



## **Growing a Home Performance Industry**

***Mike Rogers***

***MSI Consulting***

**rogers.mike@verizon.net**

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# Huge — and achievable — opportunities in existing homes



- ENERGY STAR Labeled Homes
  - HERS 86 or better, versus HERS 80 for a home built to the MEC
- Illinois existing homes example
  - Adams Electric Coop pilot project
  - Average HERS score **improved 22 points** post-improvement
- Saving can be large...IF contractors can deliver the improvements and IF home owners will pay for them.

# Example, customer calls for attic insulation



*Entherm, Inc.*



**And she got insulation...after  
air-sealing** *(note the ventilation, too!)*



Entherm, Inc.

**But also a wet crawlspace treatment...**



*Entherm, Inc.*



...and some site drainage solutions...



Entherrm, Inc.

...and a new furnace



...along with  
combustion  
safety  
testing

Entherm, Inc.

*When presented with a good, truthful explanation of the problem, and offered a chance to fix the problem (and a way to pay for it), many homeowners are jumping at the chance to improve their homes.*

*Go figure!*



# A Tale of Two Houses



- Before:
  - 1320 square feet
  - Heat: 198 million BTUs/year
  - 6,000 kWh/year



- After:
  - 2030 square feet
  - Heat: 85 million BTUs/year **60% less!**
  - 3,000 kWh/year **50% less!**

# How does an existing home get the ENERGY STAR label?



- With difficulty!
- ENERGY STAR labeled homes have a HERS rating of 86 or higher
  - *This is true whether the home was built yesterday or 100 years ago*
- There is no new or different label for existing homes

# Home Performance with ENERGY STAR



- Extends ENERGY STAR brand into whole-house improvements.
- Links the building performance contracting service to ENERGY STAR
- Marketing message is about more than energy!  
Includes emphasis on:
  - comfort and durability
  - health and safety
  - and professional problem-solving...  
...along with energy-efficiency



# Essential Components



- Bona fide whole-house approach
- Building-science based
  - Home energy inspection and evaluation with diagnostic testing
  - **emphasis on delivering improvements and “best practice” installation**
- Quality Assurance

# Lesson 1: Huge Business Opportunities



- The market is hungry for, and will support, a comprehensive whole-house approach
- Contractors differentiate based on added value and high quality
- Increased homeowners' trust and confidence in contractors
- High closing rates!
- Expanded job scopes!
- High Margins!

# Variety of Successful Business Models



Independent  
“Home Performance  
Consultant”

Comprehensive,  
One-Stop Shopping  
“Home Performance  
Contractor”

GC or hybrid approaches:  
Using different mixes of  
in-house capacity, subcontracting,  
and trade alliances,  
and referral networks



## Lesson 2:

# Contractors need to “own” this



- Third party marketing helps...
- BUT contractors' marketing and **sales** are **KEY**
- Contractors need to understand, this isn't about getting leads from the “program”—it's about a expanding and enriching **their own** business

# Lesson 3:

## Financing is important



- More attractive rates help,
- BUT ease of access is critical
  - Simple, quick, and hassle free
- Having multiple financing tools in your belt is a big plus
- Need ways to reach hard-to-qualify homeowners

# Lesson 4: Program support can speed things up



- Home performance contracting is going to happen—it's just a matter of when
- Programs can help by
  - Providing quality training and mentoring
  - Serving as a trusted third party messenger to increase market awareness
  - Helping secure preferred financing
    - Interest rate buy-downs may be more effective than rebates in some cases
  - Providing **Quality Assurance!**





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