### **Questions from Home Performance Counts: Virtual Green Home Tour**

Silverado Valley Estates – Las Vegas, NV Tour video: May 20, 2021

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The following questions were answered during the live Q&A and are summarized here. Please see the video replay for the full discussion.

### Q: When creating neighborhoods, do you find is it better to put solar on each home's roof or have a solar field where the homes draw from (community solar)?

**AB:** It will depend on land availability and the regulations in the state you are working in. In Nevada, community solar isn't a good option for us. It's more economic to put the solar on the rooftops and utilize the real estate there.

**PP:** From my experience in Southern California and here in Nevada too, it's best to use the 'land' that you have on top of your house as much as possible and try to produce as much solar for yourself as you can.

# Q: Is Lennar doing EE (energy efficient) and RE (renewable energy) building features on all of their builds, including the East Coast?

**PP:** I can speak to my region on RE – we are trying to do as much solar as possible and that includes California, and the Phoenix/Tucson area. Lennar packages EE features as part of the 'Everything's Included®' program which is offered in our communities across the country – the included features and products will vary, being tailored to that climate and market.

**AB:** Sunnova has been primarily focused on California, Nevada, Colorado, Texas and Florida, which is probably as far east as we are currently. As we continue to integrate solar into the construction cycle, we will continue to expand that range. I would imagine we will see tons of growth in all markets over the next few years.

### Q: How does Lennar sell its water efficiency features, especially outdoor water usage?

**PP:** We really sell our features inside the home as the Everything's Included package – in the Las Vegas area this includes Moen water efficient fixtures and smart water shutoff valve and Energy Star appliances. Outside we do xeriscape in the front yards, Nevada requires that to be desert scape and rock. So, there's a very limited amount of water that's needed for the front yards. The backyards are up to the homebuyer to do what they want, but they are restricted by the HOA guidelines and by local regulations.

**AB:** Being in Southern Nevada we are obviously building in the desert. We have been very conscientious of water usage since at least the early 2000's and have some wonderful programs, including the WaterSMART Program here locally through the <u>Southern Nevada Water Authority</u>.

### Q: Is Lennar part of Babcock Ranch in Florida?

**PP:** Post-tour follow-up: Yes, Lennar has <u>Trail's Edge at Babcock Ranch</u>.

#### Q: Do all Lennar homes come with standard solar?

**AB:** We are integrating the LeasePlus Program in many of our communities and starting to incorporate standard solar as we cycle into new communities. I think the next logical integration for solar is going to be when we can get to net zero and we start providing solar as a purchase and part of the Everything's Included features that we have and no need for buyers to lease or purchase it at all. But the most logical next step is to get to net zero first.

Q: Can you speak more about how to talk to a potential customer? Someone walking into your model homes. (The 'silent salesperson' utility savings/HERS score information board is shown on screen here.)

**PP:** People don't know what they don't know. Having a visual for someone to stop at, whether it's a virtual tour or live tour starts the conversation to, what is this and what does it mean? So, we can talk about HERS scores and it gets us talking to them about the products we use in order to make the homes more energy efficient. And then you go to, 'Do you like to save \$2,500?' and people generally nod their heads, yes. Then we can say 'That's what you are going to save if you buy this home.' That's enough of the conversation – you don't want to get too deep into the details because not everyone is going to understand what you are saying but keeping it simple is effective.

**AB:** There's an opportunity for education as well, as there are many people who haven't been introduced to the HERS index score. We can make the analogy to that when we are looking for a car we know to look for what the miles per gallon will be. And then we gauge internally if that is something we are looking for, in the way of savings and efficiency. The HERS index is a great visual because it shows customers that there really is a way to measure the performance of a home, as energy costs are one of the most expensive costs to operate a home.

This visual is also great because as Paul said, it makes us stop and think. It's a memory point. The home buyer goes to another community - maybe they don't have these visuals, but now they start asking questions. It can be a differentiating point between builders in a community.

## Q: Can you talk about the accompanying visual (the schematic of the home looking at the roof and the planned solar)?

**PP:** This is how we introduce that there will be standard solar on their home. Especially if it is a dirt sale, it gives them a visual and shows them how the solar will be on the back of the home.

Q: Does the Solar Panel Lease Program make resale challenging for homeowners? Some realtors can sometimes be nervous about the leases transferring upon resale.

**AB:** Here I will wear both of my hats, my realtor har and my Sunnova hat. The LeasePlus program is very simple. It transfers at the point of sale – there's no qualifying, it just transfers right over. The program is based on savings to the utility company and it never goes up over the full 20-year term. The new owner will just pick up where the original owner left off. There are also several different flexible terms so the new owner could purchase instead of lease if they preferred.

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**AB:** As far as realtors are concerned, it's all about education. Understanding the process, understanding the different types of programs in the marketplace. The GREEN designation from the National Association of Realtors teaches realtors about home performance but also how do you position a high-performance home, how do you represent the buyers, and the sellers?

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### Q: Can you explain more about the GREEN Realtor designation?

**AB**: The National Association of Realtors has been offering the green designation since I think about 2009. It's one of several designations realtors are able to obtain. Through the course of a two day education program, a realtor will learn about what makes a home perform better and be more energy efficient – not too technical but enough to become knowledgeable. We are selling homes as realtors – the better you understand how a home works, the better you can talk to customers about energy efficiency and integrated solar, etc.

But the key part of that education is taking that information and turning it around. How do you position that building science as features and benefits to a homeowner? How do you more effectively and properly list these features, how do you best utilize the MLS fields that are available to you? How do you represent a seller with one of these homes? How do you represent a buyer looking for this type of home? Filtering the MLS fields for solar, Energy Star and so on. Comments in the agent to agent notes, such as emphasizing the low utility costs a home with solar can provide.

#### Q: Are customers focusing on different things, different pain or passion points, since the onset of COVID-19?

**PP**: COVID has changed the way people live within their home. Flex space is critical as people need somewhere to learn, somewhere to work and somewhere to live. The insides of homes as far as air quality is starting to pique people's interest; they are starting to think about things like what can filtration take out of the air that they don't want in their house.

# Q: Do you have other tips for a broker who isn't experienced in green who is selling a green home or who has a client who wants to buy a green home?

**AB:** I recommend pursuing the GREEN designation, the course teaches so much and then they can better understand how to serve their clients. While there are multiple MLS across the US, there has been work to standardize the green fields in MLS across the United States. Look for home certifications, such as ENERGY STAR. Look for fields about a solar system on the home and the listing agent should include the capacity, which is the size, and identify if the system is leased or owned because that changes how the transaction will flow.

### Q: What are the top things people are coming in for and how do you turn that into a high-performance conversation?

**PP**: It really depends on the answers they give – you try to find out the hot buttons about the home they are leaving, what they have flagged over the past year about the home they have lived in 24/7. Once you find that out, you can speak to it. People are looking for space and flexibility and a strong connection to the outdoors.

**AB**: I purposely ask the questions. If energy efficiency is important, are they are interested in solar power? If they aren't knowledgeable, I take the opportunity to educate them as well.

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Q: Final question: The Las Vegas market has a lot of transplants from the East and Midwest, people moving from California. How do you talk to customers from other parts of the country about the importance of how these homes are being built to operate in your climate?

**AB**: I get to speak to many Lennar customers as the Sunnova representative. Sometimes having solar built into the house is new to them and I talk to them about utility savings and clean energy and the pathway towards energy independence. People really want to know if it is going to save them money.

**PP**: You see where they are coming from. For example, if they are used to seeing lots of green grass in their yard we need to educate them on why they aren't going to see that here and why you don't want it. But number one, everyone loves to save money. So, everything that we include in our homes and everything we talk to saves money in some way, whether it's water, solar, heating gas or the tightness of our home build. Our customers get to see it in construction during our 'Dusty Shoes' tours and we talk to them more about it so by the time they are ready to close on their new home, they are excited about the opportunity they have for that home.