However, since we

started focusing on earth-friendly options, about 75 percent of our buyers have shown interest,” says Glance, also pointing out that KB has offered many of the products for several years.

“These items not only preserve the environment, they also reduce energy costs and water consumption that directly benefits the buyer with lower energy and water bills.”

Glance adds the options are becoming more affordable, too. “There are now options available to all consumers that are much more cost effective and very easy to implement in their home,” he says.

### **GET YOUR REBATE HERE!**

Thanks to rebates and incentives, the deals can even be sweetened for both consumers and builders.

Progress Energy offers a new program called Home Advantage, which helps train contractors to properly seal all joints and connections and install high-efficiency heating and cooling equipment. “A common problem today is the duct system leak,” Masiello says, estimating one-third of air conditioning and heat is lost due to compromised sealing.



Under the program, the builder receives a \$425 rebate after the home is certified as green, and receives as much as \$2,100 if certain green options, such as a solar thermal system for heating water, are installed. More than 300 builders are involved in the program, and last year more than 15,000 homes in Central Florida were built under Home Advantage programs, Masiello notes. For homeowners, there are more than 105 measures or which Progress Energy pays incentives directly to the consumer.

Similarly, OUC offers incentives of up to \$200 per new home to builders who participate in OUC's Gold Ring Home Program, according to Charlie Wright, OUC conservation administrator. Wright says the builder provides certification that the Gold Ring homes are designed and built according to ENERGY STAR efficiency standards. Features can include high-efficiency heat pumps, heat-recovery water

heaters, R-30 attic insulation, interior air ducts, window shading and more.

In addition to standard incentives and rebates on energy-efficient heat pumps, attic insulation and window

tinting, OUC offers the Home Energy Fix Up program to assist low-income families. OUC pays 85 percent of the total project cost, and the homeowner can finance the remaining 15 percent

interest free over 12 months.

"The bottom line," says Wright, "is customers can save money by being more energy and water efficient."

