

Consumer demand for green features in residential buildings



- 7 surveys from across North America from 2000 - 2004 (plus 3 more referenced)
- 2 local to GVRD
- All (except 1) questioned homeowners and/or buyers seeking to purchase within 5 years
- 3 surveyed builders (all US)
- Different scope, samples sizes and motivations

- Looking for commonalities and consistency across surveys

What features are most popular with buyers?



- Energy efficiency most important followed by health.
- Importance of health is increasing and in some instances, health issues surpass energy efficiency.
- At least 50% are willing to use low VOC materials in their home.
- The 2 local surveys report that quality of construction is more important than price.

Is there consumer demand for green features?



Yes!

- All surveys agree that there is evidence of demand for green building products and practices
- General level of awareness and recognition of the value of certain green building features
- Need for more “green” builders and more product choice.
- Interests in energy efficiency and the environment are linked but do not overlap implying broader market base

Demand for green features



BUT

- Although consumers agree there should be more “environmentally-friendly” building, they are not sure what it means
- Risk of failure by home buyers to follow through with “green” options when deal closes.

But will consumers pay for "green"?



Yes: (well, some will)

- Averaging across 5 surveys: more than 50% would pay 2% more and 20% would pay at least 5% more.
- The number of buyers prepared to pay more for green features has increased year over year since 1998.
- Consumers are most likely to pay more for features that save money (durability, energy efficiency and indoor air quality)

But who will pay?



BUT

- Lack of information about demographic and market (exc. average income of buyers surveyed +US\$75K)
- Builders worry about other +/-50% that may not pay more
- Builders assume cost of building “green” exceeds the value buyers think they will get
- Builders can increase marketability of green upgrades by demonstrating links between cost-savings, durability and health.

Knowledge gap exists



- Education of buyers, realtors & builders needed on economic and environmental benefits
- Widening of differences between what buyers want and what builders think buyers want
- On scale of 1 to 10, US builders rated green knowledge of project sales staff at average 2.5.
- Builders say supplier's lack of knowledge prevents them from using green materials.
- Less than 1% realtors educated in green building (US National Association of Realtors 2004)

Anecdotes from other surveys



- **Atlanta Home Buyers 1998**
- Energy efficiency topped only by price, monthly payments and floor plan.
- 57% willing to pay up to \$1,000 more for an energy- and resource-efficient home.
- **City of Tucson, Arizona 1998**
- Over 80% willing to pay between \$5,000 and \$10,000 more for energy-efficient home, provided it results in lower utility bills.