



Residential Development & Green Certification

A CASE STUDY

Photo: © Northwest Crossing

The fastest selling developments are those where every home is certified green by a third party.

Builders across the U.S. are benefiting from price premiums buyers will pay for homes that are certified through regional and national green building programs. Some developers have capitalized on this market trend by requiring every home within their development be third party certified green. These same developers are recognizing that a green certification requirement – whether self-imposed or mandated through a public partnership - holds builders to standards of quality that add immediate and lasting value.

Neighborhoods where every home receives a third party green certification are healthier for the families living there as well as better for the bottom line of their developers and builders. Increased value is realized through an accelerated sales pace and higher price premiums, both for buildable lots and finished homes. Additionally, local governments frequently offer development bonuses such as higher density zoning and reduced impact fees in exchange for a requirement that all homes be built and certified to green building standards. The reason for such incentives is simple: certified homes put less of a strain on local utilities.

"Thinking 'green' is good for the environment and good for the long-term appeal and livability of Carsten Crossings. We believed that the green program would differentiate us and help Carsten to stand out in the crowd"

Mark Fischer,
Grupe SVP of Operations

New developments that require green certification are experiencing remarkable levels of success across the U.S. and consist of almost every regional and national green building certification program, including – but not limited to: LEED® for Homes, Green Built Texas, National Green Building Standard (NAHB Green), Austin Energy Green Building, and Earth Advantage Home Certification.

Analysis has shown that these neighborhoods outperform surrounding neighborhoods that lack a green home certification requirement. Sales metrics (see map) from 2007 to 2014, demonstrate green certified neighborhoods coast to coast are selling faster, with lower holding costs and at higher premiums.

1.5 days

Average time on market for each new phase.

*Northwest Crossing
Bend, OR*

\$14m

Savings in holding costs by marketing green.

*Carsten Crossing
Rocklin, CA*

42%

Presales rate as of Jan. 1, 2014 prior to groundbreaking.

*Willow Grove
McKinney, TX*

8 days

Average days on market in 2013/Q4.

*Mueller Neighborhood
Austin, TX*

40%

Accelerated sales pace over projections.

*Stonehenge Park
Raleigh, NC*

Northwest Crossing

BEND, OREGON



West Bend Property Co.
DEVELOPER

1,200
HOMES

Earth Advantage
CERTIFICATION

With roughly 800 of the 1,200 homes built as of January 2014, West Bend Property Company, the developer behind NorthWest Crossing — has such a successful community that the average time lots spend on the market when a new phase is released is less than 48 hours (including the low point of the housing recession.)

In price per square foot Northwest Crossing houses were selling for over \$70 more than Bend area houses in 2012 and 2013.

northwestcrossing.com

Carsten Crossings

ROCKLIN, CALIFORNIA



Grupe Companies
DEVELOPER

144
HOMES

LEED® for Homes & ENERGY STAR®
CERTIFICATION

Carsten Crossings is an award-winning 144 home subdivision outside Sacramento, California developed exclusively by the Grupe Company. Completed in 2007, every home features solar photovoltaic panels, LEED and ENERGY STAR certifications.

According to a U.S. Department of Energy Building America case study, the sales pace at Carsten Crossings was 2.5 times that of competing developments, saving the company a total of roughly \$14 million in holding costs.

grupe.com

Mueller Neighborhood

AUSTIN, TEXAS



Catellus Group
DEVELOPER

5,700
HOMES

Austin Energy Green Building Program
CERTIFICATION

The 700-acre Mueller site, vacated after Austin's airport relocated in 1999, is the product of a public-private partnership between the City of Austin and the Catellus Group.

As of January 2014, the development is in Phase 3 of 5, with 5,700 homes and 140 acres of public open space planned upon completion. All of the homes in Mueller are required to attain a minimum rating of 3 Stars in the Austin Energy Green Building Program.

muelleraustin.com

Willow Grove McKINNEY, TEXAS



Grenadier Homes
DEVELOPER

157
HOMES

Green Built Texas & ENERGY STAR
CERTIFICATIONS

Willow Grove is a 157 home subdivision developed exclusively by Grenadier Homes, a homebuilder that has built over 1,000 homes in Dallas, Texas and nearby suburban areas.

As of January 1, 2014, Grenadier closed out Phase 1 of Willow Grove and pre-sold 42% of the 57 homes in Phase 2 – and has yet to begin breaking ground on the actual houses. This pre-sales pace is 40% higher than adjacent markets, including the McKinney area.

grenadierhomes.com

Stonehenge Park RALEIGH, NORTH CAROLINA



Homes by Dickerson
DEVELOPER

38
HOMES

NGBS & ENERGY STAR
CERTIFICATIONS

Stonehenge Park is a 38-lot subdivision in Raleigh, North Carolina developed and built by Homes by Dickerson. All 38 of the homes are both ENERGY STAR certified and NGBS, Bronze level certified.

With all 38 lots selling in 26 months, the subdivision sold at an accelerated pace that was unprecedented in the surrounding market; Homes by Dickerson exceeded their targeted sales pace by 40 percent.

homesbydickerson.com

"We have successfully used third party certifications to quantify the quality of our homes and demonstrate the substantial value of our products. Our agents have become more versed in telling our high performance building story, and I think this was a big part of the success of Stonehenge Park."

John Showalter,
Vice President of Operations,
Homes by Dickerson

What Developers Are Saying About Mandated Green Development

Developers across the U.S., operating under a range of business models, have increased the profitability of their neighborhoods by mandating high quality construction requiring third party green certifications.

"A City official inspects the foundation, framing, plumbing and electrical components before giving the home a certificate of occupancy, but he doesn't test the home for its green features. If a builder has a green program and does not have a third party test its homes, homebuyers have no independent assurance that the builder's claims are true."

— John Egnatis, co-founder and CEO of Grenadier Homes

"The green features made a tremendous difference in our sales volume. We were selling when the market was taking a turn for the worse, and we were the only community in the surrounding Whitney Ranch Development experiencing continuous sales at that time. Many of our buyers were local and experiencing over \$400 in monthly utility bills. They were excited to see that the green features mean significantly lower utility bills, and would allow them to afford a larger mortgage."

—Stephanie Valdez, Lead Sales, Carsten Crossings

"I would certainly recommend a third-party certification requirement, like the one we have for Earth Advantage or LEED. It's the right thing to do. We need to be moving as a community, as a region, as a state, as a country, as a world, to a more sustainable way of doing business. And, it's better for the bottom line."

— David Ford, West Bend Realty, Northwest Crossing



How Earth Advantage Certification Works

The Benefits

Earth Advantage Home Certification is a third party green building certification program that helps builders create energy efficient, healthy, durable, and resource-wise homes. The Earth Advantage Home Certification standard requires homes to achieve a minimum number of points in each of five categories: energy, health, land, materials, and water. The number of points earned qualifies the home for one of five levels of certification: Silver, Gold, Platinum, Net Zero Ready, or Net Zero.



13,700 Families Live Better

Working With Builders

Earth Advantage works with over 100 builders across Oregon and Southern Washington, supporting them in creating better homes. The program utilizes an online points worksheet (the first in the nation), a tool designed to streamline the certification compliance process for builders. Earth Advantage Green Building Consultants work hand in hand with builders to provide technical consulting and guidance that helps builders move their projects toward ever increasing levels of performance. Our work with builders is a collaborative effort that provides current knowledge and best practices in the creation of high performance homes.

Inspecting For Quality

Earth Advantage Technical Building Consultants perform on-site inspections twice for every home certified. The first inspection verifies insulation and air-sealing best practices, mechanical equipment efficiency, window flashing installation, and wood moisture content levels. The final inspection assesses operation of heating and cooling systems, mechanical ventilation systems, finished products, and overall airtightness of the homes. Once the Technical Building Consultant has verified the home has met the requirements of selected measures and passed all tests, the house is certified Earth Advantage.



For more information about residential community development and home certification, contact:

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ABOUT EARTH ADVANTAGE

Earth Advantage is a Portland, Oregon based nonprofit whose mission is to accelerate the creation of better buildings. We provide knowledge to building professionals and information to consumers through certification, research, education, and product development to help realize a building industry that harmonizes with the natural environment.