



# **What Happened When a Mainstream Builder Decided to Go Solar**

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**by**

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# SheaHomes

- Thirteenth largest builder in U.S. (Professional Builder Magazine).
- Largest privately owned U.S. builder.
- Second largest builder (sales) in San Diego in 2002 (per Market Profiles).
- 600-800 Homes per year.
- First San Diego builder to apply solar PV and solar water heating to a large subdivision.

# **What Drove the Decision to Go Solar?**

- Corporate Values
- Community Involvement
- Company Culture & Employee Empowerment
- Market Awareness and Image
- Product Differentiation
- Consumer Perception of Value Added
- California Rebate Program

# Economics as a Decision Driver

- What do Homebuyers Want?
  - And what are they willing to pay for?
- Perceived Value
- All Included vs. The Trade-off Game
- The Price is Right!
- Return on Investment
  - Joe Homebuyer
  - Dale Homebuilder



## **Scripps Highlands**

### ***Closer to the Sun***

- North San Diego City's most desirable location.
- 306 Detached and 135 attached single family homes.
- Solar PV and water heating applied to detached product only.
- Prices from \$450,000 (2000) to \$670,000

# **Scripps Highlands Solar Story**

- Pre-plotted Photo-voltaic grid-tied, net-metering
  - 107 AstroPower 1.2kW systems
  - 12 AstroPower 2.4kW systems
- Pre-plotted Solar Water Heaters
  - 193 Sun Systems

# The Payoff

- All the value at half the cost
  - \$513,000 PV rebates
  - \$220,000 Solar Water Heater rebates
- Right time – right place
  - California's energy crisis
- \$ 1,000,000 (?) Estimated free publicity
- Brand recognition
- Product differentiation
- Political leverage
  - Bella Rosa affordable housing

# The Customer

- Anecdotal evidence is all positive.
- No increased Customer Service activity.
- Our own Pam Beaird.
- 2002 NREL Qualitative Study
  - Barbara C. Farhar

# **Shea's Commitment to the Future**

- Every new community is a possibility.
- Where economically feasible:
  - Fate of rebate program.
  - Cyclical nature of real estate market.
- Desire to maintain leadership position.
- New product developments.

# Conclusion

- A skeptic's conversion!