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Energy Efficiency Improvements for Remodeling Projects

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Thanks to the likes of LEED—not to mention Al Gore and the Toyota Prius—the most popular color in building these days isn't construction-cone orange. It's green, and more and more builders are wearing it.

In fact, so are more and more remodelers, according to Linda Minde, co-owner of Chandler, Ariz.-based Tri-Lite Builders. "Now it's really gaining momentum. It's something that many of our clients are interested in."

However, because times are tight and many of the most advanced green technologies are still expensive, smart remodelers are going back to basics when it comes to greening their projects. And in the realm of green building, this means energy efficiency.

Whether you specialize in green building or regular remodels, energy-efficient improvements can benefit your business as well as your clients' homes, according Gary Drake, CEO of Los Angeles-based Drake Construction.

"Energy savings are good for the environment and they're going to save your clients money in the long-term, because they're going to translate into lower utility bills for your client's homes," Drake says. "But at the same time, they're going to make you more money, because some green building costs more money up front. It's a win-win for you and your customers."

Energy is everywhere

The benefits are as real for contractors as they are for homeowners, according to Minde,

who suggests that energy efficiency gives her the opportunity to up-sell her clients on features that they might not otherwise consider.

“It helps us when it comes to getting our clients to think about upgrades,” she says. “They’re usually willing to spend more money on their remodel if they know there can be an energy-saving component to it.”

Depending on the size and scope of the project, energy-efficient improvements like these can be very affordable or very expensive, says green homebuilder Jeff Watkins, construction manager for Dallas-based American Legend Homes. For him, energy improvements typically add between \$8,000 and \$10,000 per home to new-home construction costs. While he doesn’t typically pass those costs on to his customers, contractors who do can often make a sizable profit, he says.

Remodeling your business

Even if you don’t make more money on energy-efficient remodels, you can definitely attract more customers by doing them, according to Watkins.

“Buyers want a high-performance house that has a low impact on their utility bills,” he says. “Because everybody wants to spend as little as they can on a monthly basis, homeowners are going to choose contractors who can help them save money.”

To further differentiate yourself from competitors, consider offering energy-saving services to complement your energy-saving installations. Minde, for instance, regularly sends her customers an e-mail newsletter with green living tips. Watkins, meanwhile, partners with an outside energy consultant in order to do energy audits of his clients’ homes, which allows him to tell his customers before a project even starts how much energy their new home will—or won’t—use.

“The stuff we put into our projects usually will pay for itself within seven years,” Watkins says. “We’re putting money back into our customers’ pockets, where they can actually feel it.”

Sidebar Title:

Energy Efficient Benefits

Sidebar Body:

Indeed, energy improvements typically offer three primary benefits:

- Environmental benefits: When homes use less energy, they have a reduced impact on their environment thanks to decreased demand for energy from high-emissions power plants.
- Efficiency benefits: Because they usually protect better against cold, heat, moisture, noise and pollution, energy-efficient homes tend to work better, be more durable and require less maintenance.
- Economic benefits: According to [ENERGY STAR](#), energy-efficient homes use less energy for heating, cooling and water heating and therefore offer homeowners between \$200 and \$400 in annual utility bills savings. What’s more, energy-efficient

improvements may qualify homeowners for federal tax credits, so-called “energy-efficient mortgages” and even home improvement loans, such as a GE Money Energy Efficient Home Improvement Loan.