



Selling EarthCraft Houses: Holding Value in Today's Market

By Beth Haynes

True Cost of Homeownership

| | Standard Home | Energy Efficient Home | |
|-----------------------|----------------|-----------------------|----------------|
| Purchase Price | \$250,000 | \$253,000 | |
| Down Payment | \$50,000 | \$50,600 | |
| Loan Amount | \$200,000 | \$202,400 | |
| Interest | 7% | 7% | |
| Monthly Payment | \$1,331 | \$1,347 | (+\$16) |
| Energy Cost | \$220 | \$160 | (-\$60) |
| Total Expenses | \$1,551 | \$1,507 | (-\$44) |

Despite the old saying, sometimes what you don't know can hurt you. This is especially true in a competitive environment, like today's residential real estate market. For Realtors to make the most of current selling opportunities, they need a broader and deeper knowledge of the housing industry than ever before. While it's still important to educate buyers about the quality of area schools, parks and other amenities, more and more buyers are looking for high performance homes. Likewise, surfaces, appliances and finishes still play a role in the buying decision, but the number of future home owners who care what's behind the walls grows every day.

That's why savvy Realtors are learning the EarthCraft House story and how to sell the energy-efficient, durable and comfortable homes that carry the EarthCraft House brand. The HBA and Southface began offering EarthCraft House Realtor Training in 2004 at the request of builder members who wanted to educate their on-site sales agents to promote the many features of the EarthCraft House building program.

In recent years, the program has gained popularity with Realtors in the general market. Often, the Realtor has heard about the building program but knows little about what distinguishes an EarthCraft House from a house build using standard construction methods. Increasingly, they find that customers are asking specifically about the benefits of an EarthCraft House, energy efficiency and green building in general. In recent classes, which are taught every other month, about 50 percent of Realtors were selling new homes in 100 percent EarthCraft House developments or communities, and the other half of the attendees are associated with a builder who builds some portion of EarthCraft Houses or are selling in the broader marketplace, but who are coming to understand the value of selling energy and resource efficiency.

Following is what Realtors and other real estate professionals can expect to learn in their specialized EarthCraft House training session:

- **Winning Tactics of Green Marketing** – How to define your product in terms of energy efficiency, indoor air quality for healthier

living and building durability for long-term affordability and how to demonstrate how green features equal cost savings.

- **Developing a Greener (in dollars, too) Strategy** – Being proactive, not waiting for clients to ask about green options. Home owners are willing to pay more up front for green homes. Be able to demonstrate the savings from the first utility bill. At the beginning of the sales cycle, link green features to health benefits, cost savings and lower maintenance for buyers.
- **True Cost of Home Ownership** – Green homes may have a higher price tag, but they can be less expensive to own. Although the purchase price of a sustainably built home may be slightly higher than a comparable standard home, the small increase in monthly mortgage payment is more than offset by decreased energy costs. In the example shown, the energy-efficient home costs \$3,000 more, but total monthly expenses are \$44 less than with standard construction. Payback starts on day one of home ownership.

Other topics include:

- home buyer advantages
- EarthCraft House and ENERGY STAR performance testing
- EarthCraft House features, including high performance windows, duct sealing, insulation, equipment efficiency, advanced construction methods, with quality control guaranteed through inspections, testing and certification

The EarthCraft House Realtor Training is held every other month at the HBA Housing Center. The three-hour course earns Certified Professional Home Builder program and Georgia Real Estate Commission continuing education credit. Visit www.atlantahomebuilders.com for upcoming class dates and to register to attend.

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