



Green Homeowners Are More Satisfied And Motivated By Cost

NAHB and McGraw-Hill Construction Release New Survey at the National Green Building Conference

March 26, 2007 - A new home buyer survey finds a high rate of customer satisfaction among those who have purchased green homes – and that 63 percent of buyers are motivated by the lower operating and maintenance costs that come with energy- and resource-efficient homes.

NAHB and McGraw-Hill Construction, which conducted the research, released preliminary results of the findings at the 9th Annual National Association of Home Builders (NAHB) National Green Building Conference in St. Louis. It represents the first time the true green home market has been sized, screening out green home owners from a representative panel of U.S. home owners.

These home owners say they are extremely happy with their investments, with 85 percent saying they are more satisfied with their new green homes than with their previous, more traditionally built homes.

“We’re excited that green homeowners are so happy, and that this new research quantifies this customer satisfaction. But we are certainly not surprised,” said Ray Tonjes, chairman of the NAHB Green Building Subcommittee and an Austin, Texas home builder. “NAHB and its members have been leaders in the voluntary movement to increase the efficiency and quality of homes in America. This suggests we’ll maintain our market share and only continue to grow.”

The new survey also backs up recent finding by the NAHB Economics staff that interest in green remodeling continues to grow: About 40 percent of those who have recently completed home remodeling or renovation work in their homes reported that they used green products or materials, the McGraw-Hill Construction research found.

In a survey of NAHB builders that the company conducted last year, McGraw-Hill Construction estimated that 2 percent – or \$7.4 billion – of the residential construction market contained green building elements, such as energy efficient windows. According to this new research, 0.3 percent of all existing United States homes are truly green, constructed using several different green building design features and products, a market sized at approximately \$2 billion.

“It’s interesting that people are really starting to commit to building green homes, moving away from just adding energy efficient appliances,” said Harvey M. Bernstein, McGraw-Hill Construction Vice President of Industry Analytics, Alliances and Strategic Initiatives.

“Though it’s still a small number, builders are already getting it when it comes to the value of green homes, and it appears homeowners are too.”

The research also found that:

- The new green home owner is affluent and well educated, in his/her mid forties and married, and also more likely to be from the Southern or Western states. Women are also more likely to be green homeowners.
- 63 percent report lower operating and maintenance costs as the key motivation behind buying a green home. Additionally, nearly 50 percent said they are motivated by environmental concerns and their family’s health.
- More than 60 percent of those surveyed say that consumer awareness, additional costs and the limited availability of homes are obstacles to green homes gaining a bigger market share.
However, when looking at the “biggest” obstacles, green homeowners view education as the biggest hurdle to overcome.

Survey results will be published this summer in the next issue of the McGraw-Hill Construction SmartMarket Report series and available at www.builderbooks.com.