

Builders choose to build green because it's the right thing to do

Oh, and it's a great selling tool, too

Sam Williams was ready to get out of the home building business. The owner of Grand Junction-based WB Builders builds four to ten homes a year, ranging in price from \$300,000 to \$500,000.

"I have a wife and two children," he said, "and if we don't change our mindset of consumerism in the United States, then what kind of world am I leaving for my children? And for my grandchildren?" He wanted to build homes that used the latest in technology, but didn't have enough information.

Then he started learning about building green. He became a member of Built Green Colorado and Energy Star within the past six months and is excited about building homes again. "It's been rejuvenating for me," Williams said. "If you're not building these types of homes in as few as five years, you're not going to be building homes anymore — because this is what people are going to want."

And while that may be true, many builders continue building homes the way they always have. What's it going to take for them to make the switch and start building green?

Money's usually a good motivator. The Energy Policy Act of 2005 offers a \$2,000 federal tax credit to builders for each qualified new home built through the end of next year. That means if you build 50 homes a year and 20 of them qualify, you'll get a \$40,000 tax credit. That's pretty good news, especially now since we're all looking at our tax implications right about now.

How to qualify

Once you understand the standards for qualification — and have been through the process once or twice — it's an easy enough process to qualify your homes and earn the credit. Here's how:

- The new house must achieve a 50 percent heating and cooling energy savings over the 2004 International Energy Conservation Code.
- The building envelope improvements must be at least 10 percent below heating and cooling consumption of a comparable home.
- The house must have an air conditioner with a Seasonal Energy Efficiency Ratio of 13.
- The house must be built in the United States.
- The construction must be completed after August 8, 2005, with the home owner purchasing it after December 31, 2005, and before January 1, 2009.



WB Builders now specializes in energy-efficient homes. The 2,132 sq. ft. home shown was built according to Energy Star and Built Green Colorado guidelines. Indoor comfort is created through in-floor radiant heat by a 98 percent efficient internal combustion boiler, which is also used for the domestic hot water through a side-arm unit. Stained concrete floors improve indoor air quality. Sited to maximize passive solar heating and cooling, this home earned a HERS rating of 56, along with 117 Built Green points.



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Builders for manufactured houses have a lower threshold for energy savings — 30 percent versus 50 — and they must conform to Federal Manufactured Home Construction and Safety Standards.

Certifier is key for qualifying

If you're already building Energy Star-qualified houses or using Energy Star products, you could be eligible for the credit. But you need to have the houses checked out — and certified — by an eligible certifier before claiming the energy-efficient home credit. The certifier confirms that all features of the home that affect the heating and cooling consumption comply with the design specifications provided to him or her.

If you build 85 homes a year — or subdivisions with the same floor plan, using the same subcontractors — the eligible certifier may use the current Energy Star for Homes Protocol Guidelines, instead of inspecting all of the homes.

OEMC a big supporter of Built Green Colorado

The state of Colorado does not offer any rebates or tax credits to builders for building green. The Alliance to Save Energy (ase.org) reported that last year's HB 1322 transfers \$6 million a year for three years from the severance tax trust fund into a newly created clean energy development fund.



Dyerbilt Construction anticipates completing its first Built Green-compliant home within the next month or two. The Durango-based builder specializes in high-end custom homes, and more recently, high-end multifamily homes. This \$5.5 million, 7,890 sq. ft. spec home, featured in last year's Durango Parade of Homes, incorporates elements of energy efficiency, including insulation, heating and air conditioning system and all Energy Star appliances. The home is sited to take in the panoramic views of the Animas Valley, Hermosa Cliffs and Needles Mountain Range — 200 feet above the Glacier Club Golf Course.

That transfer is slated to be administered by the Governor's Office of Energy Management. Senior Deputy Director Ed Lewis said that his office helped Built Green Colorado when it got its start a dozen years ago. "Through this office, we have provided a very large amount of support — about \$1 million for a number of years — to the HBA Metro Denver," he said. "We worked with them to get that going and spread it statewide."

From there, Lewis said the OEMC worked with Built Green to create a sustainable model and "they have done a fantastic job," he observed. "The program has managed to spawn others across the country, and they ended up with a sister program in Japan. We were very, very much involved because we thought it was one of the more promising programs in the country — and proved to be such."

Building green sells

Money isn't always a primary motivator, as is evidenced by Williams' decision to build green. But saving it can be a big selling point. Frank Enea is project manager with Dyerbilt Construction, traditionally a \$1 to \$4 million custom home builder in Durango that's expanded into the multifamily market.

Currently, Dyerbilt is building town homes in Glacier Club, a country club where the town homes sell between \$1.2 and \$2.5 million. One of three preferred builders, Enea said, "We're the only ones that are going the extra step to make Built Green products — and some of them are actually building the same floor plan as us — which is a really nice perk."

Enea said that the energy tax credit wasn't a driving factor for Dyerbilt to turn to Built Green. "We're just starting to get into that and see what the financial benefit is going to be," he said. "To be honest, I don't know what the dollar value is going to be for us. Or the home owner."



The tiered theatre has a wet bar that's handy for entertaining.



The 850-bottle wine cellar also features a tasting room.

While Dyerbilt's philosophy is that building green is more environmentally friendly, Enea said, "at the same time, it's a great marketing tool to set yourself apart from everybody else. You're doing something that's right anyway, and at the same time, a lot of other people aren't."

Home owners like builders' dedication

Williams has found a way to demonstrate his dedication to green building to his customers. "An interesting sale I do on my spec homes is whoever comes in and buys the house, I pay their energy bills for the first year," he said. "It's actually a lot less expensive than an additional month of construction loan payments and I get to spread it out over 12 months. Plus, it's a good tag line that gets people in the door. I think that helps show my customer the dedication I have to green building."

Dyerbilt is also a new Built Green Colorado builder and when the company's products are certified, Enea said that he'll use the Built Green signs to put out in front of the house to set the builder apart. "Built Green is built better," he said.

According to Lewis, the builders are on the right track. "Built Green is doing exactly the right thing," he said. "They're building demand. They're educating the public about why in the world they would want to build green. First, they need to look at what it's going to save them. And once they see that not only can they save a lot of money over the years,

they can also get more home for their money, because they don't have to pay out as much."

Lewis added that mortgage companies also have caught on. "They're willing to allow a greater mortgage amount, because they know that people are saving more money on their energy bills," he said.


Demand creates more products, lower costs

What's more, he said that building green doesn't mean "any more money needs to be spent to get there than would have been done from a conventional point of view. Enough builders have found innovative ways in which to build in green that the cost was arguably higher to build green ten years ago, isn't necessarily there anymore," he said. "More people are interested, therefore, there are more products available."

Williams believes that within ten or 15 years, "homes will be built of superior construction methods and materials. Most builders are still building homes the way they were built 30, 40, 50 years ago," he said.

Times are a changin'

"People are scared and nervous because it's different," Williams added. "You're not scared to go out and buy a cell phone with a camera in it. That's the latest technology. When we look at homes, we want people to buy the latest technology because it's a good investment. Builders are involved in these programs because we want to build better products."

For Williams, building green means not selling out. "The big thing for me is personal pride," he said. "I'm using the latest technology, the homes perform better than the average home and they're just a better product." 

Unfortunate fortune.

Nobody knows what the future will bring. But one thing is certain. If someone gets hurt on the jobsite, one of your projects runs past deadline, or one of your homes develops a structural defect in the next 10 years, somebody's going to pay for it.

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