

Is there a 'Green' £ in Zero Carbon Housing?

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Development Manager

EST New Home Buyers Survey

Objectives

To understand the purchasing patterns, consumer behaviour and drivers of choice within the new-build property market in the UK

Specifically, we were interested in:

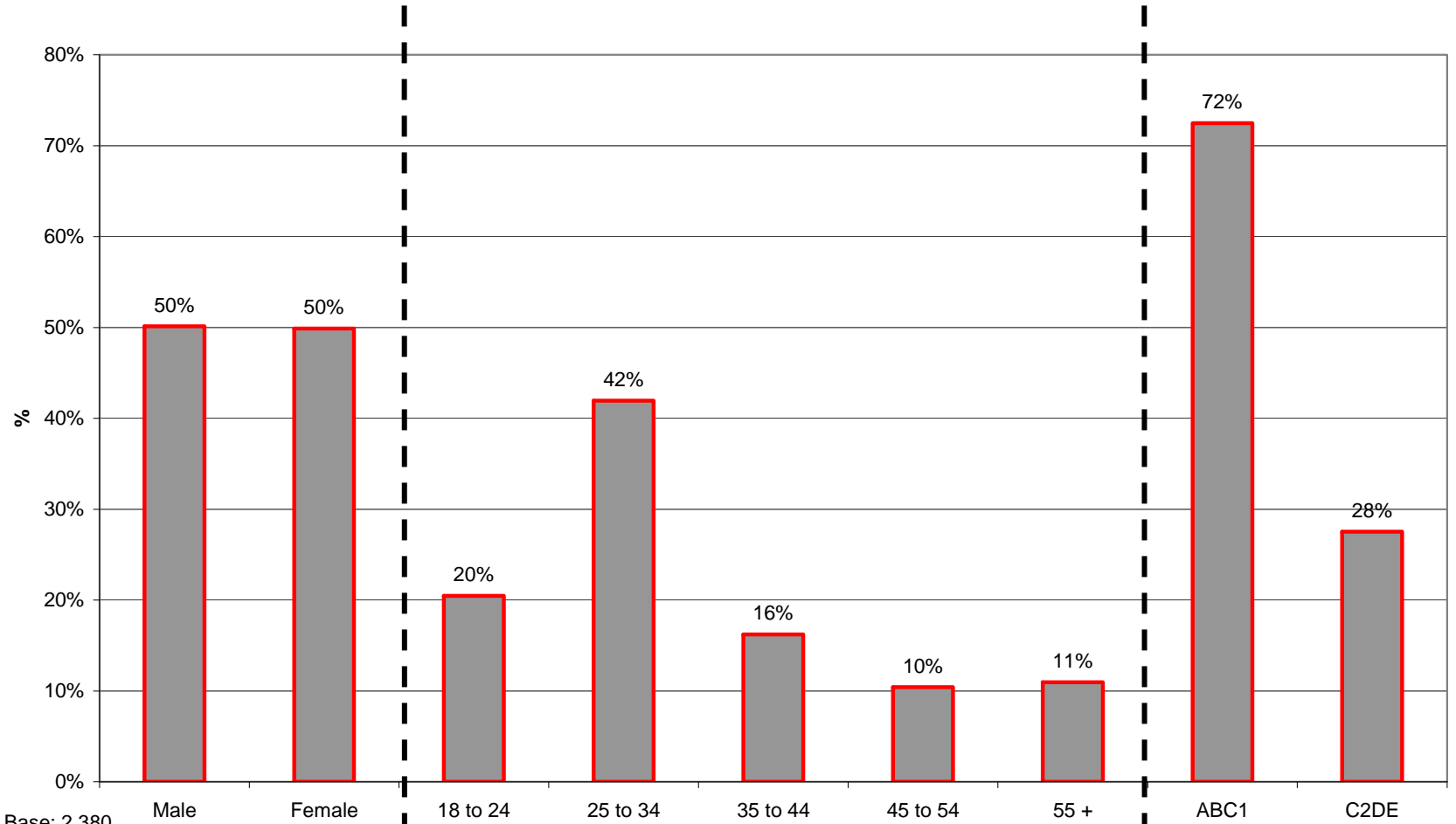
- The new home buyers view of 'zero-carbon' homes
- Gather information on what new home buyers understand the term 'zero-carbon' homes to mean
- Whether new home buyers see any intrinsic value in living in a 'zero-carbon' home
- Whether new home buyers would be prepared to pay extra for a 'zero-carbon' home

Survey Sample

- Fieldwork was undertaken between 15th and 19th March 2007
- The survey was conducted online using the YouGov proprietary (pre-recruited and pre-screened) consumer panel
- Of the 2,629 pre-screened sample, 2,380 respondents fitted this main criteria as either a new-build homeowner or a 'potential' new-build homeowner
- Within this total eligible sample, the following groups were identified:
 - 1,989 were likely to purchase a new-build property in the future (short or long term)
 - 1,339 were likely to purchase a new-build property in the next 12 months
 - 858 currently own a new-build property

Sample Demographics

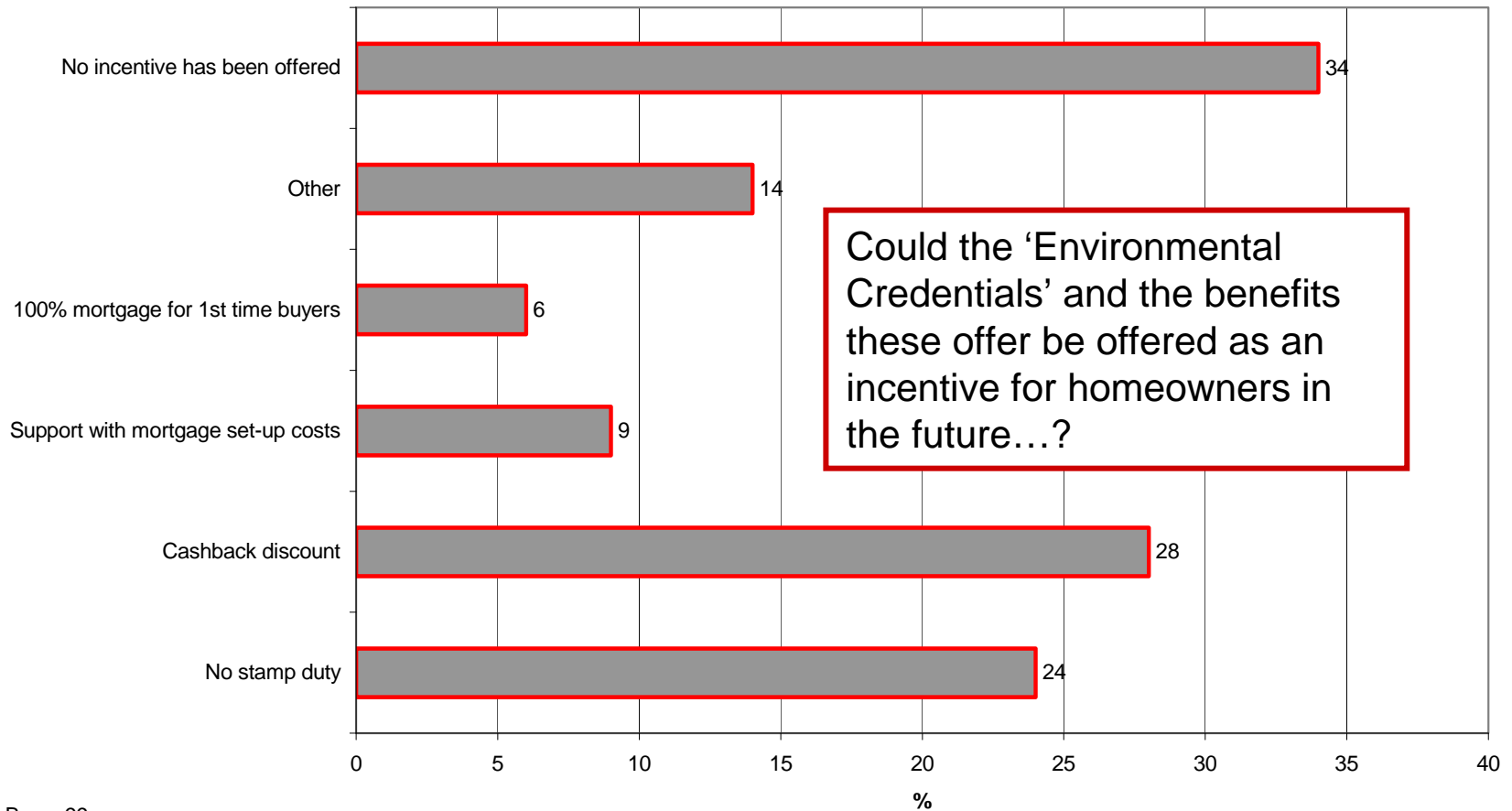
Sample Demographics



Base: 2,380

Newbuild Incentives?

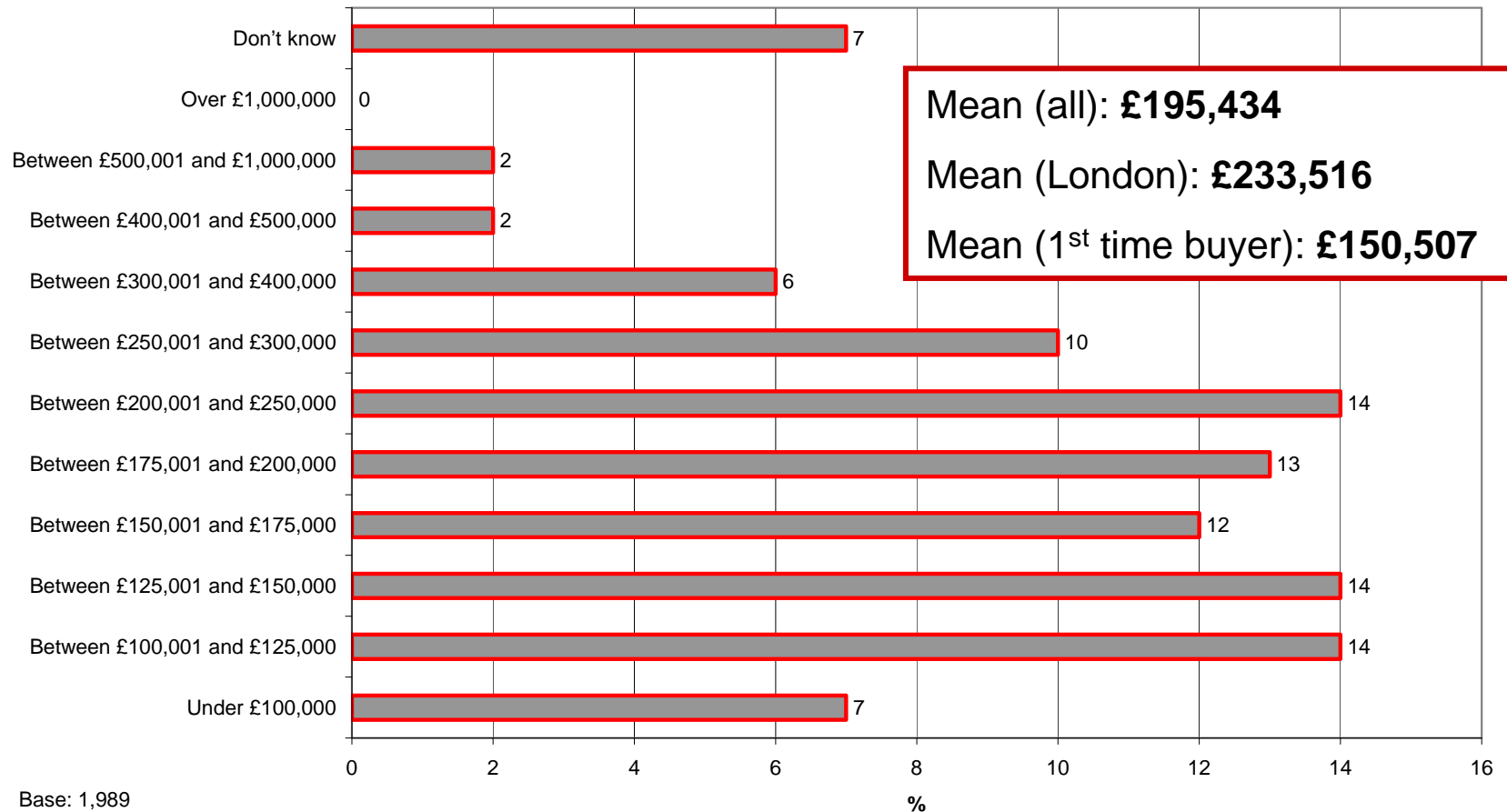
Is the developer providing you with any incentive to encourage you to purchase this 'new-build' property? [Please tick all that apply]



Base: 99

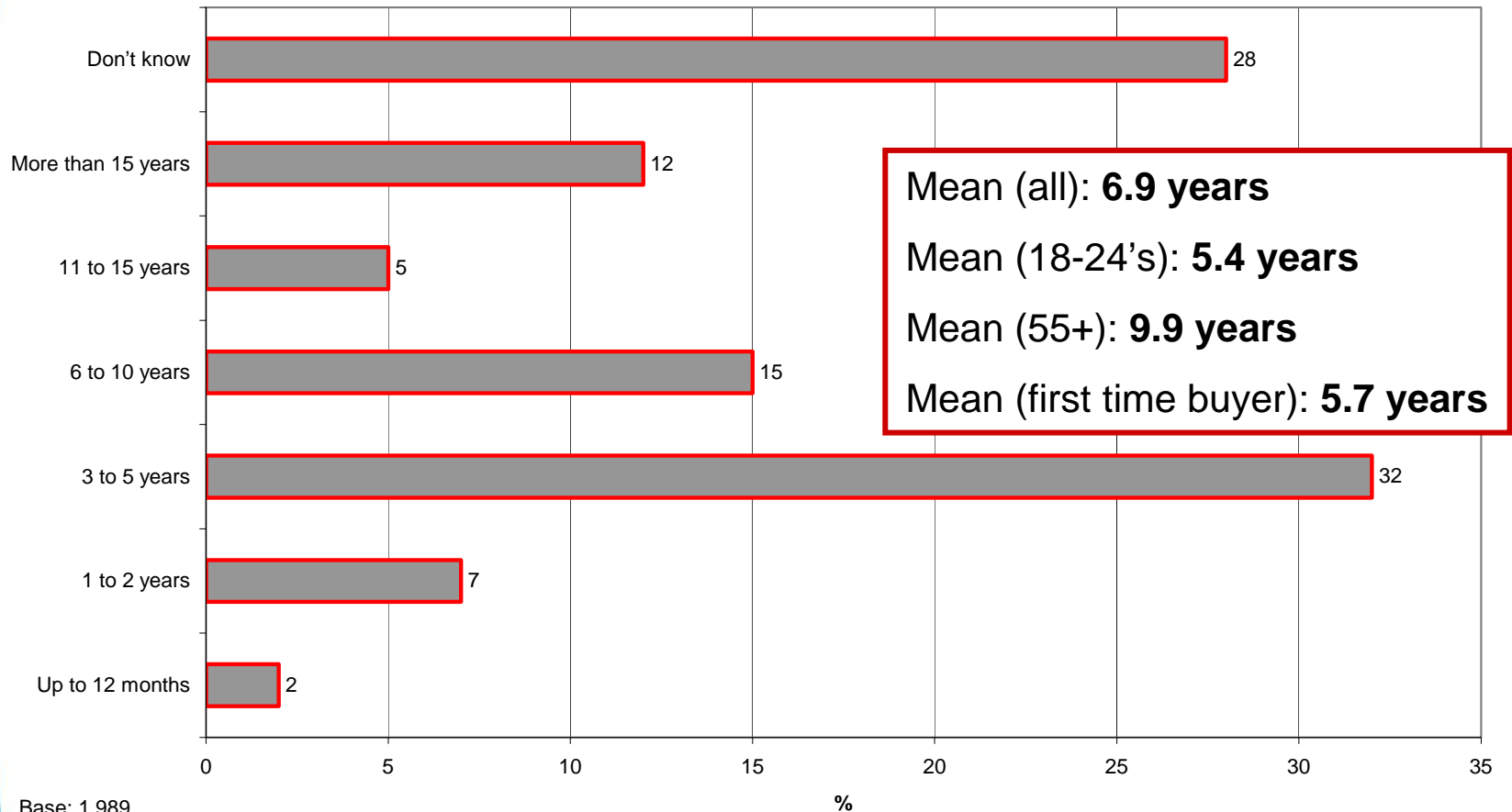
Purchase budgets

What will be your approximate budget for this 'new-build' property?



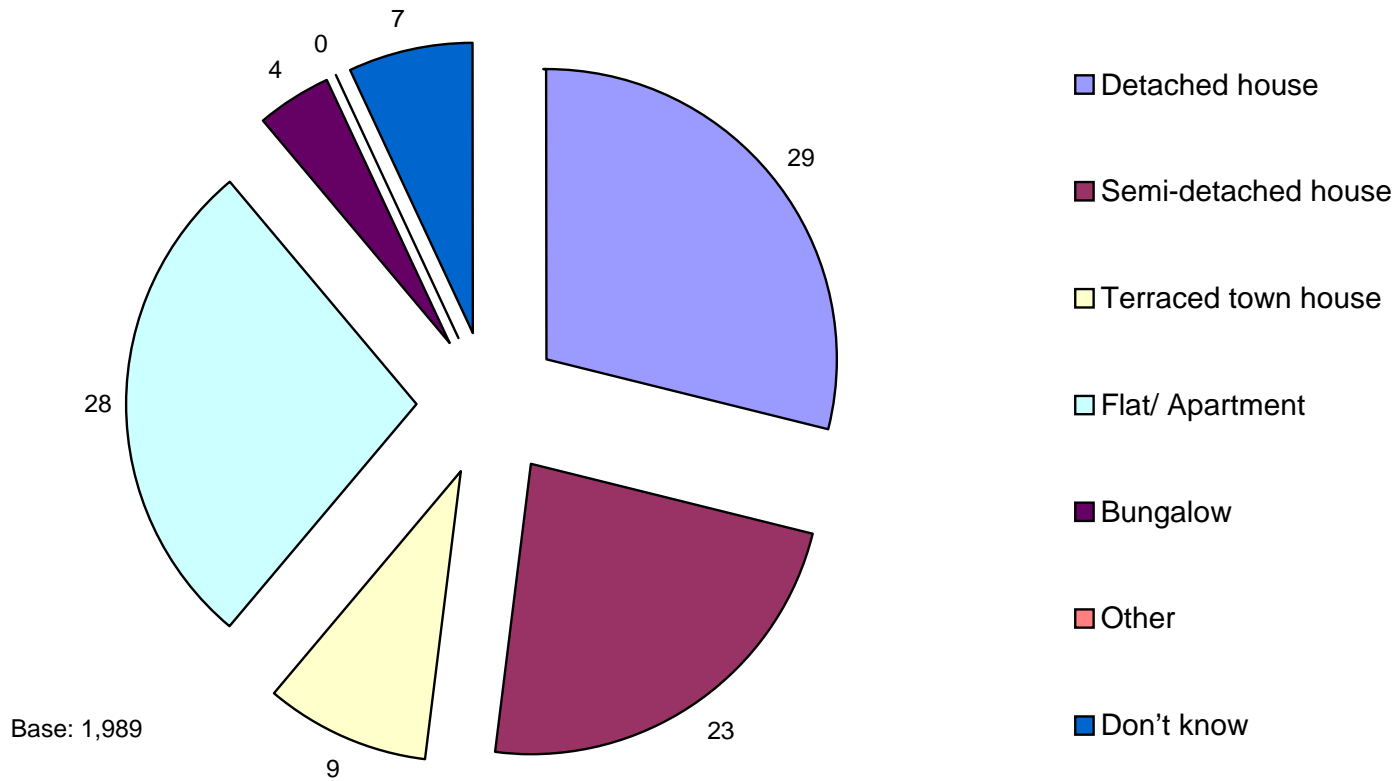
Length of tenure

For how long do you intend to own this 'new-build' property?



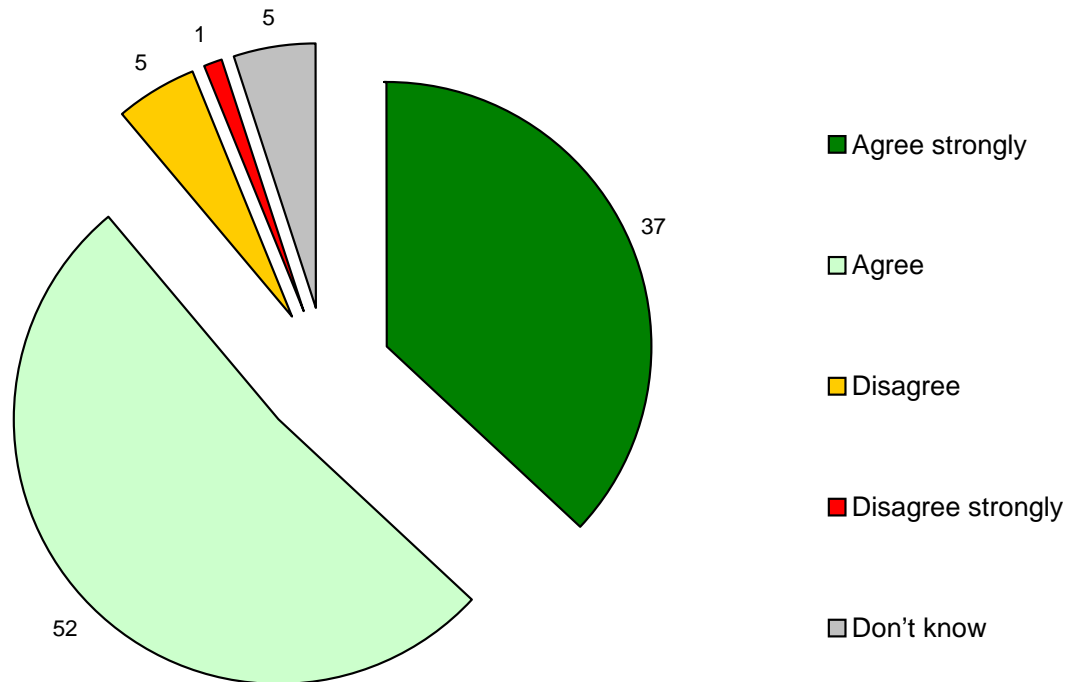
Property types in demand?

What kind of 'new-build' property will you be MOST likely to purchase?



Specification options

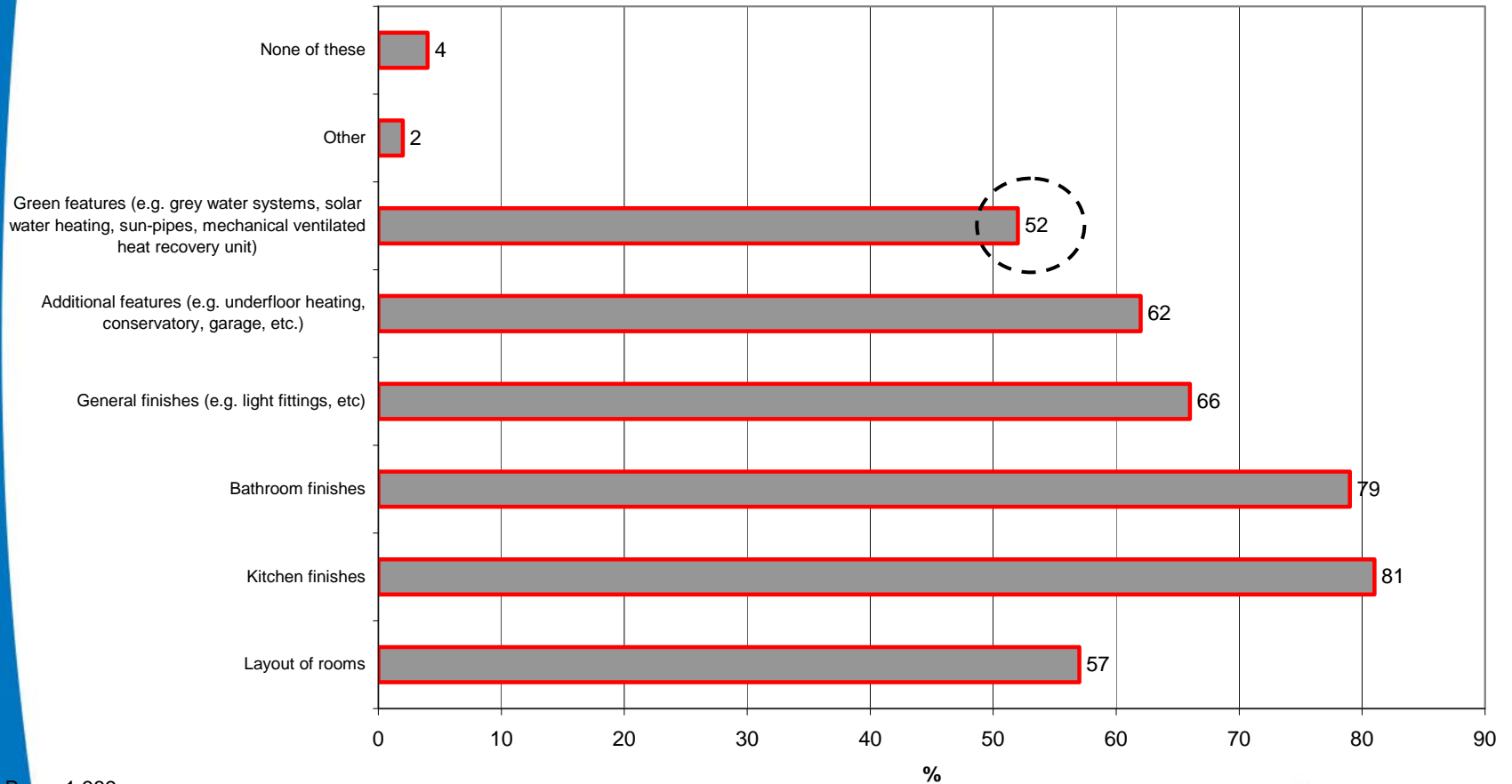
'I would like the option to choose more additional features for my 'new-build' property'



Base: 1,989

Design features

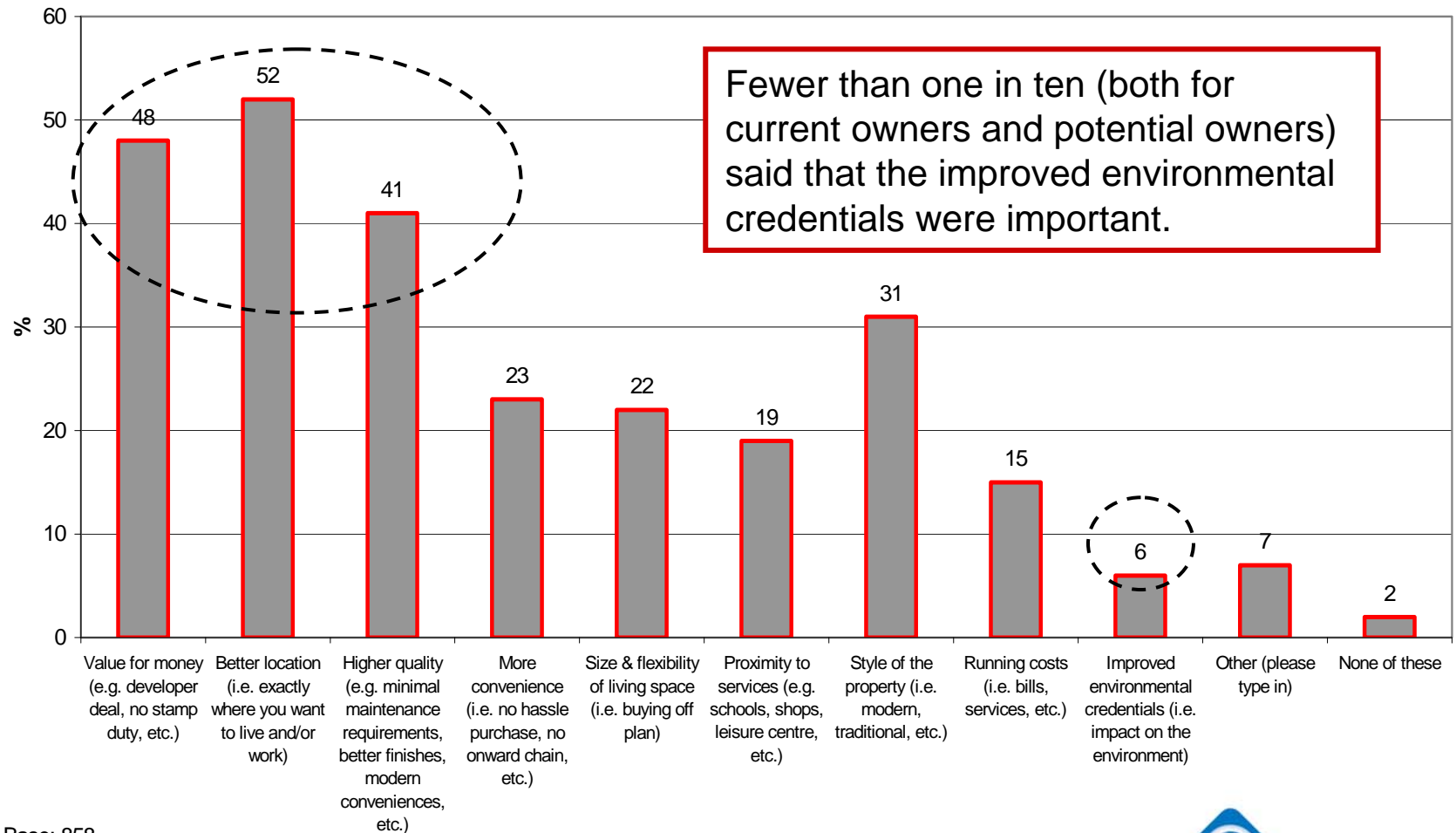
Which, if any, of the following features would you like to specify for your 'new-build' property?
[Please tick all that apply]



Base: 1,989

Existing newbuild owners

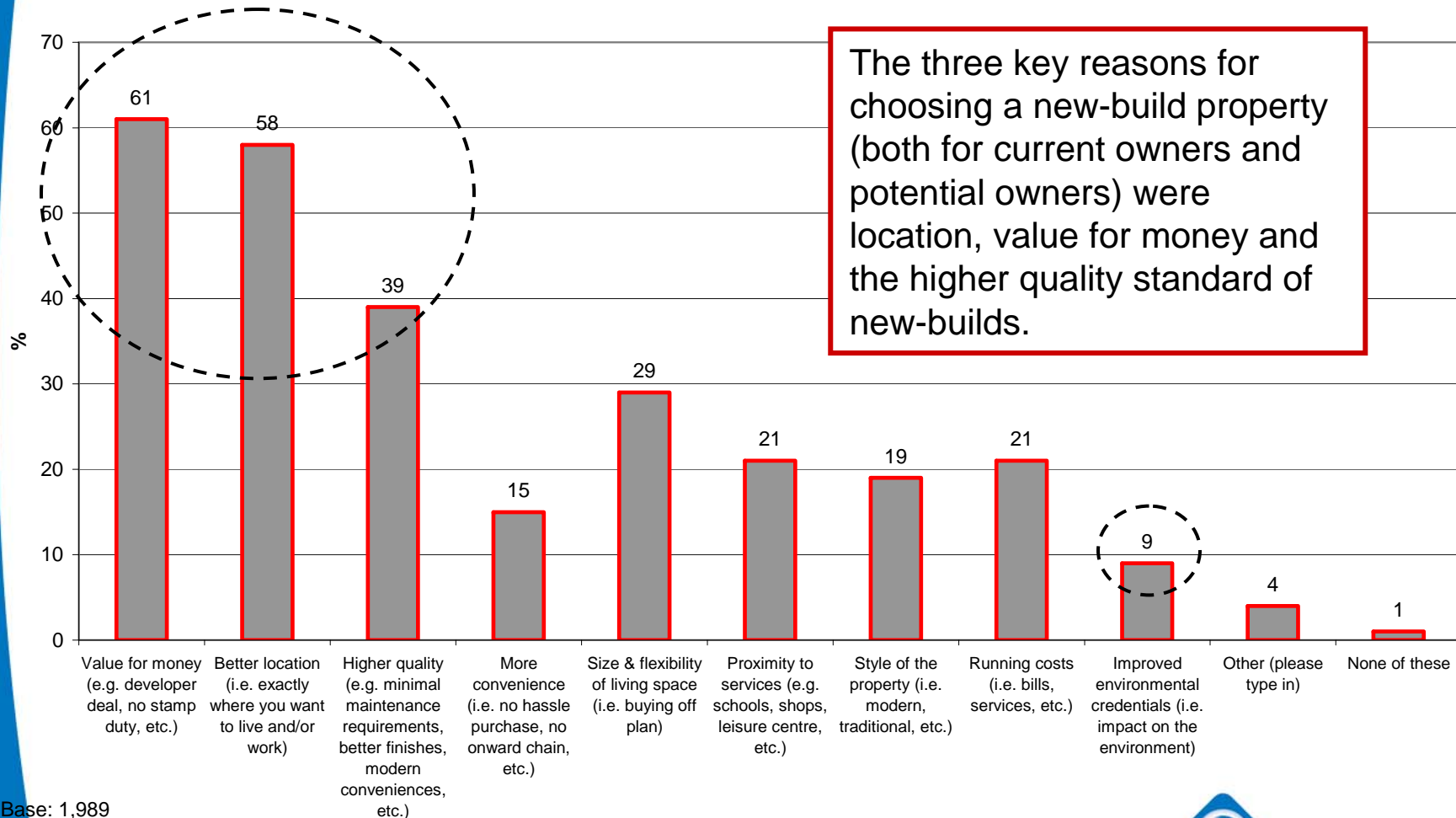
Which three of the following were MOST important to you when choosing your current 'new-build' property?



Base: 858

Potential newbuild owners

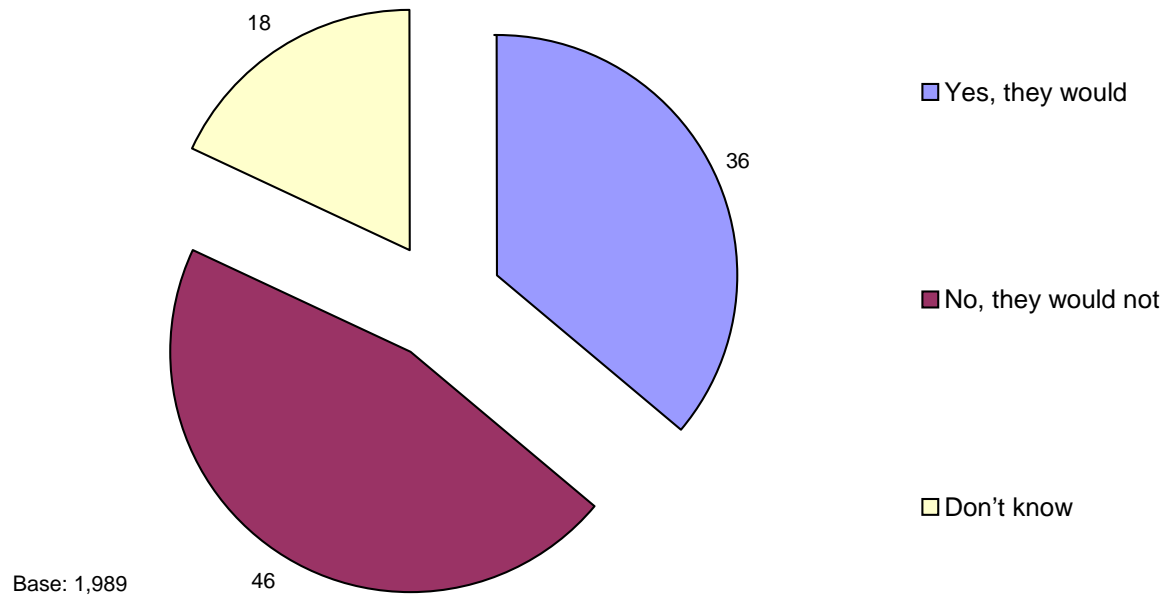
Which three of the following will be MOST important to you when choosing a 'new-build' property?



Base: 1,989

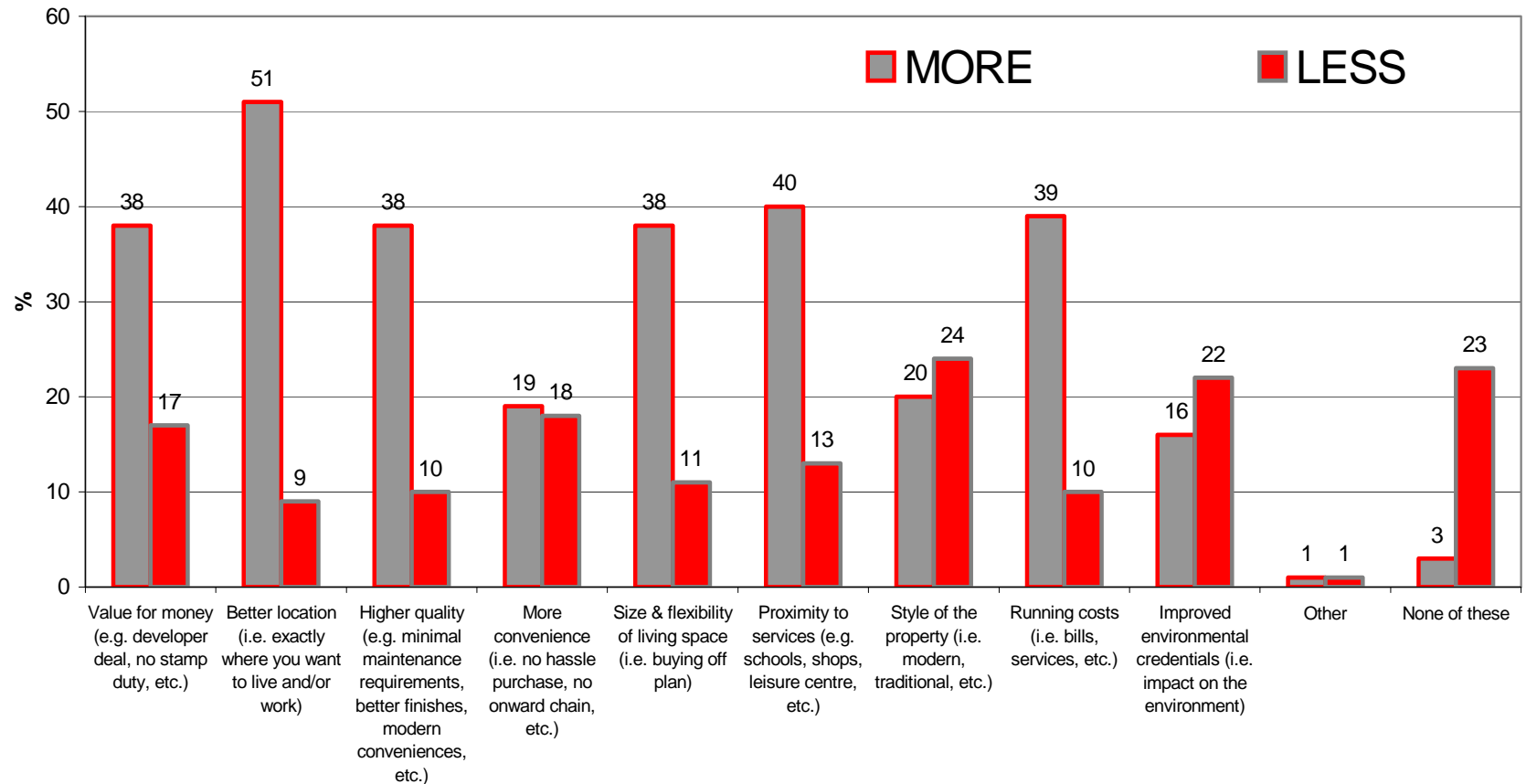
Tenure length vs priorities

Would these priorities change depending on how long you planned to own this 'new-build' property for?



Changing priorities

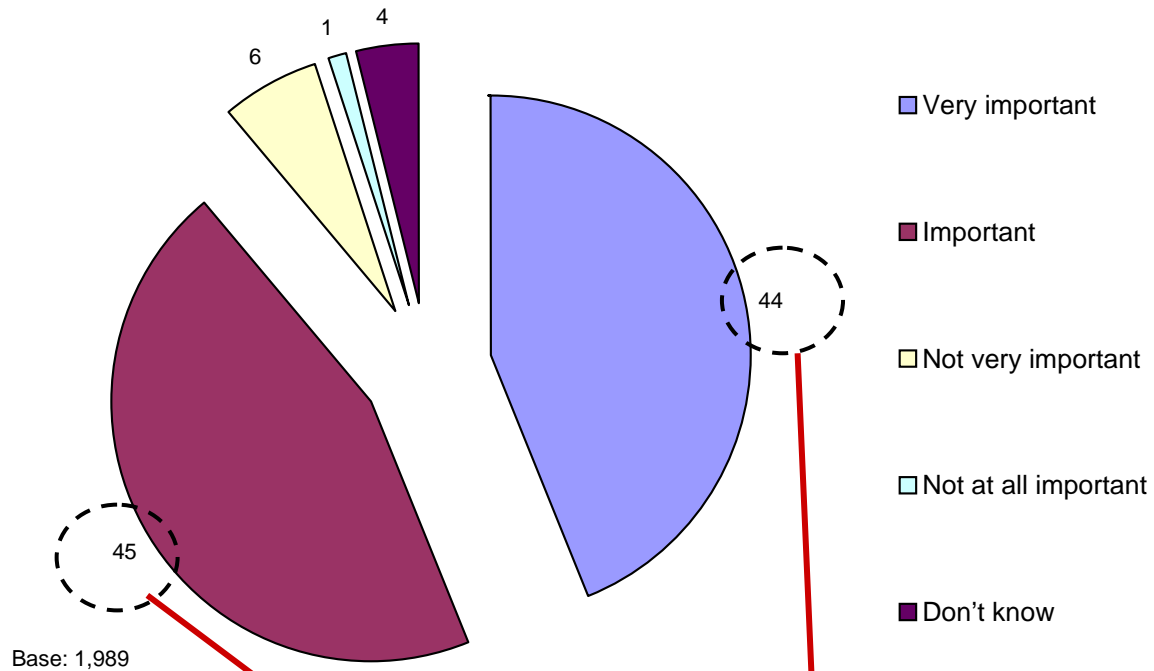
Which, if any, of the following would become MORE/LESS important to you when choosing a 'new-build' property? [Please tick all that apply]



Base: 711

Reputation of the developer

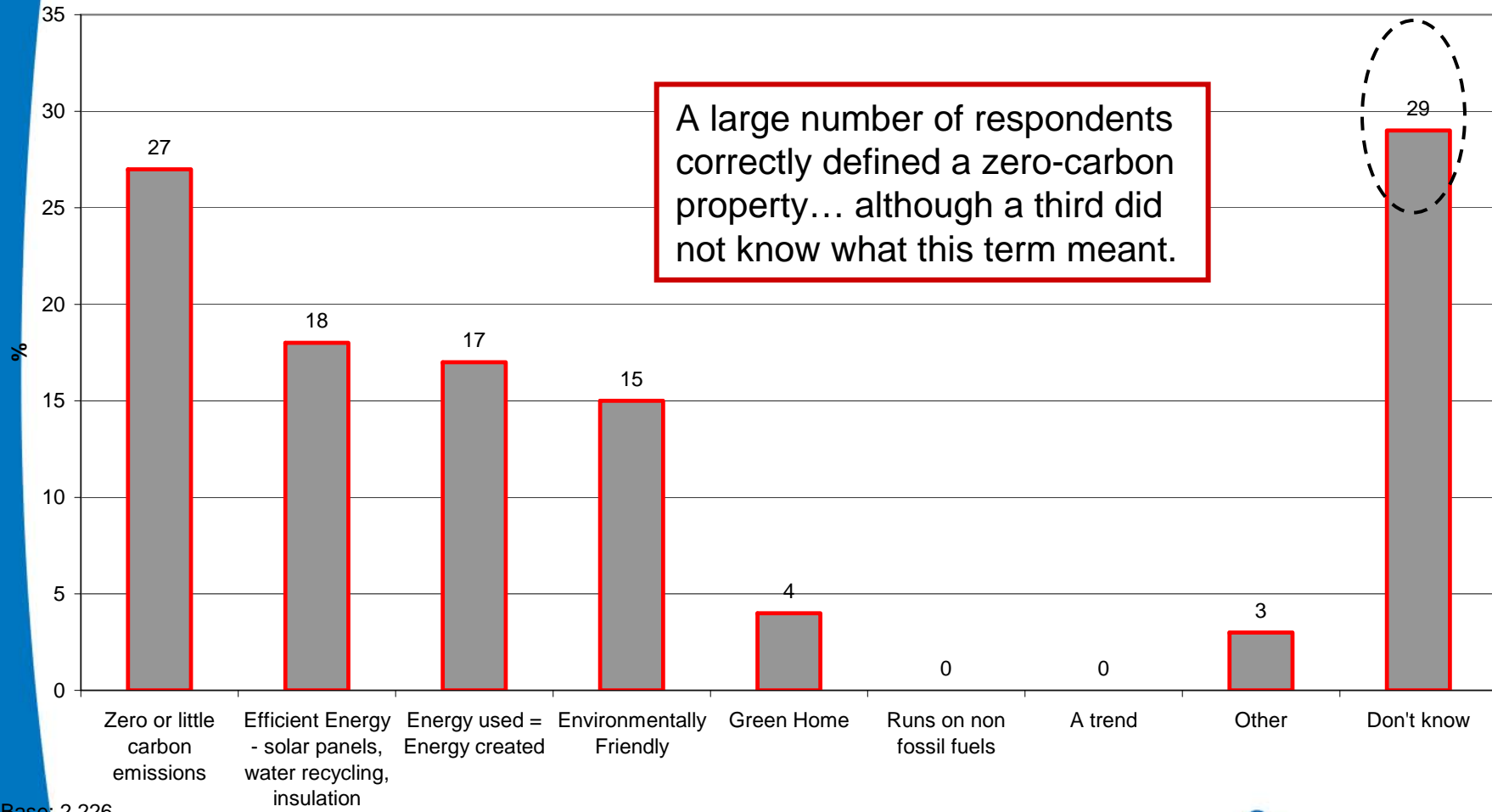
How important to you is the reputation of the developer when buying a 'new-build' property?



Almost nine in ten confirmed that the reputation of the developer is important...

Zero-Carbon Properties

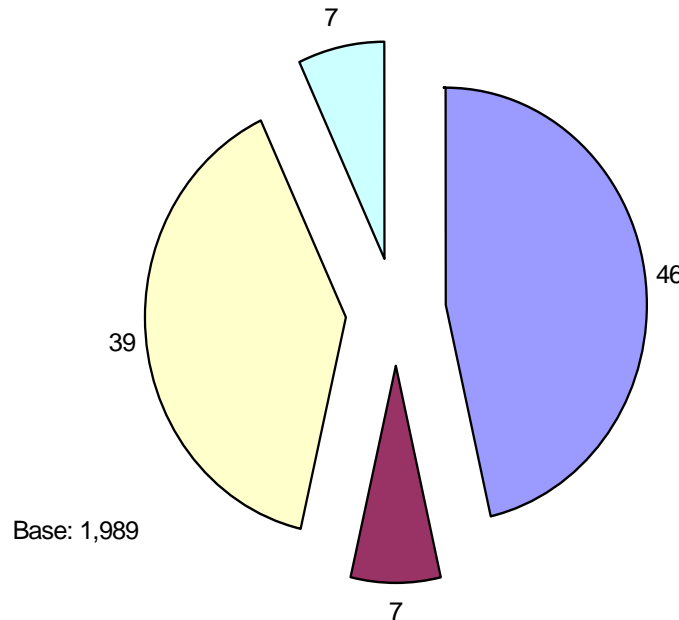
How would you define the term 'zero carbon' property?



Base: 2,226

Prompted responses

Knowing what a 'zero carbon' property means and how it would work... Would this now change your order of priorities when choosing a new 'new-build' property in the future?

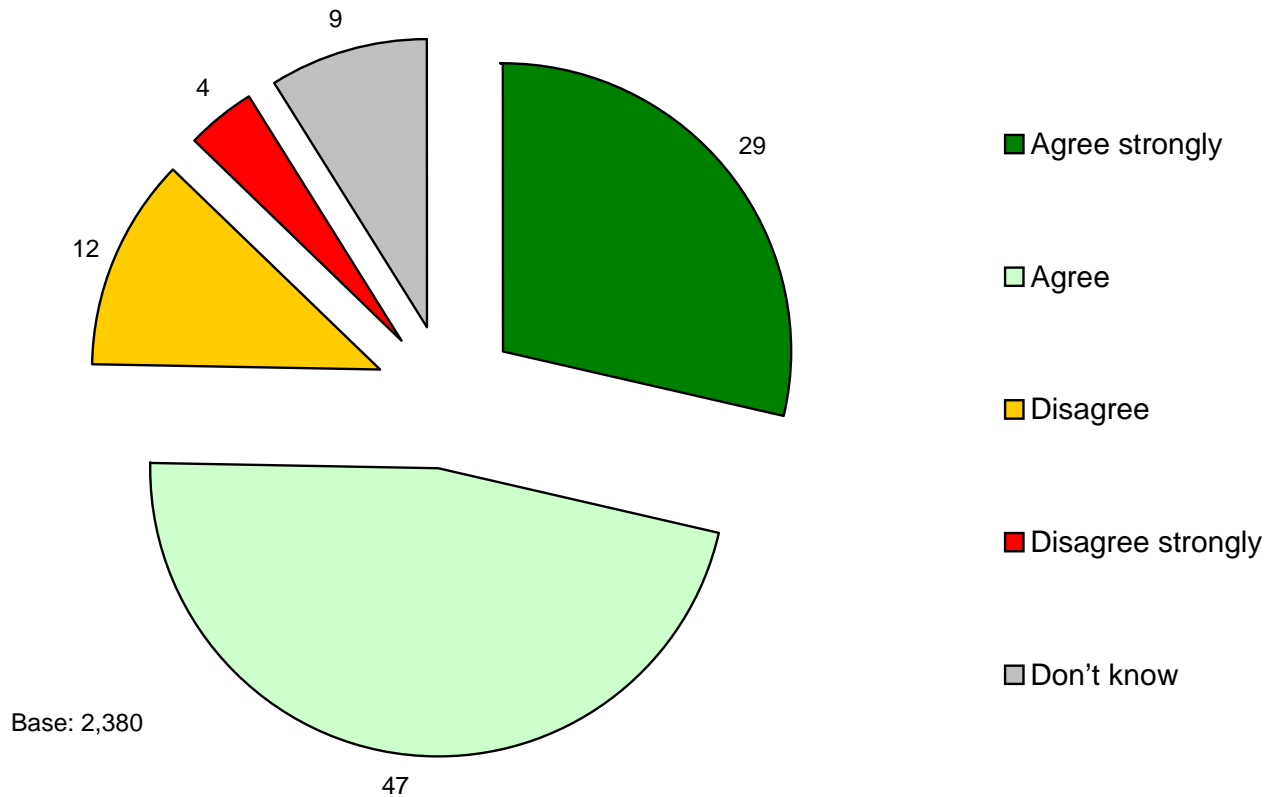


When directly **prompted**, almost half of respondents said that a new-build property's impact on the environment would be MORE important to them when choosing a new-build property...

- The 'new-build' property's impact on the environment would be MORE important to me when choosing a 'new-build' property
- The 'new-build' property's impact on the environment would be LESS important to me when choosing a 'new-build' property
- It would have no impact on my reasons for choosing a 'new-build' property
- Don't know

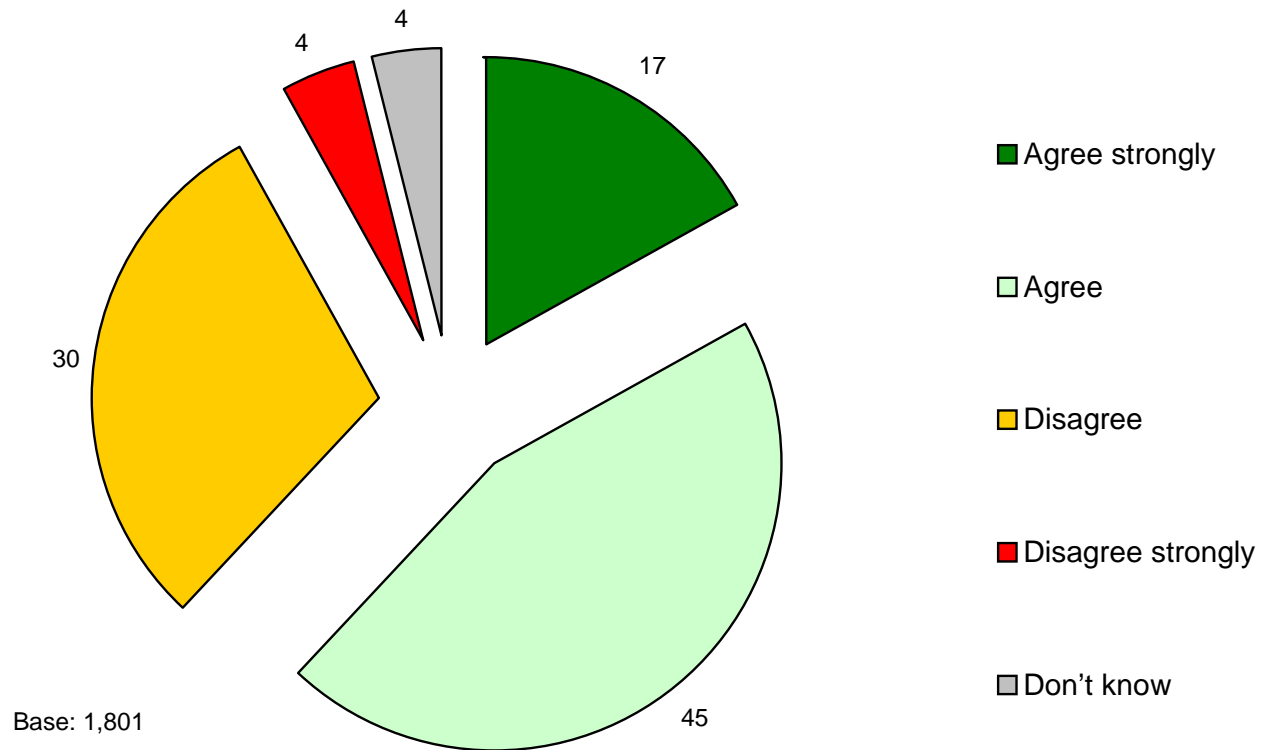
Requirements on developers

'Developers should be required to build 'new-build' properties to 'zero carbon' standards'



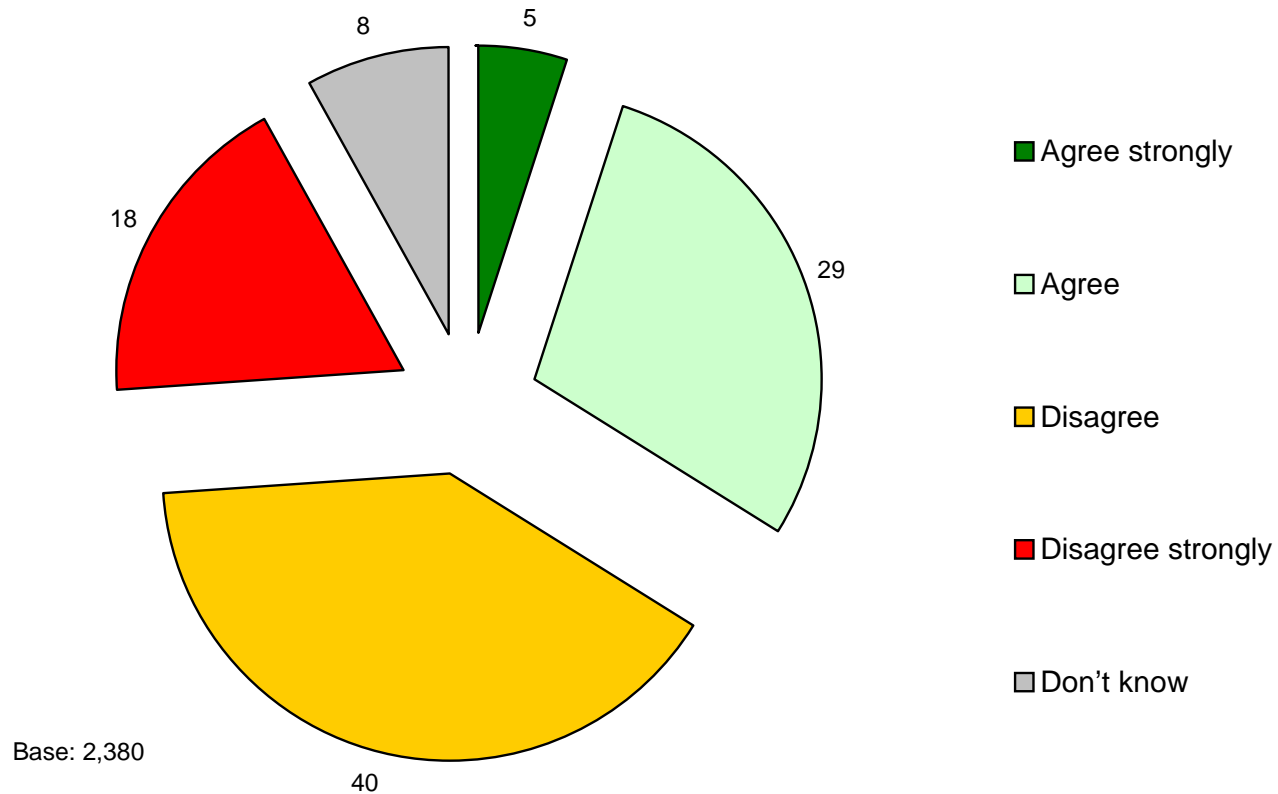
Those who agreed with the previous statement

'Developers should be required to build 'new-build' properties to 'zero carbon' standards even if this means that the price of these new properties would increase'



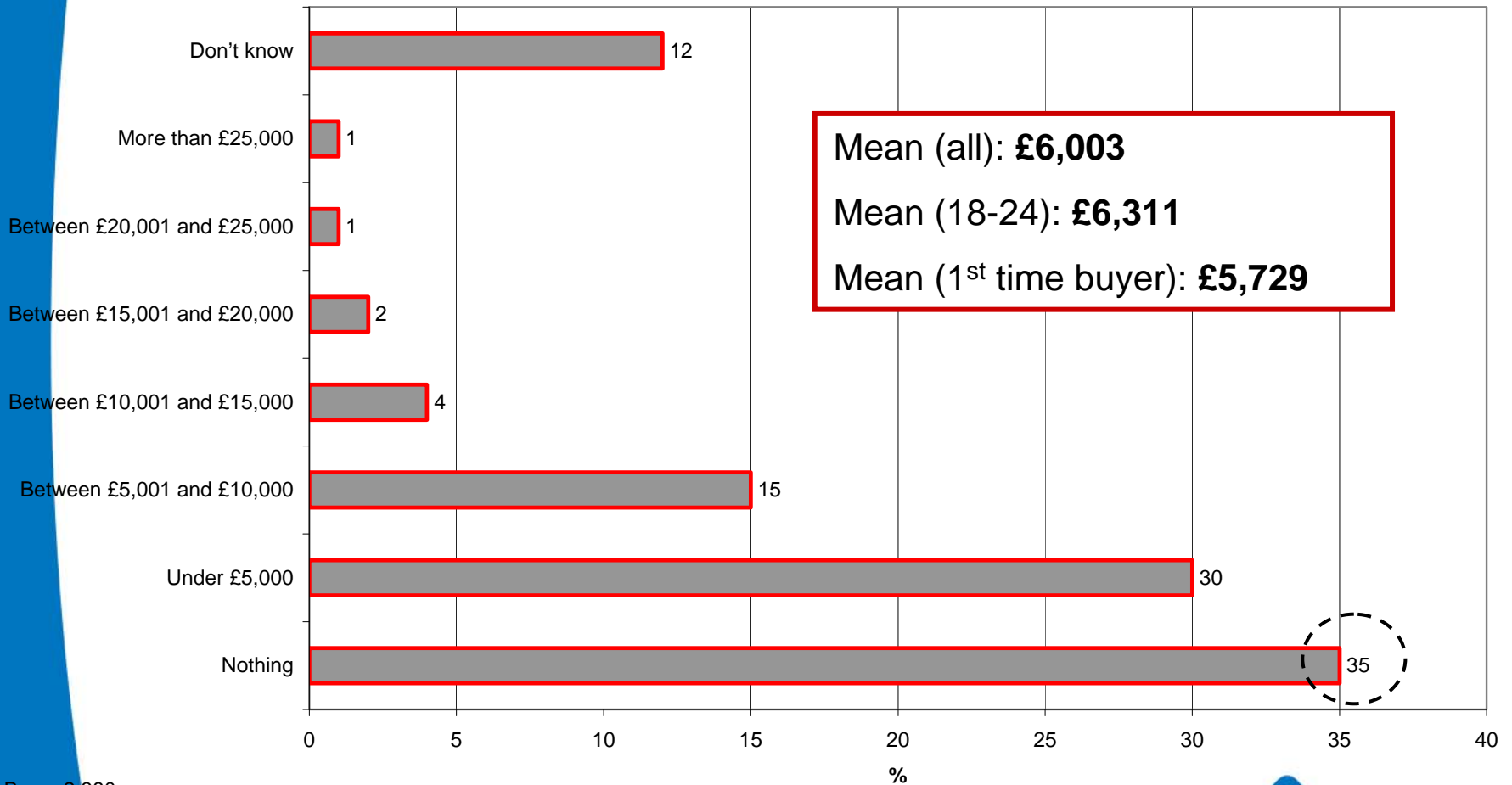
Premium pricing?

'Developers should be allowed to charge more for 'new-build' properties that are built to 'zero carbon' standards'



Price elasticity

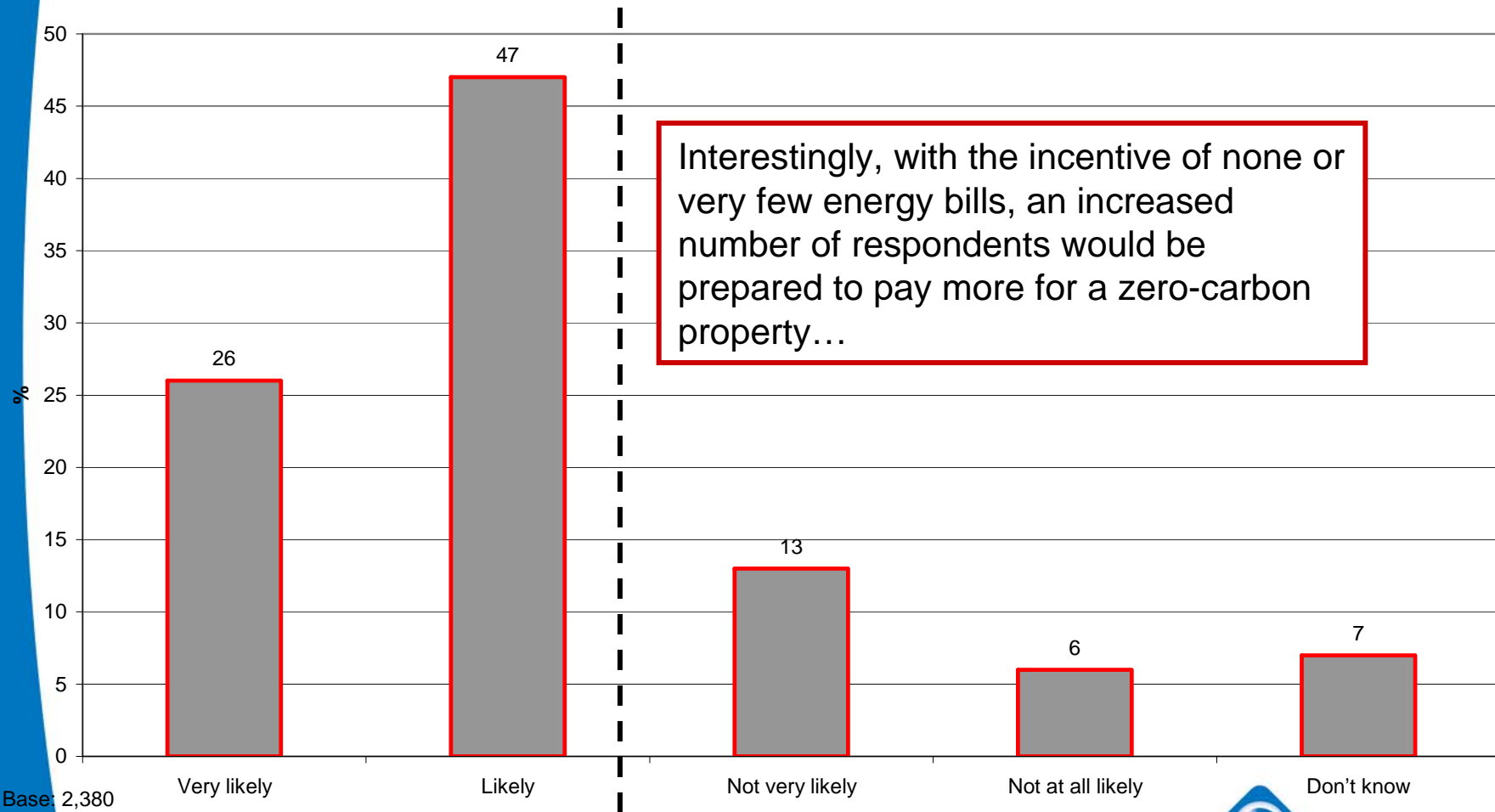
How much extra, if at all, would you be prepared to pay – in addition to the asking price - for a 'zero carbon' property?



Base: 2,380

zero energy bills as an incentive?

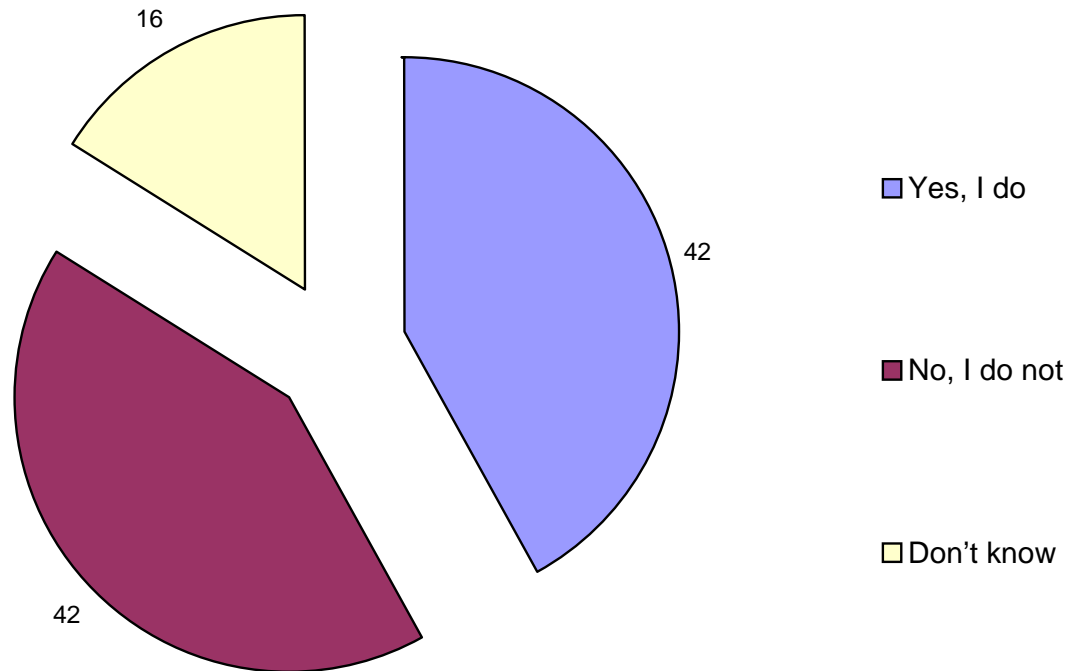
How likely would you be to pay more for a 'zero carbon' property on the understanding that there would be none or very few energy bills?



Base: 2,380

The value of EPCs?

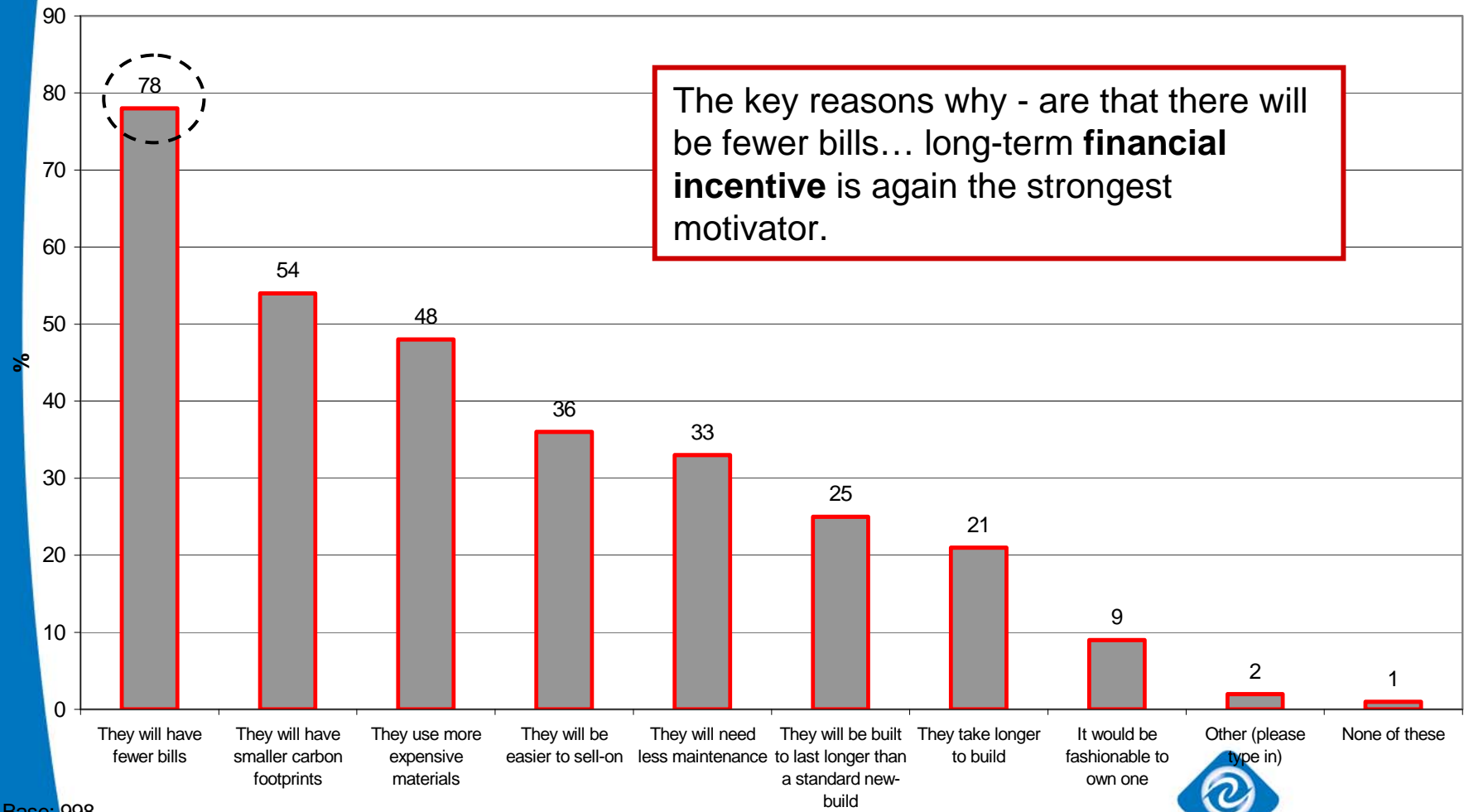
Do you think 'zero carbon' properties should command a higher price in the housing market (i.e. it should be worth more than a very similar 'new-build' property which is not a 'zero carbon' property)?



Base: 2,380

Justification for higher market value

For which of the following reasons do you think 'zero carbon' properties should command a higher price in the housing market? [Please tick all that apply]

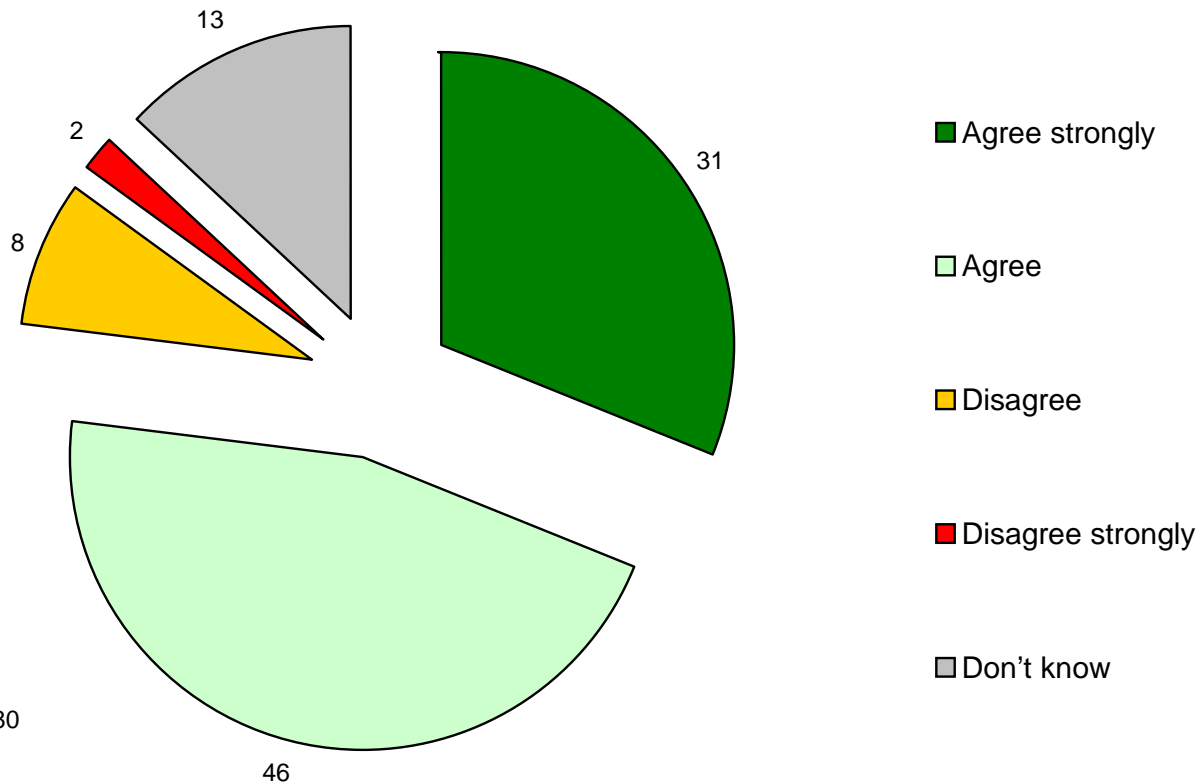


The key reasons why - are that there will be fewer bills... long-term **financial incentive** is again the strongest motivator.

Base: 998

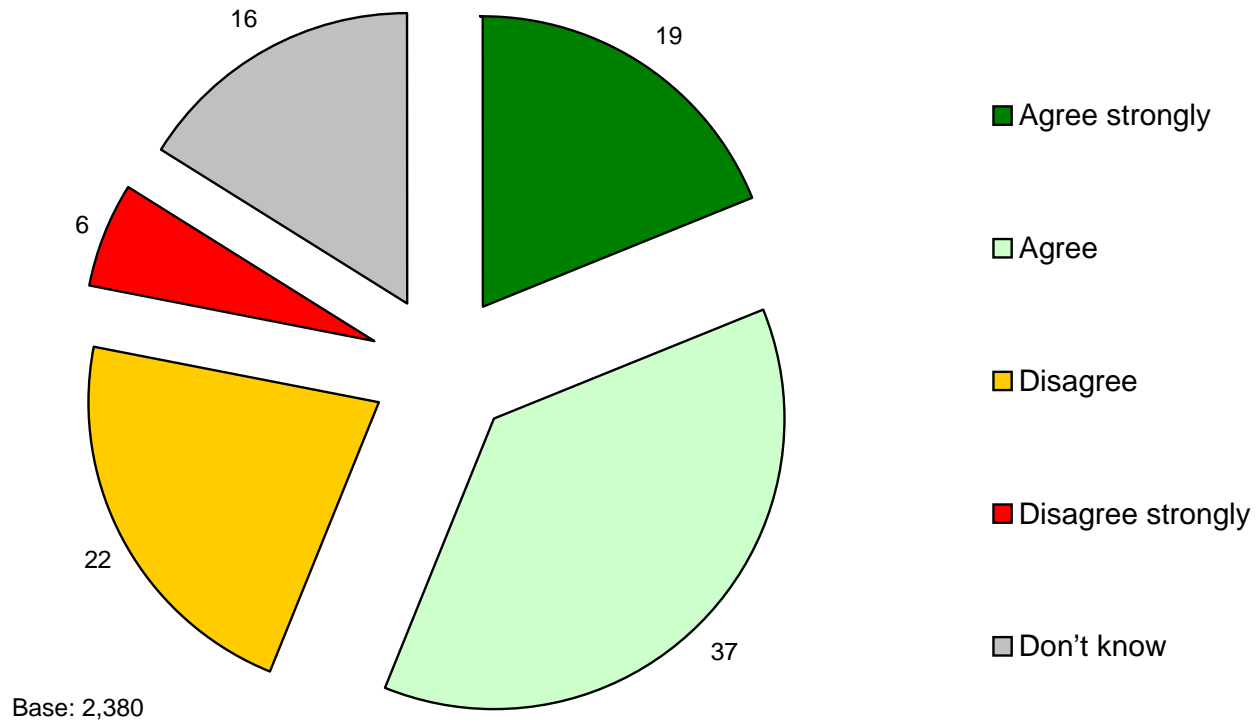
Demand for zero carbon housing?

'I would like to own a 'zero carbon' property'



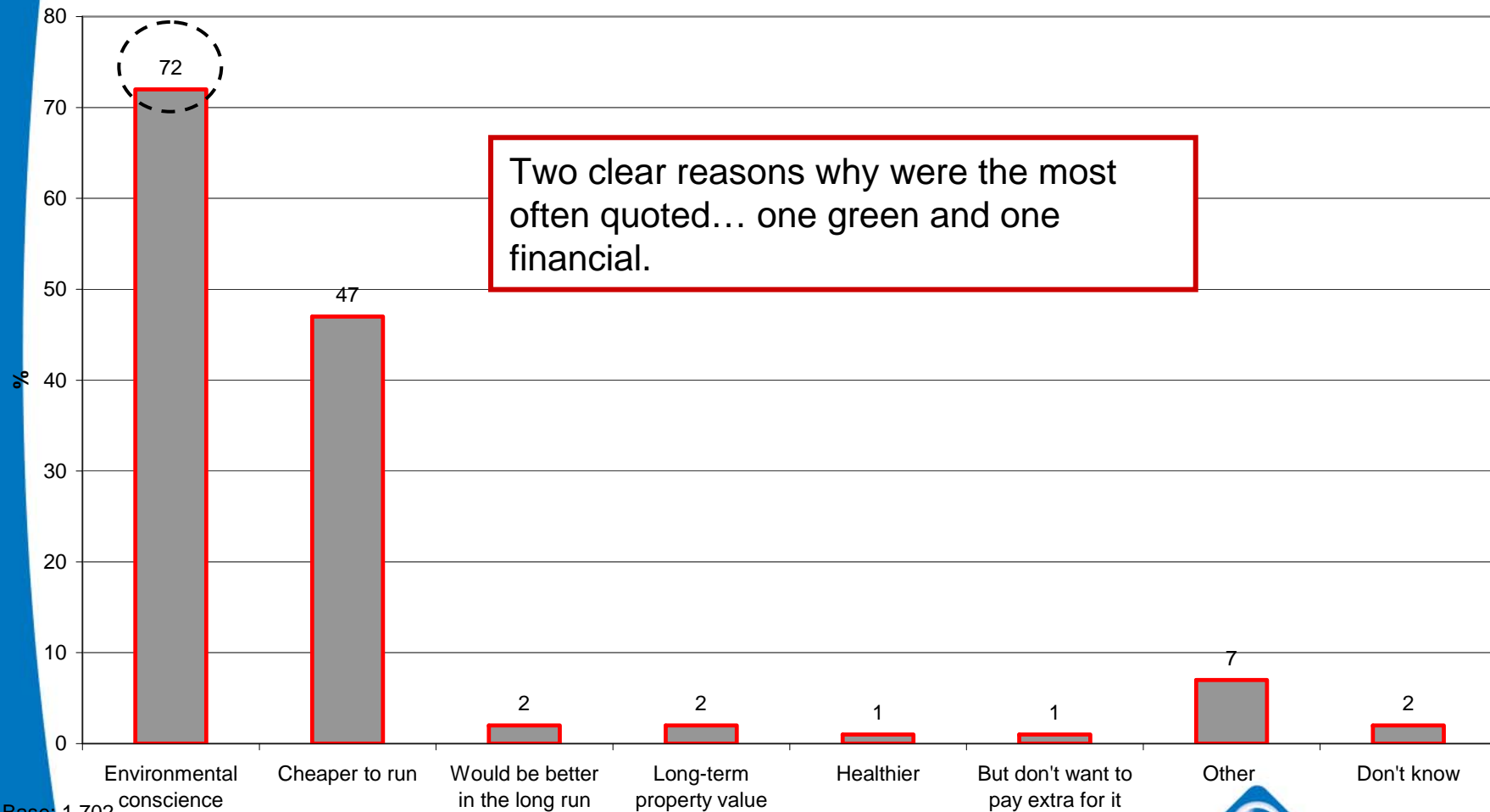
Marketing messages?

'I think that living in a 'zero carbon' property would provide me with a better quality of life'



Sales attributes?

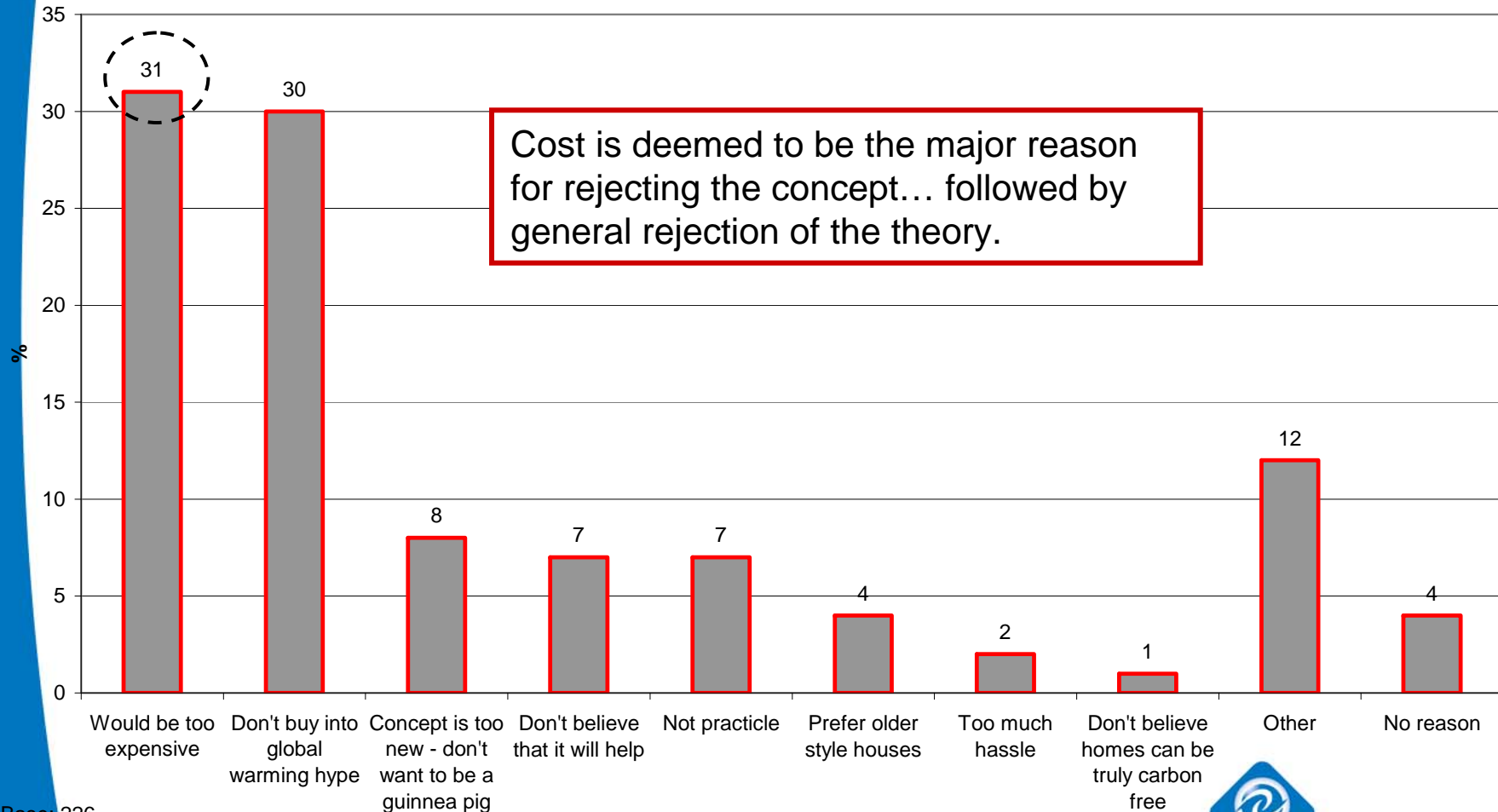
You said that you would like to own a 'zero carbon' property... why?



Base: 1,702

Not everyone is convinced!

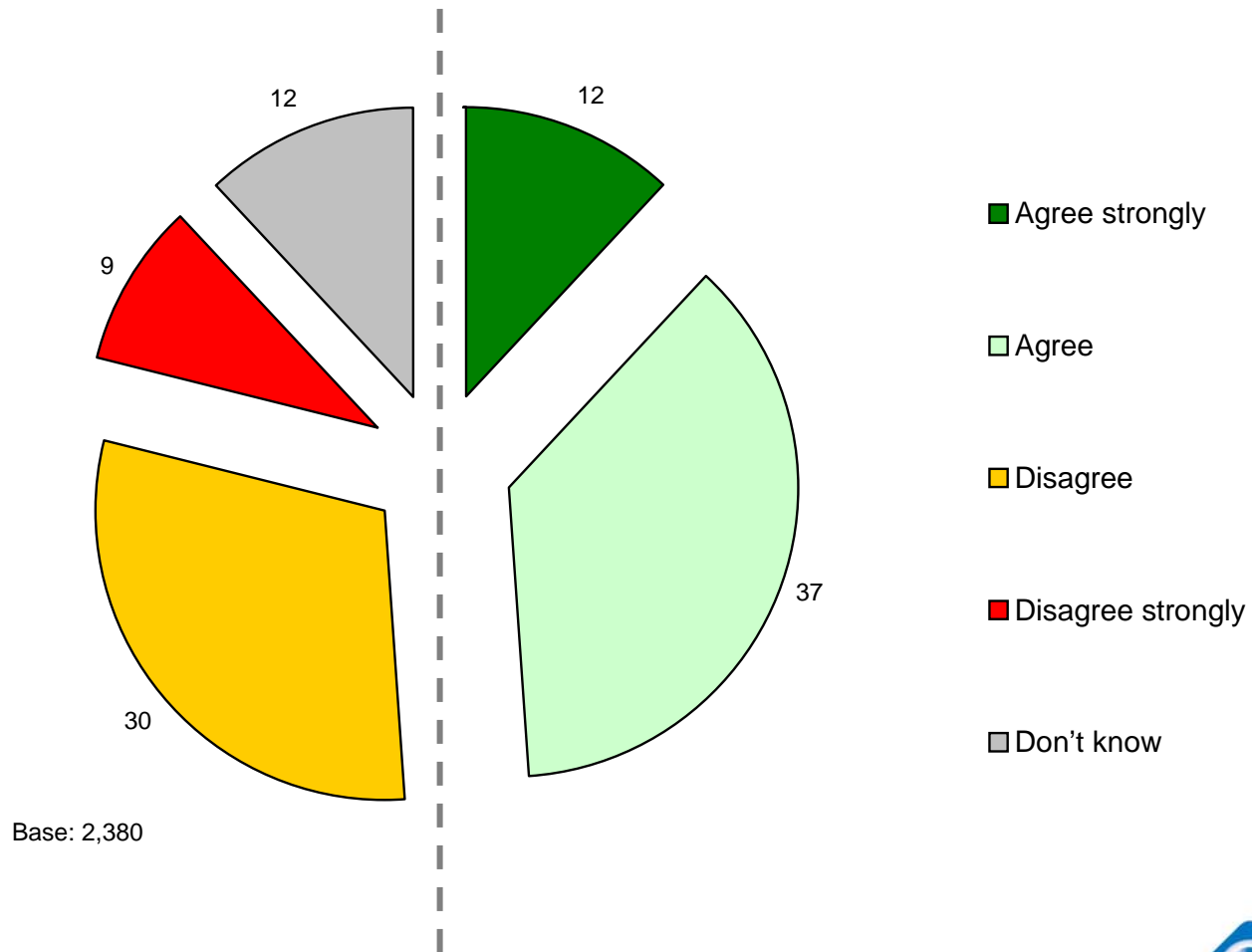
You said that you would NOT like to own a 'zero carbon' property... why not?



Base: 226

Green ratings

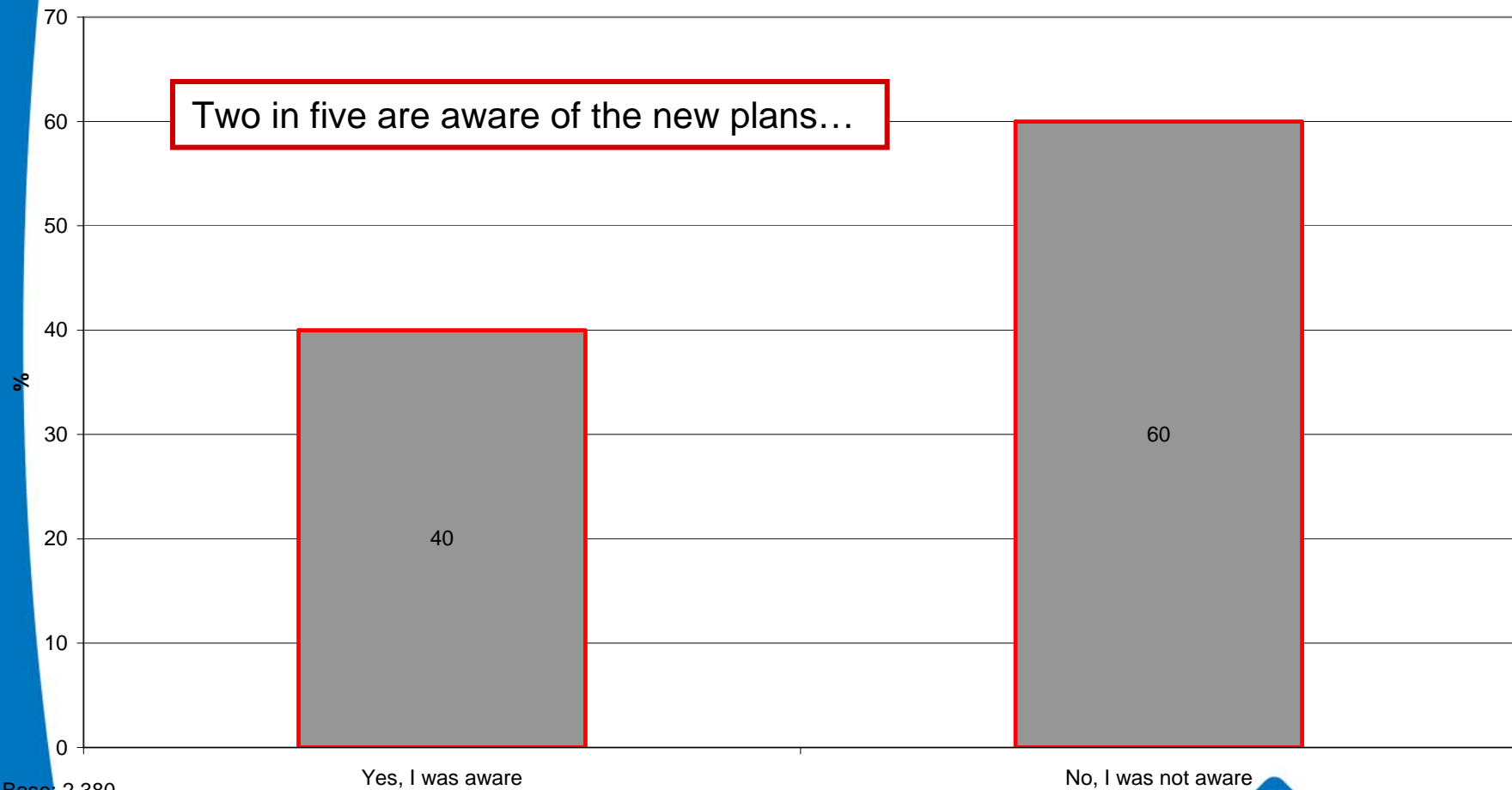
'All residential properties bought and sold should be rated on their environmental credentials'



EPCs

(NB survey conducted in March07)

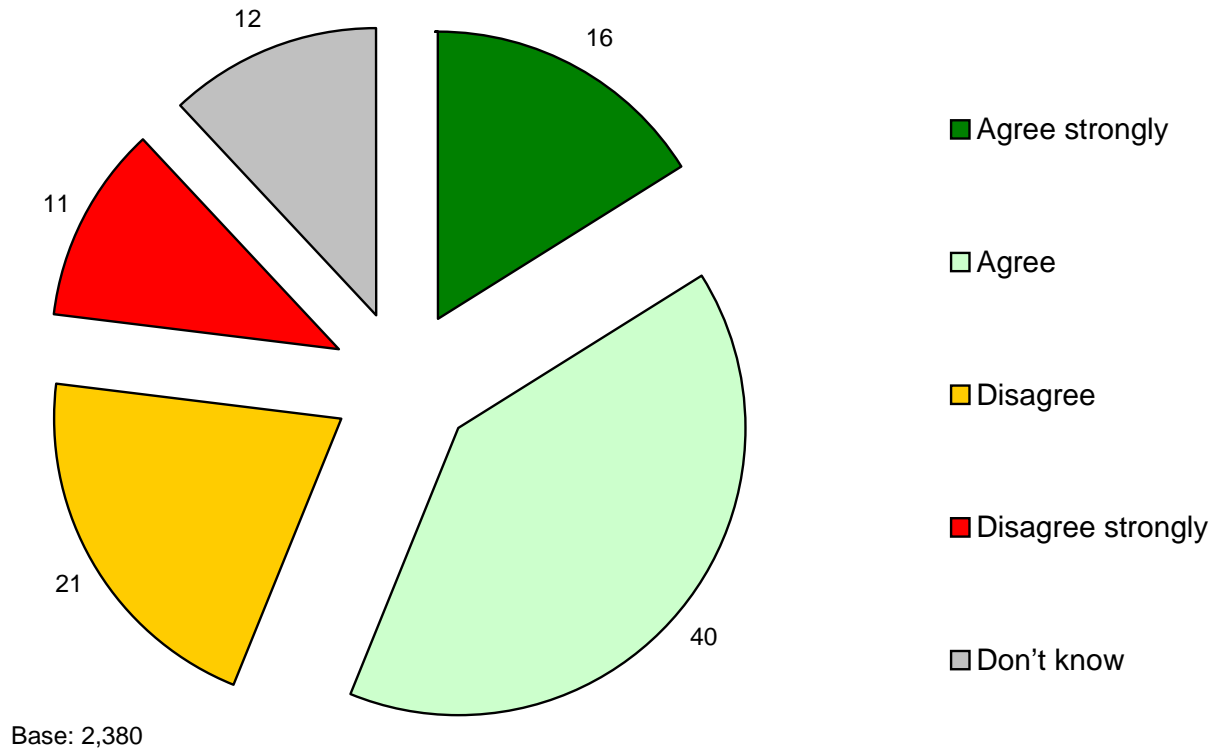
Are you aware of the government's plans to introduce 'Energy Performance Certificates' for all homes bought and sold?



Base: 2,380

Would this be different now?

Do you agree that the government should require all homes bought and sold to have an Energy Performance Certificate?



Summary results

- The 3 key reasons for choosing a new-build property (both for current owners and potential owners) were **location, value for money and the higher quality standard of new-builds**. Fewer than 10% said that the improved environmental credentials were important
- Over 50% said that they would like to specify green features including grey water systems, solar water heating, sun pipes, mechanical ventilated heat recovery units, etc. in their new-build property
- 75% of respondents agreed that developers should be required to build new-build properties to zero-carbon standards. However, 42% agreed that zero-carbon properties should command a higher price in the housing market and only 34% felt that it was acceptable for developers to charge a premium for new-build properties
- 50% said that they were prepared to pay a little extra (approximately £6,000 more on average) for a zero-carbon property

Summary results...

- After being given a full definition of a zero-carbon home and when directly prompted, nearly 50% of respondents said that a new-build property's impact on the environment would be MORE important to them when choosing a new-build property.
- With the incentive of none or very few energy bills, an increased number of respondents would be prepared to pay more for a zero-carbon property; almost 75% said that they would be likely to pay more compared with just 20% who said that they would not
- 50% said that living in a zero-carbon property would provide them with a better quality of life and 65% of all respondents agreed that there are more benefits to owning a zero-carbon property than there are in a standard property
- 50% of all respondents agreed that all residential properties bought and sold should be rated on their environmental credentials. But awareness levels of the government's plans to introduce 'Energy Performance Certificates' for all homes bought and sold is only 40% within this group of respondents

Sample quotes

“... I would like to own a zero-carbon property for its impact in reducing my carbon footprint as I feel we should all work towards protecting the environment. I do however feel that government should, through tax breaks, subsidise eco-friendly building and that the consumer should not have to pay more... “

“... Ethically, I care about the long term impact on the environment and would like to do my bit to help, if the extra cost is partially offset by lower bills then that's even better... “

“... The technology is too new - I would prefer to see it tried and tested before I put my hard-earned money into it... “

Conclusions

- The environmental impact and the environmental credentials of a property are NOT regarded as a key consideration when purchasing a new-build property when compared alongside the traditional drivers of property purchase (i.e. VFM, location, etc.).
- However, when assessed in isolation and away from these factors, new-build property buyers are keen to consider the environmental impact of their property.

Conclusions...

- The majority of respondents understood what the term zero carbon home meant.
- There is strong support for zero carbon homes and a high percentage of newbuild property owners and potential owners would like to live in such a property.
- But this support seems to be closely aligned with fears that new house prices will rise in order to achieve this.
- Many new home buyers do recognise an intrinsic value in living in a zero carbon home.
- The majority would be prepared to pay a little more by adding approximately £6,000 more to the sale price.
- A proportion believe that the government should invest in this rather than the consumers themselves.

EST related reports/activity

- **Recent research projects**

- Potential of Microgeneration 2005 – 2050 (phase 2)
- Pathways Beyond Zero Carbon Homes
- Towards Zero Carbon – Technical Issues for improving performance of dwellings
- Avoided infrastructure costs of building to higher standards
- CO2 emissions from newbuild homes 2005-2050
- UK housing model to assess potential for CO2 emissions reductions
- Attitudes of new home purchasers to zero carbon homes

- **Related & planned activity**

- Supporting Defra & Ofgem to include microgeneration in EEC3 (2008_11)
- Working with CLG on joint promotion of CSH and EPCs
- Working in partnership with EP to deliver the 'Carbon Challenge'
- Scoping out programme of support for housebuilders/developers to achieve zero carbon by 2016
- Sit on DTI's microgeneration accreditation steering group; Sit on CPA's Low & Zero Carbon Technologies group; & Chair Low Carbon Home Technical Research Coordination group.
- Consumer campaign (general awareness and creating a positive climate) and consumer advice (offering advice on the benefits of energy efficiency and directing people to grants)
- Consumer labelling (scoping ESR for newbuild)
- Local authority support (including planners)

EST plans 07_08

- Energy Efficiency Best Practice programme
 - Developing detailed Best Practice guidance on how to meet levels 4 and 5 of the Code for Sustainable Homes. (**We already have tried and tested solutions for code levels 1 and 3**)
 - Continuing with our series of free training, seminars, specific and third party events for building professionals
 - Scheduled to produce around 8 technical publications as well as technical reports and publication revisions
 - Technical advice from some of the UK's leading experts on housing energy performance
 - Interactive web-based tools to help you implement sustainable energy measures
- Newbuild outreach programme
 - Bilateral relationships with 5-10 developers delivering code 3+ projects offering bespoke technical and marketing support services
 - Evaluation & monitoring of designs + as built performance
 - Case studies & dissemination of results
 - Facilitating local stakeholder involvement (LA planners, energy suppliers)
 - Scope out supply chain barriers, work with manufacturers to address barriers
 - Research: glide path, market & technology maps, consumer demand profiling

Further info and contact details

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