



Questions from Home Performance Counts: Virtual Green Home Tour

'The Gladstone' in Urban Downs by [Urban NW Homes](#) – Ridgefield, Wash. July 15, 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: What tax credits are available for green homes; including what is available for builders and what is directly to consumers?

JM: We refer our customers to their tax professional to ask those questions, it's in their wheelhouse to stay current on that, as there are different layers of opportunity – federal, state and local.

AM: Same, as realtors we do not advise on that.

MDD: What is available depends on where you are located. There are some federal and state incentives, I have a utility rebate incentive in Virginia for my new ENERGY STAR dryer, Florida has a \$2,000 builder tax credit for green building right now. Some are directly available for consumers, some for builders. As a builder, you can decide what best fits in your business model – if you want to pass on any builder credits, if that's a negotiation point in your sale, and so on.

Q: Can we take a deeper dive into the NGBS Green Emerald-level certification achieved for this home? What are the key strategies Urban NW Homes is using to take your homes to this level of performance and is there any advice you can give builders who are looking to stand out in their market on incorporating certification into their business plan?

JM: NGBS is a holistic approach to green building. To certify Emerald, you have to achieve Emerald in each of the chapters of the program. We think it's the responsible way to build houses and the you end up with a much better product in the end. Regarding strategies, it really starts in the pre-planning phase, learning what is important to your client, and working with your rater/verifier, as there are many ways to earn points in the NGBS system. For energy and water, codes are becoming more stringent and your code requirements might get you there. For things such as indoor air quality and operations/maintenance, conversations with your owner will help you pick strategies and realize synergies to get you there. 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.



Q: How do you explain the value of green certification to a home buyer who is unfamiliar with it? As a builder speaking to a client about certification, or as a realtor to someone who's looking for a home to buy, or if you are trying to sell a green home?

AM: That is a question for both of us, because we would be doing the same thing, whether it's a new build and he is speaking to the client, or if I'm selling a home that's green certified. The most important thing is being able to educate the client on the benefits. Such as the durability and saving money on bills each month. Also finding out your clients' needs, whether it be the energy efficiency of a green home, or perhaps ADA accessibility that some of Jerud's homes package in.

JM: The health benefit is a big one. A new home, certified to the NGBS, is going to be healthier and everyone is thinking about that right now. You can get into statistics and ROI, but we don't generally get into those types of details. We cite general savings, and costs to build green, which for us is typically 2-5% of the overall building costs. We don't go too far into it, saying something like 'this water heater is going to save you \$300 annually because it's a heat pump water heater'.

Most buyers, I think, if they had the option and no cost boundaries would opt toward an energy efficient home with all of these other positives. We communicate that they are taking the right steps, moving towards the level of green they are comfortable with and that it will help their resale value – I have found resale value is important to many of our buyers.

Q: Since the onset of COVID, have you found that buyers' bucket lists have changed?

AM: We live in the Pacific Northwest and have been influenced by the wildfires in 2020 and ongoing now. There is a concern about indoor air quality, not only because of COVID, but also because of the fires, especially for people moving into the area looking for homes. During fire season, people with standard homes on the market were buying air purifiers so that they were able to show their homes.

Also, sound quality – better insulation between the walls, so not only do you have a separate space to work, but you can do that work without hearing the kids/dog/spouse in the next room. It's completely changed the ways we do things.

JM: People spend about 90% of their lives indoors, so we are talking about the air they are breathing while inside. If the air quality is bad outside, how tightly sealed is the house against that? They want tight, efficient, heavily insulated envelopes with air exchange that provides outdoor air that is filtered and conditioned. That is one of the main things our buyers are looking for in a green home.

Q: What are you finding to be more efficient – a tank or tankless water heater?

AM: This is a big conversation in our area.

JM: Our energy codes in Washington State are very stringent. They're looking at eliminating combustion appliances – all of our tankless on-demand units are natural gas-fired, so we aren't using those currently in our market. We're using tank units with electric heat pumps. They are very efficient; I think the stat is that it is about 300% more efficient to go to the heat pump from a standard electric water heater and that the ROI is about 3 years.



AM: Some buyers have a misconception that if it's a tank, it's not efficient, probably since we went through a phase of tankless ones. Also, clients got used to how little space the tankless one took up in their garage and they aren't happy to see a tank again, we have to educate them on the why and the benefits.

JM: No matter what type of water heater you have, installing a recirculation loop so you aren't waiting on hot water is important from both a water (and energy) savings and customer satisfaction perspective.

Q: Can you go into the recirculation loop in more detail?

JM: It's basically a big loop that has warm water. The lines off that loop are nice short runs to the actual valve or fixture so hot water reaches them faster than with traditional piping. You can increase the efficiency by setting it on a timer so it's not pumping hot water through the loop all the time, only during the high demand usage times.

Q: Ashley, I imagine it's a good sales strategy for the realtor to be knowledge about tech like this when you are staging a home and can explain these 'behind the walls' things to prospective buyers?

AM: Yes, many people are not aware of the aspects of a green home. To be able to show them, especially in person, most react with, wow, that's cool! There's something for everyone in a green home that would appeal to them and many don't know they could have it or that they want it until they see it and hear about it.

Q: How do you start the conversation to get consumers interested?

AM: You get to know the client and what's important to them. For instance, for some air quality is the most important and they mention that. Then that is something I will home in on, 'Are you aware this home aspects such a x,y,z that will help enhance the indoor air quality?' And tie high-performance into other conversations, such as the home being quiet – we are growing quickly here and many homes are built near noisy roads – so the triple pane windows, good insulation and tight seal all help keep the home quieter.

JM: It's tough to put a price on health, people want a healthy home. We can offer that at a small price premium our third-party verified homes – it's important to emphasize that they are getting a better home with the certified home. We also have those conversations to find out what's important to people and touch on those things. Then you can really drive home the value of a third-party green certified home.