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## Chapter 2

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# How To Market Energy-Efficient Houses

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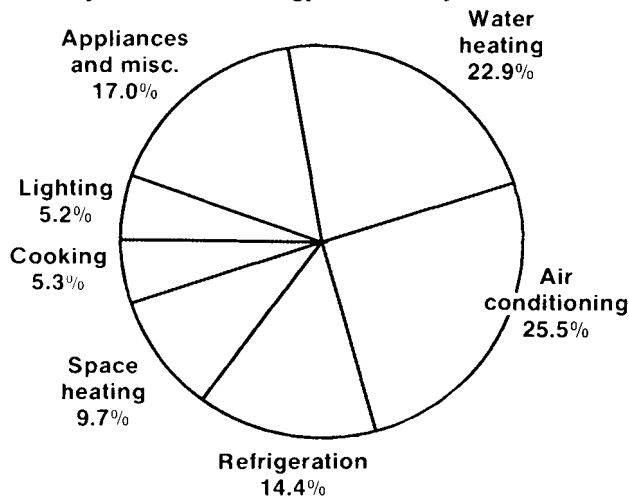


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### 1. What do home buyers want?

Ever since the oil embargo of 1973, American homeowners have been interested in energy conservation. A recent Wall Street Journal/NBC poll found that 89% of the consumers surveyed felt energy conservation was important today, and more than 75% felt there would be another energy crisis in the future. In another major study of special interest to builders — a *Professional Builder* survey of active home shoppers — almost 56% of the respondents said they would spend as much as \$1000 extra on their new house to save just \$100 a year in energy costs, and more than 17% said they would spend even more to have greater yearly savings.

Your clients will probably be surprised when you show them the chart below and they see just how much of their power bill goes toward air conditioning, house heating and water heating (subjects which are covered in detail in this book). It's worth taking the time to show them where energy is wasted and where you can save energy and money for them.



**Breakdown of a typical Florida residential power bill.**

*Governor's Energy Office Annual Report to Legislature 1982*

Your energy-efficient home will help reduce the occupants' dependence on mechanical air conditioning and heating equipment. **The strategies described in this book** — including cool roofs, tight houses, shaded windows and other building techniques — **will be effective in making the home comfortable as well as efficient.**

Because you have built an energy-efficient home, your clients will enjoy lower power bills. This translates into more available spending money from their paychecks every month, and into significant long-term savings as energy costs continue to increase in the future.

Energy conservation is on people's minds and gets their attention. Your customers may already be asking you about weather-tightness of the house, types of windows used, etc. They know that maintenance expenses, furniture costs, taxes and most other home expenses will keep going up, and there's little they can do about it. But they can do something to control their energy costs.

Further, many energy-related products and design features are desirable for reasons beyond dollar savings:

- Proper site selection can provide a better view and more enjoyable use of the yard and other outdoor areas.
- A well-designed house can mean many more days with open windows and fresh air.
- Well-insulated, tightly sealed houses have quieter interiors and fewer drafty areas.
- Lower ceiling and wall temperatures lessen the load on the air conditioner, and also increase the comfort of people near them.
- Tighter and energy-efficient construction makes homes look and feel better and is a tangible sign of quality.

Some of these strategic features will be evident to your clients when they see your houses. Other features are less tangible, less visually apparent, but this book suggests how you can effectively describe them to your clients. So there's no need to worry about how to sell energy efficiency — just include it as part of your total marketing effort. Remember, people don't buy energy alone, but they will give energy a high priority in making their final decision.

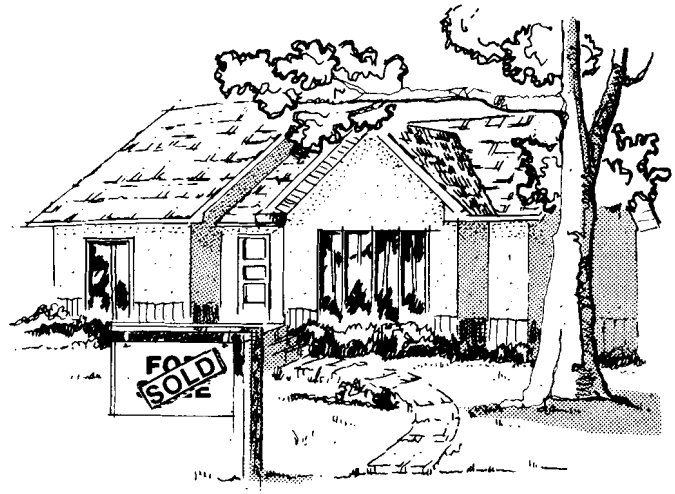
Your concern for the efficiency of kitchen appliances, the reduction of air leakage into and out of the house, shading of east and west walls and other building strategies will enhance your reputation.

Studies confirm that people with better educations and higher income levels are the most energy-conscious. They will be more likely to develop a strong bond with your company if they perceive you as being energy-aware. But regardless of the market segment you are targeting, you can use energy to talk about the clients' needs. For example, the lower fixed incomes of many senior citizens, along with their strong desire for home comfort, makes energy efficiency a sought-after feature in their choice of a new home. Other home buyers looking to move up to a larger home do not want higher power bills.

## 2. Sales techniques

How do you market an energy-efficient home? Use the same sales techniques, marketing strategies and promotional materials that have been successful in selling conventional houses. Talk about the location of the house, the workmanship, floor plan, aesthetics and amenities. After all, people really aren't coming to you to buy energy efficiency. They want to buy a house, and they'll base their decision largely on quality, value, size and setting. But all else being equal, a house that is built for home owner comfort and lower utility bills will be more in demand.

Successful builders know they must **sell benefits, not merely features**. People won't care about a solar water heater, extra insulation or a heat pump unless they know what it means to them. They will care about lower utility bills and more comfortable houses. You've got to educate your buyers and tell them the benefits of your houses. Advertising people have long known that you do better when you sell the "sizzle" along with the steak.



**A home designed and built for comfort and lower utility bills will be more in demand.**

There are some things you can do during construction to make it easier to market additional products or services later. For example, you can pre-wire the main living rooms and bedrooms for ceiling fans, which will make later fan installation much easier. This is an effective marketing strategy — another beneficial feature you can point to in your homes.

Think about using special incentives centered on energy efficiency. For example, you can tell buyers what their power bills should average, and then agree to pay 50% of any excess over the average during the first year (or even two or three years). Be very conservative and quote higher utility bills than you think will occur — not just to save incentive money, but because your buyer will be pleasantly surprised to find the house's performance is even better than promised. Buy special energy-efficient appliances for the home and feature them — along with their "Energyguide" labels and estimated savings information. Do all that you can to show that your home will save the buyer money.

One of the best things you can do — for yourself and your client — is to offer optional pre-construction "energy packages". These packages provide a solid source of extra income. They might include an upgraded, efficient water heater and refrigerator, several ceiling fans, an attic radiant barrier, and awnings on the east and west windows. The home buyer can save some money by buying the entire package, and you can install the features during home construction.





