

“Build Tight - Ventilate Right” Gives You A Competitive Edge

This series has usually focused on the technical merits of building tighter buildings to control moisture and energy flows while using mechanical ventilation to provide indoor moisture control and good indoor air quality. There has been considerable discussion about the new Minnesota Energy Code and the Residential Ventilation Standards Task Force, including the potential role of the Category One - airtight with mechanical ventilation - construction option. And we know that the Energy Code also makes reference to a major revision in 1998 that will mandate tighter construction and balanced mechanical ventilation along with higher insulation levels. In this issue we will break away from the technical and regulatory issues and focus on how you can use these same features to develop a competitive advantage in today's market.

Sell the Package with the Benefits

The story always sounds the same - everybody wants an energy efficient home but nobody is willing to pay for it. I think there really are a couple of underlying issues here. Are all new homes energy efficient? How can a consumer distinguish between various builders' energy claims? If your homes have superior energy performance, you should provide potential buyers with credible resources - including computer analysis, third party endorsement, or past customer testimonials.

However, let's not forget that buying a house is an emotional decision. Energy efficiency just isn't very emotional. So let's set it aside a minute and discuss some other benefits that might be easier to sell to the average new home buyer.

■ Improved Comfort

Today's home buyers can be very demanding when it comes to comfort. They don't like cold drafts. They like even temperatures

throughout the house. They insist on a nice cool bedroom in the summer, a warm bathroom in the morning, and many want the ability to control temperatures throughout the home.

These desires can be successfully satisfied with a good insulation, air sealing, and window package to eliminate, and a properly sized heating and cooling system with carefully sealed ductwork to ensure uniform distribution.

■ Reduced Maintenance

This one may require a little discussion with the homeowner. Do you ever have window condensation in your current home? Have you experienced siding or paint problems with a previous home? Have you ever had ice dams on your house? Did your old house ever get too dry in the winter? Have you ever seen premature failure of the roof sheathing or shingles? Did you know that it is possible to ruin your insulation and even damage the structural components of your home if moisture is not carefully controlled?

Again a well-insulated, airtight house with a mechanical ventilation system can enhance the performance of the building materials, windows, and interior furnishings. In fact, these features are your buyers' best insurance against premature product failure or deterioration for the biggest investment they will ever make.

■ Healthier Indoor Air

This should be an easy one. We have a very health-conscious public today. They think of their home as their castle from all of the evils in the world. They will spend more than one-half of their life in their home. They should be very interested in making sure it is a safe retreat for them and their family.

You can provide a healthier indoor environment by carefully selecting the building materials and furnishings, eliminating the spillage of combustion gases back into the

home, controlling moisture levels to reduce biological contaminants (ie. mold and dust mites), and providing a continuous supply of fresh, filtered air.



Buy the Package With Energy Savings

Now let's come back to the energy side of the equation. Most all of the features necessary for a comfortable, durable, and healthier house will provide significant energy benefits, as well. First, you may actually be able to reduce some of your construction costs by going to smaller equipment, simpler venting, or switching to new systems (ie. integrated space and water heating system). Second, the monthly energy savings can be used to help pay for the increased house cost. A good energy package should result in a \$300 to \$500 savings per year over code construction for an average home in our climate.

For instance, let's assume that the energy, moisture control, and indoor air quality upgrade is \$1 to \$2 per square foot of heated floor area. For a typical home that might be \$4,000. At today's interest rates, this will increase the monthly mortgage payment approximately \$35. If the energy savings are \$400 per year - or \$35 per month - the home buyer breaks even the first month when paying bills.

Now you may still have one small problem. Can the buyer qualify for an extra \$4,000 of mortgage. Yes. Many lenders are beginning to incorporate the benefits of energy savings in their mortgages process. Several of the key players in the secondary mortgage market are recognizing this through a vehicle called the Energy Efficient Mortgage (EEM). The EEM will allow the borrowing ratios to be "stretched" an additional 2 percentage points for an "energy efficient" home. For a typical buyer, this represents \$5,000 to \$10,000 more buying power

providing ample funds to cover the energy efficiency, moisture control, and indoor air quality package. In fact, your buyer will probably have mortgage ability left to buy other features or upgrades, as well.

It's a win/win situation. You get to increase your sales of performance-built houses and reduce your callbacks. The homeowner gets all the benefits and perhaps an extra feature or two, due to the increased buying power of the energy efficient mortgage.

There are many partners who can help you build your competitive edge with the "build tight - ventilate right" approach. Start with your utility company. Minnesota has several exceptional utility programs focusing on efficient, durable, and healthier homes, including the Energy Advantage Home, The Energy Intelligent Home* and the Triple E Home. Also work with your subcontractors and suppliers. They should be very interested in working with you on product, pricing and promotion. Don't forget your lender - they will be the key to the energy efficient mortgage.

Whether it's building the performance-built house or marketing it, it's important to use a team approach. Just like houses, teams must be carefully built with time, communication and respect. The investment will be returned - a quality team can create opportunities that you may have never found by yourself.

Pat is teaching two energy seminars at the BAM Conference on April 19.

NAHB Notes:

- Roy Lund, Lund Builders, was nominated for 1996 Area 10 National Vice President.
- Duane Willenbring, Willenbring Construction, was named Co-chair of the National Membership Committee.



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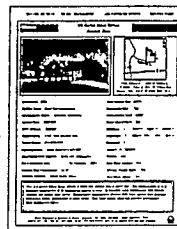
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