

Can Green Turn To Gold?

Latest Sustainable Development Initiatives

Jeff Kingsbury

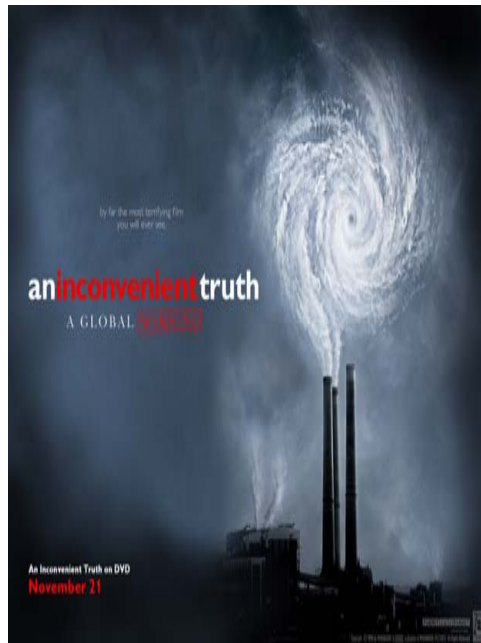
greenstreet
development • brokerage • consulting

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ULI Idaho

Boise 01.08.08

Moral Imperative?



Regulatory Imperative?

Source: *theclimateregistry.com; coolmayors.com*

- ❑ 40 states, including Idaho, representing over 70% of U.S. population have signed on to track greenhouse gas emissions
- ❑ Over 700 U.S. mayors, representing 75 million people, have adopted the Climate Protection Action Agreement including, Bellevue, Boise, Hailey, Pocatello, Sandpoint and Sun Valley

Market Imperative?

Select Cover Stories and Articles: 2007



Consumer Consciousness

Source: Google, December 17, 2007

“Britney Spears”	61,000,000
“sustainable”	39,100,000
“Angelina Jolie”	25,700,000
“global warming”	24,300,000
“climate change”	22,800,000
“gas prices”	15,200,000
“Iraq war”	14,100,000
“George W. Bush”	8,900,000
“Al Gore”	6,480,000
“Hillary Clinton”	5,500,000
“Jeff Kingsbury”	3,160

Why Go Green?

Which of the following should builders market as the reasons to buy green?

- A. To recoup costs through energy efficiency?
- B. Environmental stewardship, because it is the right thing to do?
- C. To promote the health and wellness benefits?

The Survey Says...

Source: RCLCo

- ❑ A disconnect exists between homeowners and how much impact they think their home has on the environment.
- ❑ Traditional “green” motivations for home purchase share stiff competition with other priorities.
- ❑ Currently, “the environment” presents a challenging market position for motivating homebuyers.
- ❑ Only 2.5% of potential homebuyers consider “the environment” a motivating factor in their next home purchase.
- ❑ Fewer than one in five homebuyers are willing to spend money on energy savings, even if they cannot recoup their investment in cost savings.
- ❑ Almost 50% of homebuyers indicate a willingness to spend more money for perceived health and wellness benefits, ***even if they never recoup this investment.***

Shades of Green

Forest Greens *“Because it is the right thing to do.”*

- Small fraction of all homebuyers (as little as 3%)
- Undeterminable purchasing power

Greenback Greens *“Because it will save me money.”*

- Price-sensitive buyer
- Payback period averages less than four years
- Trend older with lower incomes

Healthy Greens *“For the health of my family.”*

- Well-educated – many have graduate degrees
- High-incomes – 40% with incomes over \$100k
- 91% of homebuyers willing to spend \$ on health benefits**
- 41% have no payback expectation**

Marketing Mix

The dollars will be the same, but the mix is different

Conventional Development

- Advertising (33%)
- Brokers (33%)
- Referrals (33%)

Sustainable Development

- Advertising
- Brokers
- Referrals
- Public Relations
- Co-branding
- Events
- Unconventional creative in conventional mediums
- Unconventional mediums

Price

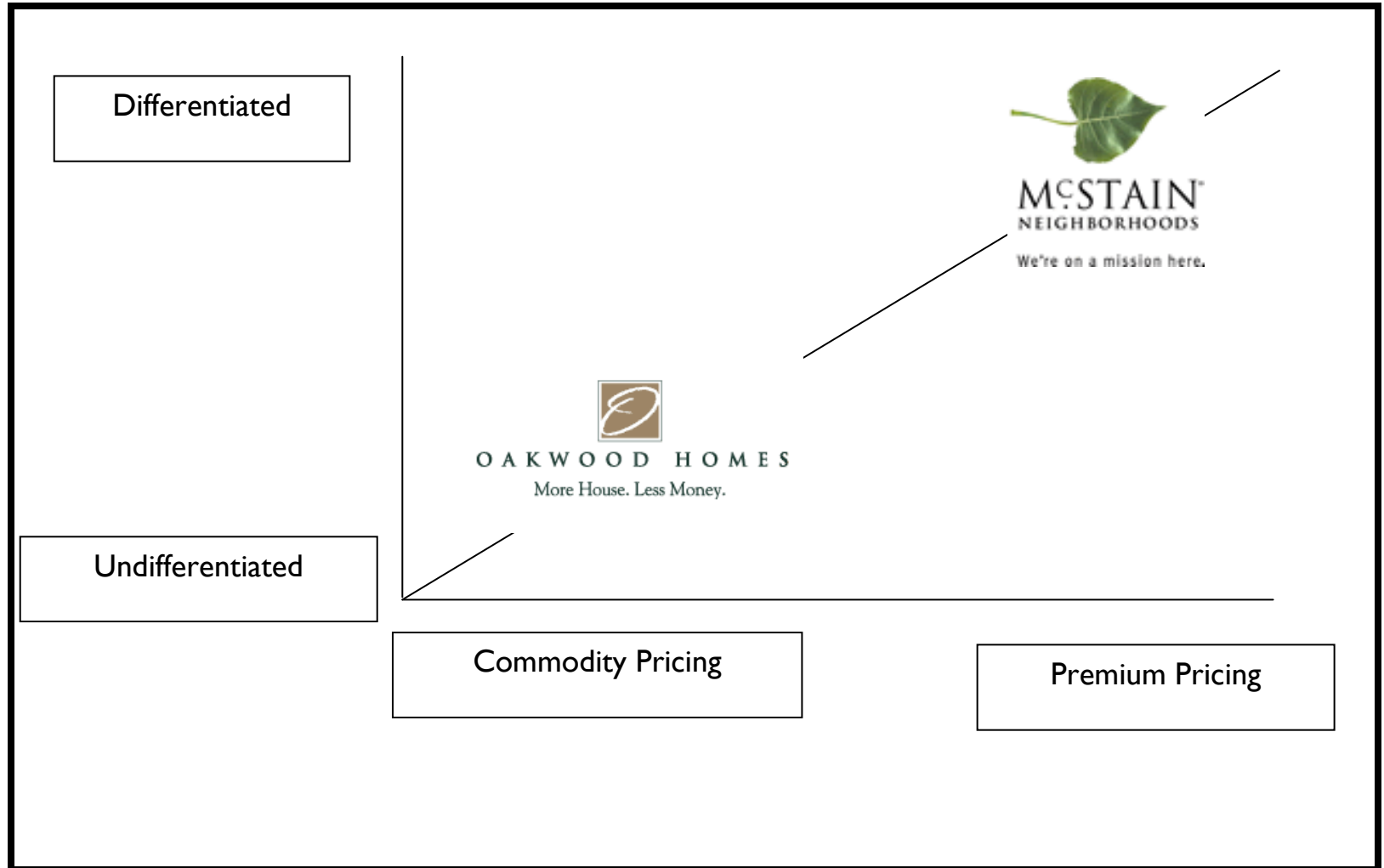
Of all homebuyers, Healthy Greens are willing to spend the most.

- ❑ 54% are willing to spend \$15,000,
- ❑ 32% are willing to spend \$20,000, and
- ❑ 15% are willing to spend at least \$30,000,

All without the expectation of a payback.

Price: The Last Refuge of the Marketer

Source: Greenstreet Ltd.



Promotion

Source: *Strada Advertising*

How to use the word “sustainable” in a sentence.

It’s an uncommon word and so we thought we would help you, so that you could impress your friends at your next dinner party.

When something is sustainable, that means it has enduring value. For instance, when we say, “This community is designed to be environmentally sustainable,” that means it is designed to conserve and renew certain things we believe are worth having – like natural open space, and water, and trees and oxygen, and deer and . . . chipmunks. A sustainable community uses less and saves more.

Which is why every home at Daybreak is Energy Star-certified. And why over a third of the community is dedicated to open space.

We invite you to expand your vocabulary this Saturday at the Daybreak Spring Festival. Enjoy a day of live music and good food while touring some very sustainable model homes.

Daybreak. This is getting good.



How to
fit into
your old
jeans

The real trick here is to exercise without knowing that you're exercising. Painless exercise, we call it. Simply live in a neighborhood where you can leave the car in the garage and walk or bike to the places you want to go: the park, the pool, the school, the lake, a friend's house, the rec center. Hit the trail. Take your dog. He'll be ecstatic. And you'll be back in those jeans in no time.



DAYBREAK

This is getting good.



BEAUTIFULLY-CRAFTED NEW HOMES
FROM THE \$150S TO THE \$400S

In a 100% Energy Star®-certified, planned community featuring parks, trails, open space, a new elementary school/rec center, and one great big lake — all within walking distance of home.

BEGIN YOUR TOUR OF DAYBREAK
AT THE INFORMATION PAVILION
114th So & Bangerter HWY in South Jordan
801-446-9022 • 22 Model Homes
Mon-Sat 11-7, Sun 12-5
(Only 2 model homes open Sunday)

★ OUT HERE, WE LIKE TO ★
BURN MORE CALORIES
THAN KILOWATTS.

Introducing Dry Creek Meadow, our new 100% Energy Star certified neighborhood. Starting in the low \$300's, each of these new homes offers extraordinary energy efficiency, thanks to more effective insulation, Energy Star certified appliances and other thoughtful features. The results? Lower utility bills and reduced environmental impact. You'll also enjoy nearby amenities like our Clubhouse, pools, Marketplace and miles of calorie-burning hiking and biking trails. Have you seen Hidden Springs lately?



HIDDEN SPRINGS
CHANGE YOUR VIEW

NEW DRY CREEK MEADOW
 AT HIDDEN SPRINGS



OFFERED BY



Taking the High Road in a Buyer's Market



McStain also uses incentives that conform to its bigger "green building" mission. Since July, buyers have received 100-miles-to-the-gallon Vespa scooters with their home purchases. Through the end of the year, however, McStain is offering to partially subsidize utility bills for one year for Xcel customers who choose the wind power option.

~Denver Post~

Place

- ❑ Decide how to integrate sustainability into the community: museum vs. theme park
- ❑ Create the place first BEFORE a lot of marketing dollars are expended
- ❑ Sustainability should be part of the palette for place-making
- ❑ Sustainability creates a framework for community building in conjunction with programming and “soft infrastructure”

Presentation


OCT 2006

Tips for Sustainable Living

RECYCLING ENERGY CONSERVATION WATER MANAGEMENT HEALTHY LIVING

new leaf

STAPLETON
FEELS DIFFERENT



Ethanol

Ethanol is an alcohol-based alternative fuel produced by fermenting and distilling starch crops that have been converted into simple sugars. Raw materials for this fuel include corn, barley and wheat. Ethanol can also be produced from "cellulosic biomass" such as trees and grasses, which is called bioethanol. Ethanol is most commonly used to increase octane and improve the emissions quality of gasoline.

Benefits

- Most ethanol-fueled vehicles produce lower carbon monoxide and carbon dioxide emissions and the same or lower levels of hydrocarbon and non-methane hydrocarbon emissions.
- Nitrogen oxide emissions are about the same for ethanol and gasoline vehicles.
- Ethanol is domestically produced, so its use helps reduce the nation's dependence on imported oil and can help boost the agricultural sector's economy.
- Ethanol is a renewable fuel made from domestically grown crops.

E85 and Flexible Fuel Vehicles

All gasoline vehicles are capable of operating on gasoline/ethanol blends with up to 10% ethanol. In fact, some states require the seasonal or year-round use of up to 10% ethanol as an oxygenate additive to gasoline to mitigate ozone formation.

Ethanol can be blended with gasoline to create E85, which is a blend of 85% ethanol and 15% gasoline. Vehicles that run on E85 are called flexible fuel vehicles and are offered by several manufacturers. Unlike bi-fuel natural gas and propane vehicles that have two unique fueling systems, flexible fuel vehicles have only one fueling system. The flexible fuel vehicle fueling system allows the driver to use any combination of gasoline or ethanol, from 100% unleaded gasoline up to 85% ethanol.

Availability


The National Ethanol Vehicle Coalition estimates that approximately 6 million flexible fuel vehicles have already been sold in the United States, although many buyers remain unaware that they may fuel with E85. To determine if you can put E85 in your vehicle, check your owner's manual or ask your car dealer. You can also identify a flexible fuel vehicle by the vehicle identification number (VIN). For complete instructions, visit www.e85fuel.com/information/vin.php.

Currently, there are 11 filling stations in Colorado that sell E85. Two of the stations selling E85 in the area are the Conoco station at 295 S. Broadway (Broadway and Alameda) and the Conoco station at 13690 E. Colfax (Colfax and Yuba Street), across from Fitzsimmons Campus. To see where else you can buy E85 around the country, visit the National Ethanol Vehicle Coalition at www.e85fuel.com.

The Alternative Fuels Data Center is a collection of information on alternative fuels and the vehicles that use them. Alternative fuels include biodiesel, electricity, ethanol, hydrogen, natural gas, and propane. The site has more than 3,000 documents in its database, an interactive fuel station mapping system, current listings of available alternative fuel vehicles, and lots of alternative fuels information and related links.

www.eere.energy.gov/afdc/

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SUSTAINABILITY IN YOUR OWN WORLD

new leaf For Kids

Watersheds

A watershed is the area of land in which water drains into a stream, lake, reservoir, or other body of water. For example, think about a puddle in your schoolyard. When the puddle gets too full, it overflows and the water empties into another area. That's exactly what happens in a watershed!

When water drains through a city overyards, playgrounds or in drainage pipes, it is called an urban watershed. When water travels through an urban watershed it often picks up material left on the ground like sticks, leaves, trash, oil or fertilizer from lawns. Some of these items settle out before they reach a stream or river, but others stay in the water and can be harmful to plants and animals.



Did You Know?

- Anything entering the sewer system is untreated, meaning that if you dump something in a gutter it goes directly to the storm sewer system or to a lake, stream, river or wetland.
- Water is recycled by nature all the time.
- A watershed map looks a lot like a drawing of a tree. All of the little streams come together to make bigger rivers, just like branches connect to the trunk of a tree.

What Can I Do?

Do your part to keep storm water clean by:

- Not throwing trash on the ground or in the gutters.
- Picking up after your pets.
- Not dumping chemicals into storm drains.

What one McStain Home does for the WORLD



- 15 trees are left in the forest.
- 8,000 square feet of construction waste don't go to the landfill.
- 1,200 lbs of newspaper get re-used in cellulose insulation.
- 4.7 tons of carbon dioxide (a greenhouse gas) don't get put into the atmosphere.
- 290 kilowatt hours of electricity don't get used.
- 750 therms of natural gas don't get burned.
- \$750 gets saved on utility bills.
- 5,000 plastic pop bottles get re-used as carpet.
- \$190 gets contributed to Colorado non-profit organizations working to support the environment.


*On average compared to the typical new home. Energy savings based on \$0.07/kWh and \$1.35/therm.



Low VOC Paint (Volatile Organic Compounds)

Contributes to healthier indoor air because they don't emit fumes like standard paints

The Benefits

-  Potentially lower medical expenses due to reduced allergic and respiratory problems
-  Fewer illnesses likely, due to elimination of harmful fumes
-  Reduction in ground level ozone, which is detrimental to long term global health





Now this is cool.

It's called a "whole house fan," and it's a very popular, low-energy alternative to traditional air conditioning systems. Installed in the attic, it takes advantage of the natural temperature differential between indoors and outdoors to cool the home in the evening and keep it cool throughout the next day. Ask your sales consultant to take one for a spin.



Process

- ❑ Define strategy: market penetration, market creation or market share
- ❑ Create a clear vision vs. the idea “du jour”
- ❑ Decide where you are/aren’t on the sustainable development spectrum... and OWN it
- ❑ Development Process: integrated vs. linear
- ❑ Sales/Marketing at the front end...Planning/Design at the back end
- ❑ Metrics and Benchmarks for Performance
 - ❑ Financial
 - ❑ Environmental
 - ❑ Social
- ❑ Evaluate

People

- ❑ Build an aligned in-house and consultant team utilizing performance metrics and benchmarks
- ❑ Functions: multi-disciplinary vs. silo
- ❑ Explore creative and strategic alliances
- ❑ Be consistent throughout the project's execution ...avoid marketing promising one thing and sales delivering something else
- ❑ Train the internal AND external team... anyone that touches the customer

Leveraging a Sustainable Strategy

1. Sustainability is about competitive strategy
2. Listen to your customers, but ask the right questions
3. Commit to your “shade of green”
4. Develop an enduring vision, beyond the development
5. Establish metrics/benchmarks that are beyond financial
6. Get the right team to the table at the right time
7. Integrated vs. linear thinking and processes
8. Avoid green “bling” and managing by checklist
9. Don't assume green has to cost more
10. Market it...sell it...get credit for it

...while you still can