

Insulate America/RESNET 2013 Best Idea Winners



Home Builders Association of Lexington



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Focus

Energy Efficiency continues to be a high priority for the Members of the Home Builders Association of Lexington as is evidenced through the Association's Midwest Residential Energy Conference which celebrates its 5th year in 2013. Builder Members grew concerned with the rising cost associated with meeting the requirements for Energy Star 3.0. The Home Energy Rating System Index (HERS Index) offers a path for Builders to meet nationally recognized Energy Efficiency standards and enables them to label and market their homes as "Energy Efficient". Therefore, the Association sought to embrace this system as an alternative means for members to achieve a marketing edge within today's economy.

Execution

The Association was the first in the Nation to sign a Memorandum of Understanding (MOU) with RESNET vowing to encourage 100% of its builder members to get all their homes rated using the HERS Index. RESNET circulated a press release nationally. We wrote our own press release and staged a very successful Press Conference at the Association's "Home of Excellence" which was utilized to showcase its' energy efficiency using the HERS Index rating and label. We then began aggressively promoting the Energy Smart Builder program to our members asking them to sign their own MOU with RESNET agreeing to rate and label all of their homes. We had our own HBA Lexington specific Energy Smart Builder Logo designed with approval from RESNET, for use by our Energy Smart Builders. There is no cost to the member to sign the MOU with RESNET.

Success

Local market conditions are excellent for a program of this type. However, builders and consumers alike are all interested in saving money, so this type of program should be successful in any geographic location.

Results

Results were immediate. We had twelve Builders rush their Energy Smart Builder MOU's to RESNET the same day it was announced. We paused our marketing efforts to assemble a marketing package to distribute to our Energy Smart Builders and are resuming promotion...interest is overwhelmingly positive and new MOU's are coming in. Our goal as mentioned above is to reach 100% of our members.

Costs

Minimal staff time to create marketing packet and promote. Graphic design fees to design the new logo.

Starting Over

Develop a more strategic and concise promotional plan before launching.

Challenges

Educating members on the different paths available to them to meet an energy efficient status and educating the public on the HERS Index, how to read the label and what it means. Additionally, educating the Realtors on how to understand and utilize the label as a marketing tool for the sale of new homes.

Quantification

The State of Kentucky along with the utilities within the state, have fully supported the Home Builders Association of Lexington's leadership efforts in the field of energy

efficiency. In addition to what is offered for ENERGY STAR rated homes, rebates and incentives have been added for the HERS Index Rated homes and are now available to Builders through the state and utilities.

These efforts of collaboration have been instrumental in helping the Builders take advantage of the HERS Index as a marketing tool at costs that are affordable to them in today's economy.

Southern Energy Management



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Focus

As a rating company that has certified more than 12,000 homes over the years, we have recently seen a migration of builders from some nationally-recognized energy efficiency and green building programs due to increased cost and complexity. We saw an opportunity step in with an flexible plan that would allow those builders to continue to verify the energy efficiency of their homes while retaining the marketing advantages of doing so in the framework of a credible program.

Execution

We created ecoHOME, a program for builders designed to address energy efficiency, water efficiency and indoor air quality for new homes. It requires that a home be rated using the HERS Index and includes a handful of common-sense prescriptive efficiency strategies and testing; homes are certified by Southern Energy Management or an approved third-party rater. ecoHOME is a marketable program builders can use to differentiate their homes to potential customers.

We gave ecoHOME its own logo, brochures and yard signs to help make the program easily recognizable; it also has its own website and Facebook page and we helped builders integrate the imagery and language into their own websites. We have put out five news releases to North Carolina media and home builder associations. Additionally, the program was featured in a television story that aired multiple times on News 14, Time Warner Cable's statewide news channel.

To give ecoHOME instant credibility, we signed a Memorandum of Understanding with RESNET to have it recognized as an EnergySmart Program. The typical ecoHOME scores 75 or lower on the HERS Index; this is a vital part of the program, since it gives both builders and homeowners a baseline to measure against other homes on the market. We also immediately submitted the program for award consideration, and it earned a Triangle Business Journal "Clean & Green" award only two months after its launch.

Success

We intentionally designed the program so it could be built upon and rolled out anywhere in the United States. In fact, we see that as a vital next step and are actively planning to make this a national program. Because markets are driven by varying forces in different locations, ecoHOME uses the HERS score to encourage builders to build more efficient homes, rather than force a prescriptive set of efficacy requirements.

Results

The results were almost immediate and we already consider ecoHOME to be well on its way to being a widespread success. The program was launched in July; in less than six months we already have 20 builders signed up who have completed construction of more than 300 ecoHOME-certified houses.

Costs

750+ man hours and counting

\$14,000+ in website design and marketing materials

Challenges

For a lot of good reasons, many builders tend to be resistant to change. The programs that new ecoHOME builders had previously been using have had years of established nationwide name-recognition. Because of that, it has taken a certain amount of education about ecoHOME's requirements and advantages. For early adopters, this frankly requires trust that the ecoHOME brand will earn name-recognition as well, which is why we are humbled and proud to have 20 builders enrolled so quickly.

Starting Over

We still have yet to finalize the requirements to allow other raters to begin certifying homes to the program's standards. In retrospect, this could have been ready to launch for both raters and builders at the same time.

Quantification

20 builders enrolled in the program

307 ecoHOME-certified homes completed

100+ ecoHOME-certified homes currently under construction

ES Green and Company



David Bean Insulate America, **Jane** Conn, ES Green & Co & **Steve** Baden, RESNET

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Focus

Three partners started Capitol Green Building Group in early 2009 (we changed the name to ES Green and Company in Sept 2010). We quickly build a book of business, but it was strongly dependent on a state requirement of Green or ENERGY STAR certification for Home Ownership Pool (HOP) funding through the Florida Housing Finance Corporation. Our business plan called for a more diverse base. We had about a dozen non-HOP builders trying out the Florida Green Building Coalition (FGBC) state specific Green Certification, and two or three also trying ENERGY STAR.

In January of 2010 the Tallahassee Builders Association (TBA) was planning their upcoming Parade of Homes. FGBC was sponsoring a highest scoring green award in two size categories. This helped build interest from the builders entering homes, and of the 33 homes entered in the 2010 Parade, 21 of them were certified Green, ENERGY STAR or both. The certifications were done by 3 companies. Our company certified the homes of 10 of the builders.

We knew this was a "blip" of activity, and searched for a way to use it to educate builders, REALTORS, appraisers, lenders and the public to what was different about a certified home, and why that certification added value--and in so doing diversify our base.

Execution

Jacksons Gap is a small subdivision of just 25 lots. In 2009 it had been dormant for 3 or 4 years, with only one home completed. In late 2009 it was reopened, and there was a rush of building activity. Great location, with perfect size restriction which fostered a very salable price point. Two homes in Jacksons Gap were entered in the parade. Both were our clients, and both homes were FGBC and ENERGY STAR certified. One builder, Premier Construction, had several new starts in addition to their parade home.

We approached one of the Premier partners--the youngest--who was also our contact. Our plan was to hold open a house that was insulated, but not drywalled. We would partner with Premier Construction and with Tallahassee Community College (TCC). In the insulated home, we would post signs on or near components that were required for ENERGY STAR or that earned points for FGBC. We also would hold open a home that was almost complete, and set up the blower door and duct blaster there.

We asked a second grade class to draw pictures of what they had learned in a program on energy we presented to them in the late fall of 2009. We displayed these in one of the homes. In both homes we proposed to have activities for children. We decided on a detective card, duct mask station, and blower door driver.

Our contact at Premier was excited and wanted this to move forward. His two older partners were skeptical, but finally agreed. With restrictions. The parade was May 8-9 and May 15-16. We would be allowed to use the two houses only for the first week-

end.

As it turned out to be an extremely hot May, at the end of the first week-end I was very glad we would not have to repeat those two, long, hot, busy days! But that was not to be.....

Success

Geographically, this idea can and has worked in many different areas. We have repeated it twice since the first one in 2010, and find it gets the most traffic if the insulated home is very close to a finished home by the same builder. The public will go to the finished home, and then be directed a few doors down to the insulated home. Holding it as a stand-alone in an isolated situation does not generate enough activity to justify the effort.

Results

We saw results immediately. See the quantification section below.

Costs

The dollar costs were very low. Less than \$100 for the detective cards, the signs and the duct mask. We had \$200 in employee expense and \$100 or so for food/drinks for us, and the public. We also had a \$50 gift card for the detective cards.

The time costs were intense. 10-6 on two Saturdays, 12-6 on two Sundays.

Challenges

Location would normally be the greatest challenge. In this case, the location created the idea, so it was not.

Starting Over

Not much--this was a great success, and one to which I contribute much of the company's continued growth.

Although I might, as one 5 year old boy suggested with a lovely giggle, call this "the house just wearing it's underwear" instead of the Discovery House.

Quantification

1. I had been working with several appraisers to try to educate them on how to value green and energy features that exceeded code. And wasn't having much luck. Our first visitor on May 8 was a highly respected appraiser. He wanted to understand the valuation, but just couldn't get it. I had talked, shown pictures, sent articles, with no success. He walked around the insulated house, read the signs, asked a few questions, thought a minute--then gave me a great big smile and said "I get it!" Through

him, by Sunday afternoon we had six appraisers come through and "get it." This made a huge difference to the builders and validated our push for certification by an independent third party.

2. Those two older skeptical partners at Premier? Well, we were asked to hold the houses open the second week-end of the Parade, AND to participate in a video for the company highlighting the green and energy features of these homes. I could not get this link to work quite right. I think if you hold "control" and right click, you will get an option to "open in a new tab" and it should work. Sorry. Scroll to the middle of the page for the video. <http://www.homesbypremier.com/green-homes.php>

3. Those two older skeptical partners at Premier? They decided ALL their homes would be both FGBC and ENERGY STAR (at that point about 60 per year).

4. Those builders who were toying with an occasional certified home--they walked through as well. They listened to us explain to the public what mattered and why. And the importance of an independent third party. Within six months, we picked up six new builders, and approximately 36 home certifications.

Sustainability

As a part of a marketing program it contributes to the sustainability of diversification of the book of business and to the success of the company.

1. By the end of 2011, according to that same respected appraiser, approximately 72% of all single family detached new construction in our area was Green or Energy Star qualified, and our company, now ES Green, was certifying 95% of those homes.

2. 2012 saw a drop to a little less than 60% of single family detached new construction being certified, but ES Green still holds 95% of that market. ENERGY STAR v3 moved several of our builders to FGBC green certification with a HERS index, and two out of the certification system completely.