

MetroTex and the Dallas Builders Association Present:

# New Home Sales Certification

Today's Class:

## What Is Green Building?

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### What is Green Building?

And what does it mean to me?



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### What is Green Building?

Why am I here?

- To equip Real Estate professionals with the knowledge to understand what makes a home "Green", and why some homes only claim to be Green.
- To inform Real Estate professionals about various Green Building programs, including those unique to certain home builders and/or geographies
- To equip Real Estate professionals with the knowledge of Green Certification and why it is important – Not all Green is the same shade
- To equip Real Estate professionals with the knowledge to communicate the advantages of Green-Built homes to prospective buyers
- To educate sales professionals to be able to sell the value of Green

Next.....

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## Green Building – A Definition

If I ask 100 people “What is Green Building?”,  
I’ll get 100 different answers.

The only supportable definition of a Green Home is:

“A home that has been built, tested, and certified to meet the requirements of a recognized Green Building program”.

Next...

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## Take-Away #1

When someone says “This is a Green Home”, your first question should be: “Under what program was this home certified?”

Get a copy of the documentation BEFORE mentioning that the home is Green.

Next... What is green building?

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## But, what IS Green Building?

- Resource Management
  - Energy Efficiency
  - Water Conservation
  - Construction Practices
  - Construction Material Usage
- Indoor Air Quality
- Recycling

Next... components of green

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## Components of Green Building

- Radiant Barrier
- Spray Foam Insulation
- Xeroscaping
- High Efficiency HVAC
- Dual-flush toilets
- Low flow faucets and showerheads
- Low VOC paint and carpet
- HERS Score
- Door Blower Test
- Ladder Tees
- California Corners

Next...

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## What IS Green Building?

Green Building is NOT a single product, amenity, or construction practice. It is a **whole-house approach** to building that maximizes the homeowner's value in their property while minimizing the impact of construction and home ownership on the environment.

Stay away from Buzz Words.  
They don't mean anything.

Next... Green programs

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## Green Programs

- Green Built Texas – sponsored by the Dallas Builders Association (largest in the nation until 2013)
- The National Green Building Standard – sponsored by the NAHB (the only ANSI standard green program)
- Energy Star (1995), IAQ, WaterSense – sponsored by the EPA (a group of programs)
- LEED for Homes (LEEDh) – sponsored by the US Green Building Council
- Builder Challenge (2030) – sponsored by the US Department of Energy (an energy program)

Next...

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## Green Programs

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**Beware of Builder-Specific programs.**

Next...

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## Take-Away #2

If the Builder claims that the home is Green because of a program that the builder developed, find out why.

Next... certification

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## Certification Process

- Choose the program
- Choose the performance level
- Design then Construct the home
- Inspect during construction
- Test the home for performance
- Verify the product content
- Obtain the official certification

**SELL the Home.**

Next... Why green?

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## Why Green?

What is the most frequently asked question about Green Building?

What's in it for me?



Next... benefits

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## The Benefits

For contractors

For Buyers

For Realtors

**Sell the Benefit, not the feature!**

(would you buy a car from this guy? Do you need a car with a computerized active response suspension system?)



Next... how to sell green

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## For Buyers

As the Owner of a Green home, you will...

- Have lower utility bills (\$\$\$)
- Have better Indoor Air Quality (comfort, noise)
- Live with the knowledge that your home has a reduced negative impact on the environment
- Know that your home will have maximum value in the resale market
- Know that your home will sell faster than traditionally built homes



Indoor Air Quality

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## Climate Change...

Now	Daily	Hourly	Morning	Afternoon	Evening	Overnight			
		Sat 8am	9am	10am	11am	12pm	1pm	2pm	3pm
Forecast		Cloudy	Cloudy	Cloudy	Showers	Showers	Mostly Cloudy	Cloudy	Showers
Temp (°F)		53°	55°	57°	59°	61°	62°	63°	63°
RealFeel®		55°	57°	61°	61°	64°	66°	65°	62°
Humidity		97%	91%	86%	83%	77%	75%	75%	73%

Indoor Air Quality is a major contributor to overall home satisfaction.

Green Mortgage Next...

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## Green Mortgages

- What are they?
- How can they benefit home buyers?



Next...

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## Green Mortgages

Green Mortgages Lower your Monthly Bills

	Code-Built Home	Green Home
Purchase Price	\$210,000	\$219,000
Loan amount	\$200,000	\$209,000
Interest Rate	4.5%	4.5%
Monthly Payment (PI only)	\$1,013	\$1,059
Total Avg Utility Bills	\$265	\$111
Total Monthly Expenses	\$1,278	\$1,170
Monthly Savings:		<b>\$108</b>
Yearly Savings:		<b>\$1,300</b>

Next... TCO

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# Green Mortgages



We need to start thinking in terms of

## “Total Cost of Ownership”

It’s not what it costs to BUY the home...  
it’s what it costs to OWN the home

Next...for Realtors

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# Common Questions for Realtors

How do I sell Green?

- Demonstrate the value
- Educate the buyer
- Know your market (who is your audience?)
- Follow through
- Know what is important to the buyer
- Talk in generalities. Don’t make specific promises

Next...HERS



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# Energy Star

The HERS score. What does it mean?



Next...HERS Summary

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# Energy Star – HERS Summary

Projected Rating: Based on Plans - Field Confirmation Required.

Building Information		Rating
Conditioned Area (sq ft)	4850	HERS Index
Conditioned Volume (cubic ft)	60946	HERS Index w/o PV
Insulated Shell Area (sq ft)	12795	HERS Index Target (SAF Adjusted)
Number of Bedrooms	5	HERS Index of Reference Design Home
Housing Type	Single-family detached	Size Adjustment Factor
Foundation Type	Slab	0.92



Next... Advice for buyers

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## Advice for Buyers

Can I buy a home built in 1990 and improve it to the performance levels of an Energy Star home?

It's very difficult and costly!

What can I do to a pre-owned home to improve the performance?

Next... options

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## Low-Hanging Fruit

1. Install high performance HVAC when the system needs to be replaced
2. Completely seal all openings in the building envelop (30% heat loss)
3. Change all the light bulbs to LED bulbs
4. Add a bunch of insulation to the attic (R-40)

Next...

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## Summary



1. A home is NOT green, unless it is CERTIFIED green
2. If the home isn't certified, list the features in the MLS (buzz words)
3. Sell the benefits, not the features
4. Talk in generalities, don't make promises
5. Give buyers of previously-owned homes sound advice about reducing their utility bills

The end...

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## QUESTIONS



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