



Building America Case Study Technology Solutions for New Homes

Business Case for High Performance Homes: Tommy Williams Homes

Gainesville, Florida

PARTNER INFORMATION

Partner Name: Tommy Williams Homes

Location: Florida

Building America Partnership for Improved Residential Construction
www.ba-pirc.org

Application: New, Single-family

Partnership Period: 2004-present

Applicable Climate Zone(s): Hot-Humid

PERFORMANCE DATA

HERS Index Score: 57

Cost of Energy-Efficiency Measures (including labor): \$3,138

(Included in Standard Practice)

Projected Annual Source Energy Savings: 31%

Projected Annual Energy Cost Savings: \$430

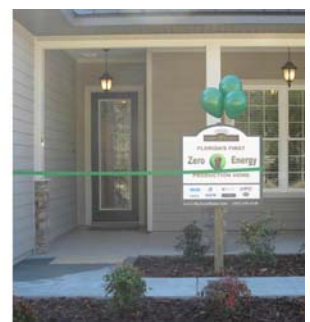
Projected First-Year Positive Cash Flow: \$226

Building America research has shown that high performance homes can potentially give builders an edge in the marketplace. Tommy Williams Homes (TWH) has been capitalizing on that edge since becoming a Building America partner in 2004 and has sold over 250 high performance homes. Marketing the benefits of high performance homes with flair is a key factor to TWH's success in selling a premium product that demands a premium price, even in a suppressed economy.

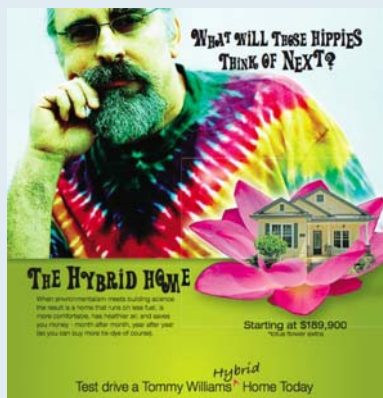
Over the past decade, TWH accelerated standard construction practices and became one of the "Pioneering Builders" of the U.S. Department of Energy *Builders Challenge* in 2008. TWH was also the first production builder in Florida to build a zero energy home in 2009. Since then, they have made all of their homes zero energy ready with Home Energy Rating System (HERS) Index scores of 60 or lower. This builder has sold nine zero energy ready homes. The required HERS Index of zero or lower was achieved by simply adding photovoltaics (PV) to their standard designs, which are efficient enough to be powered by a modest PV array.

The TWH focus on building high performance homes has led to the development of a multifaceted marketing approach that devotes resources to advertising, targeted social media outlets and blogs, realtor education seminars, and groundbreaking and open house dedications (Figure 1). Print ads help buyers visualize their place in a Tommy Williams home and illustrate the benefits of high performance design and construction (see side bar, back page). CEO Todd Louis says TWH's "continual site supervision and third-party inspections give us an edge above and beyond the competition." To prove they "know what they're doing," TWH pays the homeowner's electricity bills for a year—on all of the homes it builds, not just the zero energy ones.

Figure 1. Special events, such as this ribbon cutting for TWH's first zero energy home, draw media attention and crowds.



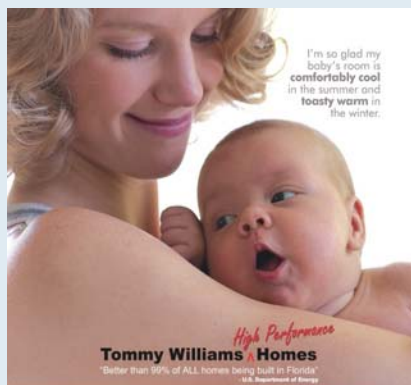
Multi-faceted Marketing and Branding



TWH print ad takes advantage of the public's familiarity with hybrid cars.



Self-guided tour and demos in model home. This one uses heat lamps to compare windows. "Put your hand in front of each glass for 5 seconds," the instructions state. "Think low-e windows are important? We do too!"

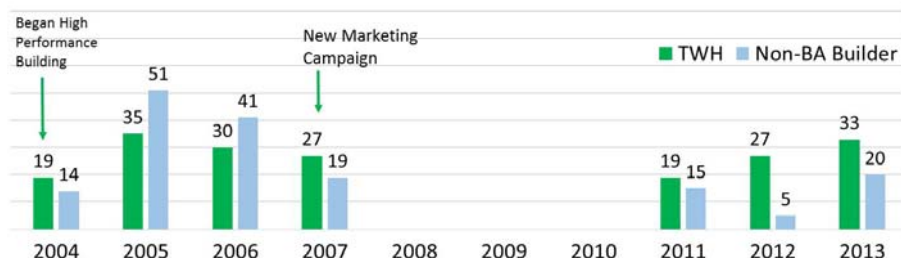


Benefits more effectively capture buyer attention than features.

For more Information, see *Approaches to 30% Energy Savings at the Community Scale in the Hot-Humid Climate*:

<http://fsec.ucf.edu/en/publications/pdf/FSEC-CR-1947-13.pdf>

Side-by-Side Annual Sales Data in a Shared Development



TWH has two communities under construction that will total 575 homes when complete. These communities have gradually integrated advanced measures of construction over time. Today's HERS Index scores are 60 or less in all homes. All of the houses are single-family, slab-on-grade with brick and fiber cement siding. These two developments consist of one- and two-story houses between 1,228 and 3,100 ft² with two to five bedrooms. The sales statistics speak for themselves (see bar chart above). In one community, 2013 property sales records show that TWH outsells their non-Building America competitor (33 houses to 20) at a higher price per square foot (\$141/ft² to \$117) in addition to selling homes faster. In the same community, resale data shows higher sales, fewer days on the market (92 to 240 days), and a resale premium of \$23,000.

Marketing Lessons Learned

- High performance homes can command a premium price and higher market share. Creative and targeted audience advertising is vital to success.
- TWH invites buyers to "See for Themselves" using "show and sell" demonstrations to emphasize that TWH is offering something above and beyond the norm. Demonstrations give sales staff more time to get to know potential buyers.
- A trained sales staff can field questions arising from model home demonstrations (see left side bar), an important aspect of creating a personal sales experience and establishing credibility.
- Buyers respond more to high performance benefits, such as extra cash "month after month, year after year" and comfort, than to features.
- Sales at higher price per square foot show that new home buyers are able to understand, appreciate, and value homes that optimize performance and economics.
- Don't lose the buyer in a sea of technical jargon. For example, say "fresh air system" instead of "positive-pressure ventilation system."

Looking Ahead

CEO Todd Louis states, "High performance branding, as well as the publicity generated by each subsequent zero energy home has helped TWH become "the go-to builder" in the market for high-performance and new residential solar homes."