Builder Survey: Homebuyers Aren't Willing to Pay More for Green

Even though prospective home buyers want the benefits of new, more efficient homes, they are unwilling to pay much of a premium for a "green" home, according to a recent survey of NAHB members.

"Although we are seeing significant interest in green building, cost effectiveness is clearly a key concern among home buyers," said NAHB Chairman Joe Robson. "Builders said that among buyers who are willing to pay more for green features, more than half — 57% — are unlikely to pay more than an additional 2%.

The August survey coincides with news that the NAHB National Green Building Program continues to grow. More than 400 homes, developments and remodeling projects have been certified by the NAHB Research Center, which administers the program and trains and accredits local project verifiers. Of those projects, 43 have been certified to the National Green Building Standard, which was approved earlier this year by the American National Standards Institute.

Preferences for specific green building techniques are decidedly regional, with builders in the West reporting much more interest in water efficiency than builders in other areas. Interest in homes built with recycled materials is particularly high in the Northeast (the region where the fewest new homes are built) and low in the South (the region with the highest number of housing starts).

Only 11% of builders nationwide indicated that their customers ask about environmentally friendly features, according to the survey. "Fortunately, our members are increasingly taking the initiative to educate the home-buying public about the benefits of green construction," Robson said.

Overall, energy efficiency continues to be the primary factor driving the green building movement, squaring with results from previous NAHB surveys in which home builders were asked about buyer preferences. "More and more, our members are able to convince their clients of the benefits of a home built with efficiency and sustainability in mind," Robson said.

"However, when buyers prepare to sign on the dotted line, cost-effectiveness clearly drives their decisions," he said. "We need to make sure that our energy policies reflect that reality so that builders have the flexibility to use lot and site design, high-efficiency heating and cooling equipment and other features to achieve the desired results at the right price."

"Whenever Congress considers how to encourage more energy-efficient construction, it must keep affordability in mind — and look for ways to incentivize these changes not only in new homes, but even more importantly in the nation's much more substantial and inefficient existing housing stock," Robson said.

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