ENVIRONMENTALLY FRIENDLY. GREEN. RENEWABLE. SUSTAINABLE.

Rising energy prices, concerns over climate change, water shortages, health concerns, and economic factors are all driving consumers to reassess the contents of their pantries, closets, and garages…and the garages and homes they are attached to as well. Sustainable blogging is rampant. Consumers are wary of green washing. So how do you as a homebuilder market your product? While there is no cookie cutter strategy for green marketing, here are a few simple guidelines to follow:

1. **Focus On Primary Benefits.** Remember that it’s not just about saving the environment; it’s about “saving me” first. From the start, marketing efforts should focus on the benefits that are more meaningful to consumers, such as monthly savings on energy bills. Highlight other close-to-home concerns such as health benefits and ease of maintenance as well.

2. **Be Transparent.** Let the consumer know your sustainability practices. Offer it up on your website and in your marketing materials. Home buyers must believe your claims. You have nothing to lose and everything to gain by opening your processes to public scrutiny. This is where the green education rooms come into play. You need to walk the walk and make it easy for home-buyers to find this information. Give the information in a simple, easy-to-understand format that gives an “ah ha!” moment.

3. **Consumers Must Be Aware Of And Concerned About The Issues That Your Home Addresses.** Make sure you know your customer and what’s important to them. And don’t forget to market the basics of your home. While a green home is great, the buyer wants to know they’ll live in a desirable neighborhood with good schools and parks, have a gourmet kitchen and large walk-in closet…all the while helping the environment without hurting their lifestyle. The environment is important to them, but their lifestyle is REALLY important to them.

4. **Educate Your Consumer.** Home buyers have to feel that they will make a difference by buying your home. Otherwise, why bother? Smart marketing programs like the U.S. EPA’s Energy Star program educate and equip consumers to make smarter choices. If two homes have the same features in the same location, it seems like a no brainer to buy the green home.
that saves the homeowner money every month and the environment every day. But you’d be amazed how many consumers choose against a green home because they were not educated about the benefits.

5. Follow Through. Your home must live up to your claims. Make sure you have third-party verification. After home buyers have been in for six months, ask to use their energy bills as examples in your sales process.

6. Illustrate The Savings. If you’re charging a premium, the home buyer must feel that it’s worth it. Of course right now, green homes are priced the same as traditional, but they are selling faster. When the market picks up and builders can charge a premium, you will have to be able to show (with very simple math) what the payoff is. The best method is to show that their monthly energy savings is greater than the monthly increase in their mortgage, so even if they are only going to be in the home for a few years, it is a win. And the green features should help their resale value as well, making it a win-win.

7. Recruit Your Homeowners. Mine your homeowners to become raving fans and the ultimate source of referrals. You’ll find that once your home owners begin receiving their monthly energy bills, they’ll compare them with friends and neighbors and start telling everyone about the savings. Use these people in your marketing. These testimonials are powerful tools that add credibility to all of your claims.

Green education rooms are vital as a sales tool and can very clearly demonstrate the key benefits of owning a green home. Think about all of the green/energy efficient features in your home and the logical flow of how the room should be put together.

1. Welcome. A general welcome and place to brand your green program. This should also include something about your company’s environmental philosophy.

2. Building Practices. This should talk about the sustainable building practices if there are any. Recycled materials, water conservation, environmental architecture or site planning, foundation, insulation, etc. And most importantly, how the home is constructed from the foundation mixture to the exterior. Highlight anything that is considered to be your best practice. These are things that are above and beyond what is considered to be normal in your part of the country.

3. Solar Information. Build up your solar provider and explain the product and the returns

4. Certifications. USGBC, LEED, State Certifications etc.

5. Air Quality. HVAC, ventilation

6. Quality Finishes. A place to talk about recycled or sustainable aesthetic items like countertops, fixtures, flooring, paint, cabinetry etc.
7. Savings Wall/Panel. This should illustrate how much value the program has in terms of tax credits, appreciation and of course lower monthly utility bills.

8. Thank You. This should include a thank you to the visitor as well as any special sponsors and/or partners etc.

9. Additional Items. Interactive displays are what break of the monotony of any display room and make things interesting. Ask your solar provider for a performance monitoring station or other subs for hands-on demonstrations of their products. i.e. radiant heat barrier thermometer, low flow toilet etc. Also consider coordinating signage throughout the home that calls out environmentally features and directs them back to the education room for more information.

NEW SOLAR HOMES PARTNERSHIP, CALIFORNIA ENERGY COMMISSION, STATE OF CALIFORNIA

Barcellona handles all graphic design, advertising and media services for the New Solar Homes Partnership, an effort designed to encourage builders to build energy efficient solar homes; and consumers to purchase them. Elements have included online geotargeted advertising, Google Adwords, website, print, collateral and a sweepstakes. As of December, there were 65 communities in the partnership and the consumer advertising media had generated 9,762 online entries to the sweepstakes and more than 3.8 millions pageviews to the website.
Barcellona partnered with SunPower to help brand Woodside Homes’, of Folsom, CA, new Solar Advantage program. These educational materials were geared to represent a fun, tangible approach to solar and the other energy efficient features throughout each Woodside home. The final Solar Advantage education room, brochure and website used bright colors, effective presentation and portable design to create a flexible campaign for Woodside’s eco-marketing needs.
Treasure Homes of Roseville, CA built Sacramento’s first 100% zero energy community of 32 new homes called Fallen Leaf at Riverbend. The company hired Barcellona to help dispel the myth that solar energy is inconvenient to a homeowner and to support the idea that homeowners can have both energy efficient technology and the convenient comforts of a modern home. Barcellona worked with the builder, its utility and its solar provider to implement a marketing plan that included traditional and non-traditional paid advertising as well as events, public relations and grass roots viral marketing with environmental groups. Below is the close-out campaign for Fallen Leaf at Riverbend which won a Gold Award at The Nationals for Best Marketing Campaign for a Green Community.
Barcellona has helped Tim Lewis Communities of Sacramento, CA transform into one of the area’s most environmentally friendly homebuilders. The agency developed a new website, collateral, logo, print ads, green education rooms and onsite signage highlighting energy efficient features throughout the homes and neighborhood. Barcellona has worked with Tim Lewis, its solar provider and utility to ensure the key benefits of energy efficiency and solar are delivered to the consumer in a clear, concise and easily understood manner.
HOMES: THE COLOR OF THE FUTURE

With the challenging real estate market in many areas of the country, builders are looking for whatever can set them apart and give them an edge with buyers. If you haven’t considered building green before, now is the time to color your world green. It can help you make a sale now, and it will prepare you for the green mandates and regulations that are certain to be coming to your market soon.

NAHB projects that up to 10 percent of all new homes will be built green by 2010. A survey of NAHB members by McGraw-Hill Construction projects that green building, which accounted for $2 billion in 2005, will increase to $60 billion during the same time period. Making a commitment to go green now will help position your company to ensure you are offering what home buyers are going to be asking for more and more in the future. Many industry experts, in fact, believe that building green will soon become “the cost of doing business” in the new homes market.

Now more than ever, Americans are aware of our environment. There seems to be a “critical mass” of green thinking growing, not only in Hollywood with actors driving their Prius Hybrids to the Oscars, but in mainstream America as well. According to McGraw-Hill’s 2007 “The Green Homeowner” SmartMarket Report, two-thirds of home buyers are aware of green building.

How Green is Your Buyer?
You don’t need to market to the green buyer, just market to the new home buyer. Once they see the benefits of a green home, the choice is simple. And all indications are that green buyers are green buyers for life. They tend to become raving fans and vow to buy green the next time they are in the market for a new home. In fact, research shows that 85 percent of green homeowners will recommend a green home. The number one way a prospective buyer learns about a green home is through word of mouth, so current green homeowners are your best and least expensive marketing tool.

Jim Bayless, president of Northern California-based Treasure Homes in Folsom, discovered just that during the first homeowner’s meeting at his Fallen Leaf at Riverbend, a zero energy community in Sacramento, Calif. “It was more like a revival celebration than a meeting. Everyone was excitedly comparing their savings and couldn’t stop talking about how...
Green building is no longer for a select few—we simply can’t afford for it to be.

much they love living in the community. I am confident that each of these homeowners will seek out another energy efficient solar community if they need to relocate.”

Robert Charles Lesser & Company (RCLCO), a leading independent knowledge and solutions firm serving the real estate industry, has identified three major buyer profiles—that they define as shades of green—that are most likely to purchase a green home. These are:

GREENBACK GREENS: This group is most interested in saving energy and realizing lower utility bills.

HEALTHY GREENS: This group is most interested in the real or perceived health benefits associated with improved indoor air quality, exceptionally “tight” construction, and design that encourages natural ventilation and ample sunlight.

FOREST GREENS: Of all green groups, the Forest Greens are the least defined by clear demographic divisions, but instead by a motivation or belief that helping the environment is not only their responsibility, but that they can make a difference.

Selling the Benefits
William H. Kreager, principal of Mithun architects + designers + planners in Seattle, Washington, knows green from the inside out. His firm boasts 160 designers who work on sustainable projects. “A green home is the combination of so many elements. Being able to clearly tell the buyer the end benefit to them is what makes it marketable,” says Kreager.

Kreager has found that the trifecta of primary benefits builders market to their buyers includes a healthy home, savings due to the energy efficiency, and lower maintenance costs. Solidifying Kreager’s real world experience, RCLCO’s consumer research shows 36.4 percent of potential home buyers currently identify home or community features specific to health benefits, energy savings, and the environment as their primary decision-making factor in their next home purchase.

Over one-third of all American home buyers—not specifically green buyers—identify one or more of these motivations as the most important decision-making criteria in buying their next home. See below.

REALIZE HEALTH BENEFITS: A new home occupant can hope to attain real, or perceived, health benefits due to lower toxicity building materials and/or health-promoting design features.

SAVE ENERGY: A new home can fulfill a desire to save energy and realize lower utility bills.

PROTECT THE ENVIRONMENT: A home purchase can enhance the sentiments of environmental responsibility.

Selling the Commitment
McStain Neighborhoods president and CEO Eric Wittenberg is well aware of the potential difficulties in marketing green homes. And he should know. Louisville, Colorado-based McStain has been recognized regionally and nationally for its environmentally responsible community design and building practices for more than 40 years. “We’ve been reducing the size of our carbon footprint since before we knew what that was,” says Wittenberg.

Amy Levi, partner and creative director of Strada Advertising, McStain’s agency of record, says their point of differentiation is the level to which McStain takes green building. “Their is a much higher level than just touting the benefits of owning a green home,” notes Levi. “Sustainability is an intrinsic part of McStain’s values. The company has a sincerity of mission, a message of optimism and hope for the future that resonates with buyers, especially in this market.”

Green isn’t Just for the Chosen Few
Clark Wilson began a roofing business when he was 17 years old and grew into one of the most respected home builders in Austin, Texas. He had always had a personal interest in living green, and
last June established Green Builders, Inc., a green development and home building company that is traded on the American Stock Exchange. Wilson believes his company is the first large-scale developer and production home builder to make the green commitment. His homes range from first-time homes starting in the $200,000s to executive-level homes in the $700,000s.

With Green Builders, Wilson is making sustainable living available to virtually everyone. "Green living is no longer for a select few—we simply can't afford for it to be. Our idea is to build homes that are efficient, comfortable, healthy, and attractive all at the same time, and that offer people-friendly and earth-friendly features and options. All of these things make a home last longer and appreciate fast. Nothing is greener than that."

Green Builders currently has three master plans under development, and its first furnished model homes will be completed in March. The company is building its new homes to the NAHB National Green Building Standard and touts its four-fold, common sense approach to green building under the proprietary moniker of the GreenSense™ Program which includes: EnergySense™ for cooling and lighting, WaterSense™ for water conservation, EarthSense™ for its building materials, and HealthSense™ for its indoor air quality. It recently did a small advertising campaign to invite prospective buyers to view an eco-friendly model home and had 200 people attend. "We have quite an interest list started for all of our communities. There really is pent-up demand for sustainable living options out there with the general home buying population," notes Wilson.

**Barriers to Buying Green**

But the road to building and buying green isn't paved with rose-colored stones. There are definitely some roadblocks along the way. The primary factor that limits builders in building green or taking it
Some states are ahead of the curve when it comes to energy efficiency and solar incentive programs.

to the level of including solar in their green homes is lack of Federal, state and utility-based incentives and/or rebates.

Green Builders, for example, is building their homes "solar ready," but not including solar as a standard feature in their homes. "When you consider the fact that a solar system can add $25,000 to the price of our homes, and our homes start in the $200,000s, we are talking 10 percent of the price of the home for solar power," Wilson comments. "Until (the state of) Texas and the utilities [in communities] where we are building offer incentives, we can't add that amount to the cost basis of our homes. It just won't fly."

Some states, though, are ahead of the curve when it comes to energy efficiency and solar incentive and rebate programs. The state of California's Energy Commission, for example, has established the New Solar Homes Partnership designed specifically to encourage builders to build energy-efficient homes with integrated roof tile solar panels as standard features. The financial benefit to the builder increases with the level of energy efficiency. The partnership also has a strong consumer awareness campaign to educate potential homeowners on the benefits of energy efficient solar homes.

According to the McGraw-Hill report, green home buyers find awareness and education to be the most important obstacles to overcome in the green home building market. However, costs and lack of available green homes are close second, and are

"We believe our greatest mission is to turn a buyer to a green home," says Wittenberg. "It can change not only their life, but our world."

1 Results reported in The Green Homeowner SmartMarket Report are a combination of McGraw-Hill Construction's proprietary data, analytic and content expertise, as well as information gathered by McGraw-Hill Construction (MHC) Research & Analytics Market Research Group from January 2007 to April 2007. For that research, a representative sample of the 33 million U.S. households was surveyed regarding recent purchases of green homes, as well as remodeling with green building products and processes.

2 Zero Energy homes were built under the Building America program sponsored by the US Department of Energy. Homes were designed to save a home owner up to 60% on their utility costs.


first and second respectively when looking at overall obstacles to purchase. Comparatively, builders perceived higher cost as the most significant obstacle to building green homes.

So McStain Neighborhoods keeps their green information fun and friendly, as evidenced by its Web site at www.mcstain.com. "We believe our greatest mission is to turn a buyer of a traditional home to a green home," says Wittenberg. "It can change not only their life, but our world."  

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