

Green Certified and Energy Star Qualified Homes and Remodels Boast Superior Sale/Resale Value

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The growing demand in the Triangle for healthier home environments, superior energy and water usage performance, and advanced materials and construction methodologies continues to spur growth in Green Certified segment of the market. This year's Wake County Home Builders Association (HBA) Remodelers Tour and Remodelers Star Awards marked a milestone by having the first-ever Green Certified Remodel entered by Cary Builder Jeff Wiblitzhouser, President of Paradise Found Construction. His Whole-House Speculative Remodel of an older home in Oak Park generated significant interest, and was sold within days of being listed in the Triangle MLS.

Green Certified and Energy Star Qualified homes offer many advantages over a traditionally built or remodeled home, and a growing body of evidence suggests that they hold their value better over time vs. a traditionally built home. There are many factors that account for this premium added value.

Green Certified and Energy Star Qualified homes (including Green Certified remodeled homes) take advantage of up-to-date building technologies and advanced construction techniques and methodologies. Jay Beaman, President of Beaman Building and Realty Inc. and past President of the Wake County Home Builder Association (HBA) as well as past Board and Committee Member for the National HBA and Green Home Builders of the Triangle (GHBT) notes, "Incorporating the most up-to-date building science information on products and techniques makes our homes, both new and remodeled, the best they can be. Although North

Carolina is a leader in the level of building code advancements, a code-built home is still just the minimum level of home you are allowed to build. Through the Certified Green Building and Energy Star programs builders now have guidelines, education, and training to help them achieve the highest levels of quality of life construction (generated by lowering operating costs and optimizing comfort) for their clients, while acting as good stewards of the environment we all share."

For most of us, our home will be the single largest investment that we'll make in our lifetime. It makes sense to purchase a home that meets high-energy and water-usage performance standards. You'll save money every year on lower utility and maintenance costs, which will translate into real dollar savings over the course of your home ownership.

Fossil fuel and fresh water costs will continue to rise because the scarcity of these resources will continue to increase. The increase in the price of these resources should at least keep pace with the overall inflation rate (they will likely exceed inflation), which will protect the payback on you receive (in the form of lower utilities cost) on your investment as a result of your water and energy reduction measures.

High-efficiency heating and cooling equipment, energy and water efficient appliances, fixtures, and lighting and weather resistant building materials are all manufactured to higher standards, and often are accompanied by longer product warranties.

Steve Bowman, President of Bowman Mechanical Services who is an area leader in the installation of Geothermal HVAC systems comments: "Geothermal heat pumps are becoming a mainstream method to heat and cool spaces in commercial buildings, schools and residences. A typical residential geothermal heating and cooling system can save as much as 75 percent in operating costs over a conventional propane/electric heating and cooling system and as much as 50 percent over a high-efficiency natural gas/electric system. An added bonus of these systems is that heat generated by the unit can be harnessed to function as a "hot water generator," which can reduce typical domestic water heating costs by as much as 50 percent."

Steve also notes that the average life of a geothermal heating and cooling system is 24 years, compared to conventional heat pumps, which last an average of 14 years in North Carolina.



Maintenance costs are also lower because the equipment is installed in a crawlspace, basement or other designated mechanical area, eliminating deterioration caused by outdoor climate exposure.

There continue to be State and Federal Government incentives in the form of tax credits that can help to offset the initial investment.

The total cost of home ownership, the increased healthiness of your indoor air quality, and the greater comfort derived from a finely tuned heating/cooling system combined with reduced external air intrusion, are all widely recognized value drivers that combine to differentiate Certified Homes from others, and add real value when it's time to sell your home.

Quick Turn Quality Appraisals based in Raleigh has been championing High Performance and Green homes for more than 6 years. Their perspective is based on value. These Certified properties continue to demonstrate increased buyer interest, command higher new construction and resale values, and spend fewer days on the market compared to traditionally built structures according to Karin Argeris, owner of Quick Turn. "There has been an increase in the sales penetration for Certified properties every year. The Triangle Multiple Listing Service (MLS) indicated that for the first quarter of 2012, these units comprise over 35 percent of new construction."

When appraising a property, Green Valuation Specialists consider not only energy upgrades such as a sealed crawlspace, doors, windows, HVAC, and insulation, but also improvements to the Home Energy Rating System Index (HERS) rating of the home. Therefore, in order to properly value properties after implementing energy upgrades in an existing home, Quick Turn recommends obtaining HERS tests prior to starting and again after the completion of the project in order to properly document reductions in energy usage. The analysis and documentation required to qualify a remodeled home for Green Certification includes the pre-remodel and post-remodel HERS Ratings as well as monthly estimated energy savings.

Quick Turn converts the monthly energy savings into an additional capital value for the property. For a seller, this translates to a higher listing price.



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While this would appear to be a negative factor for buyers, the reality for those financing these types of energy and water efficiency improvements is that the higher monthly payment may provide a greater tax deduction whereas higher recurring utility costs will not.

Karin emphasizes that whether for new construction or remodeling existing homes to higher performance standards, Certification is critical. "Since the Triangle MLS listings are only beginning to provide HERS ratings, and there is no centralized database for certified properties, having a property evaluated by a Certified Residential Energy Services Network (RESNET) Rater is critical for obtaining proper market value."

Bob Kingery, co-founder and CEO of Southern Energy Management, a local and national stand-out in providing Third-Party RESNET Certification Verification services for area home builders, summarizes his company's involvement and leadership in efficiency efforts that have been a catalyst to help make the Triangle the second largest market for Certified homes in the nation: "Over the last ten years, Southern Energy Management has qualified more than 11,000 ENERGY STAR and Green Certified homes. It's one of our proudest achievements. As a certified B Corporation, the goal of providing a tangible benefit to people and the environment is something we've built into our DNA, and helping our clients plan quality energy-efficient homes is a vital part of that mission."

I often ask this question when helping homeowners make decisions regarding implementing strategic measures that differentiate a high-performance home; "How much monetary and well-being value will a Level 3 vs. a Level 1 granite countertop offer you over its' lifetime vs. the same investment in a higher-performing heating/cooling system, strategically upgraded insulation including spray-on foam, more energy and water efficient appliances and fixtures, or even higher-performing glazing and sealing in your windows and doors?" The answer is overwhelmingly obvious; these high-performance investments reward you with not only a higher return on your investment, but also a measurable increase in your comfort and well-being.

Author Jeff Wiblitzhouser, President of Paradise Found Construction, is actively involved in building Green Certified Remodeled and New Custom Homes in the Triangle area. His company's success is driven by his commitment to operate responsibly, deliver excellence and apply new innovative Green technologies while integrating cost-effective energy efficient, socially responsible building materials and practices into new and existing homes whenever practical.

Sources For This Article:

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