

Green houses save money, sell for more, too

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Real estate professionals are increasingly turning to green building to attract homebuyers.

The appeal of green building extends to new homebuyers and current homeowners interested in remodeling, renovating and retrofitting their homes with environmentally friendly features. Among the many elements of the economic recovery initiatives in 2008 and 2009 are tax credits available to homeowners who make green improvements on their homes.

Consumers can take advantage of the immediate benefits of saving money on energy and water bills. Plus, a tax credit allows them to recoup their investment more quickly. Homeowners can be eligible for tax credits when they install energy-efficient windows, doors, roofing, insulation, furnaces, air conditioners and heat pumps.

The tax credit for 2009 and 2010 goes up to 30 percent of the cost of the improvement, up to \$1,500. (Information on the details of the Residential Energy Credits can be found on the Internal Revenue Service's Web site at www.irs.gov.)

The National Association of Home Builders recommends that consumers keep records on their home improvements including:

- Name and address of manufacturer
- Identification of the component
- Make, model or other appropriate identifiers
- Statement that the component meets the IRS tax credit standards
- Climate zones for which the criteria are satisfied
- Additional information for storm windows, if applicable
- A declaration that the certification statement is true

BOWA Builders Inc., a McLean-based residential construction and renovation company, recently launched a "green rebate" program known as the BOWA Environmental Incentive

Program. The rebate program rewards clients who opt for recommended green upgrades.

"We think green building simply means better building, with tighter homes and more efficient systems," says Larry Weinberg, chief executive officer of BOWA Builders. "When we began marketing ourselves as green builders, we were wary of making this self-serving. So, we created a list of items for our customers that would have the biggest impact on the environment. Instead of telling people to spend \$10,000 on an upgraded heating and air conditioning system, we also told them we would install it at cost so we aren't making a profit on it."

Mr. Weinberg says BOWA offers discounts on items such as geothermal heating systems, solar panels and wind energy systems. He points out that many of the improvements that have the biggest impact on the environment are small, "boring" things.

"Increasing insulation gives you the biggest bang for the buck, especially if you replace standard insulation with closed-cell foam insulation," says Mr. Weinberg. "Upgrading to triple-pane windows with argon gas between the panes, and going with a more efficient heating system isn't as exciting as solar panels."

BOWA Builders categorizes their green building features into three categories — indoor air quality, energy efficiency and sustainability.

"We already incorporate a lot of green features into our custom-level standards of building, but if our customers want to take this to another level, we will now do it at cost," says Mr. Weinberg.

While Mr. Weinberg acknowledges that green building is easier to incorporate with new construction, he believes it is even more important to include environmentally conscious features in existing homes (since there are so many of them).

"At the start of every renovation project, we do an energy audit to educate our clients about the biggest energy

drains," says Mr. Weinberg. "We can incorporate improving those areas into the project, such as adding insulation."

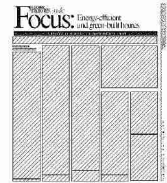
Ark Contracting, a Chevy Chase-based design, planning and remodeling company, was recently awarded the 2008 Capital Contractor of the Year grand prize for green remodeling by the National Association of the Remodeling Industry Metro D.C. Chapter. Ark has been incorporating green practices into their residential remodeling projects for a decade, since the company started.

"We believe that quality construction means green construction," says Noah Blumberg, Ark's founder. "We explain to our customers that green building creates healthier homes with higher energy efficiency and better air quality while also helping the environment. The number one concern for most of our customers is saving money, so they are concerned with how to make their home more energy-efficient. But they are also interested in making their homes healthier and finding more efficient ways to use their existing space."

Mr. Blumberg says his company tries hard to work within the footprint of existing homes, although they do also construct additions on some projects.

"We focus on making homes more efficient by moving walls, adding skylights and light tubes or moving closets to make the space more functional, and then we only need to add a small bump-out as an addition," says Mr. Blumberg. "We also focus on health issues, trying not to bring anything into the house that is bad for people. We avoid products such as paints, glues and finishes that have off gases that are harmful."

Mr. Blumberg says that in the past, green construction was more costly but that now many green products are similar in price to other products. He says that some inexpensive changes — such as sealing, wrapping and insulating spaces — can save thousands of dollars by allowing



homeowners to avoid adding a new heating and air conditioning system to an addition.

Robyn Griggs Lawrence, green-remodeling expert and editor-in-chief of Natural Home magazine, developed a list of tips for homeowners that can help develop environmentally friendly homes while saving money and increasing the value of the property.

- Audit and document energy efficiency. Get a Home Energy Rating System (HERS) report.

- Get certified for green and energy-saving features. Third-party certifications can help sell green-built homes for 30 percent more and 18 percent faster.

- Energy-efficient windows and doors bring high returns on your investment. Replacing leaky windows and doors will make your home more attractive to new buyers and can save an average of \$125 to \$450 a year.

- Use green paints and finishes to create a safe, healthy home. Choose paints and finishes that don't emit toxins, which may cause issues such as eye and respiratory problems, headaches, dizziness, visual disorders and memory impairment.

- Insulate to save energy and create a cozy-feeling home. Fix inadequate insulation because you and potential buyers will feel the difference immediately and earn back the investment in lower utility bills in as little as two years.

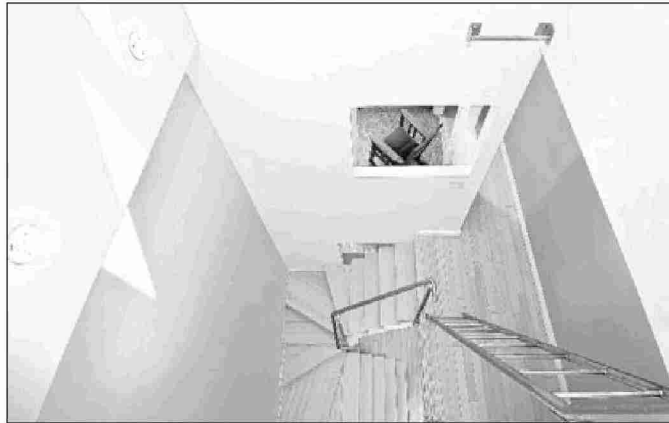
- Add external water features, gardens and trees to cut utility

bills and make a great first impression. Sprucing up the outdoors with stress-relieving rain gardens, ponds or gardens will save money on water bills and lawn maintenance. Each tree planted can produce the same cooling effects as about 10 room-size air conditioners working 20 hours a day.

- Create your own energy by investing in your own renewable energy system. Installing a geothermal or solar photovoltaic (PV) system for heat and electricity can be more affordable than you think. Geothermal heating systems, solar roof panels or PV shingles or slates (used in place of conventional roofing materials) generate energy for electricity to run appliances and to heat and cool your home.

- In the kitchen and bathrooms, replace inefficient major appliances and install energy and water-saving ones. Choose Energy Star-rated appliances. Cut water bills by installing attractive new low-flow toilets and shower heads. Add a programmable thermostat (for about \$200) to cut heating and cooling bills by 33 percent, which could translate to about \$400 savings per year (assuming your energy bills are at least \$100 per month).

Whether handling a do-it-yourself project or hiring a professional, many homeowners are finding green improvements a cost-effective way to increase the health, efficiency and value of their homes.



Ark Contracting won an award for this green renovation, which features a light monitor to collect hot air and release it when a vent is opened or push it back into the home in winter.