

# Home Buyers Willing to Pay for Energy Efficiency

**New NAHB study of consumers reports that 51 percent willing to pay up to \$11,000 more if energy costs are reduced \$1,000 annually.**

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**By Steve Zurier**

Home buyers are willing to pay for energy efficiency, prefer smaller homes with high-quality products and amenities, and for the first time, listed outdoor features such as exterior lighting and fenced yards in their top 10 essential "must have" features.

Industry veteran Gopal Ahluwalia, the National Association of Home Builder's (NAHB) staff vice president for economics research, shared these and other findings from the trade group's recent consumer preferences research at a press conference and panel discussion yesterday at the International Builders' Show in Orlando, Fla.

Ahluwalia was joined on the panel by Gayle Butler, editor in chief of Better Homes and Gardens, and industry consultant Chuck Shinn, who moderated the panel.

Shinn said builders have been under the impression for several years that while home buyers wanted energy efficiency, they are not willing to pay for better energy management.

According to the NAHB survey, when asked what they would be willing to pay if their energy costs could be reduced roughly \$1,000 a year, 51 percent checked \$5,000 to \$10,999 and another 16 percent said \$11,000 or more. Thirty-two percent said they were willing to pay less than \$5,000.

One caveat: Respondents were not asked which technologies they preferred, but Ahluwalia said most of the savings would come from better insulation and more efficient HVAC and indoor-air quality systems.

Another interesting finding of the study is that more people are willing to trade off living room space for a larger family room. While 53 percent preferred a family room and living room of equal size, a full 47 percent preferred a much larger family room-or even no living room.

"Women want homes that are livable for a modern lifestyle ... and they expect the house to be a part of the solution, a place where they can spend time with their friends" said Butler.

"They tell us that the family room and kitchen is where most of the family's living takes place," she explained, pointing out that the NAHB research confirms both stories the magazine has written of late along with its own original research.

Butler said respondents to the magazine's survey list outdoor living as a high priority. She said most consumers want screen porches, sunrooms, and outdoor fireplaces. They also want to bring the environment inside, whether it's with interior stone, wood surfaces, or earthy colors such as blue and green.