

Reporting on 3rd Party, Certified, High Performance Units Built in NC (2013)

Above code certification programs have and continue to experience great success in NC. The North Carolina Energy Efficiency Alliance (NCEEA) recently collected updated data detailing the market penetration of voluntary, 3rd party certified, high performance building programs in NC. For many years, the ENERGY STAR program dominated the market in NC. With the emergence of stricter energy codes the ENERGY STAR program was forced to improve its standards in 2012. This created opportunity for other 3rd party certification programs to expand into the state. The programs operating in NC and tracked for this report were ENERGY STAR, HERS label homes, the National Green Building Standard (NGBS), ecoSelect, LEED, and NC Green Built. In 2013, NC builders and developers produced 16,360 certified single family and multi-family units. This accounts for an amazing 32% of the building stock produced in 2013.

A breakdown of the certification programs being utilized in North Carolina can be seen in Figure 1.

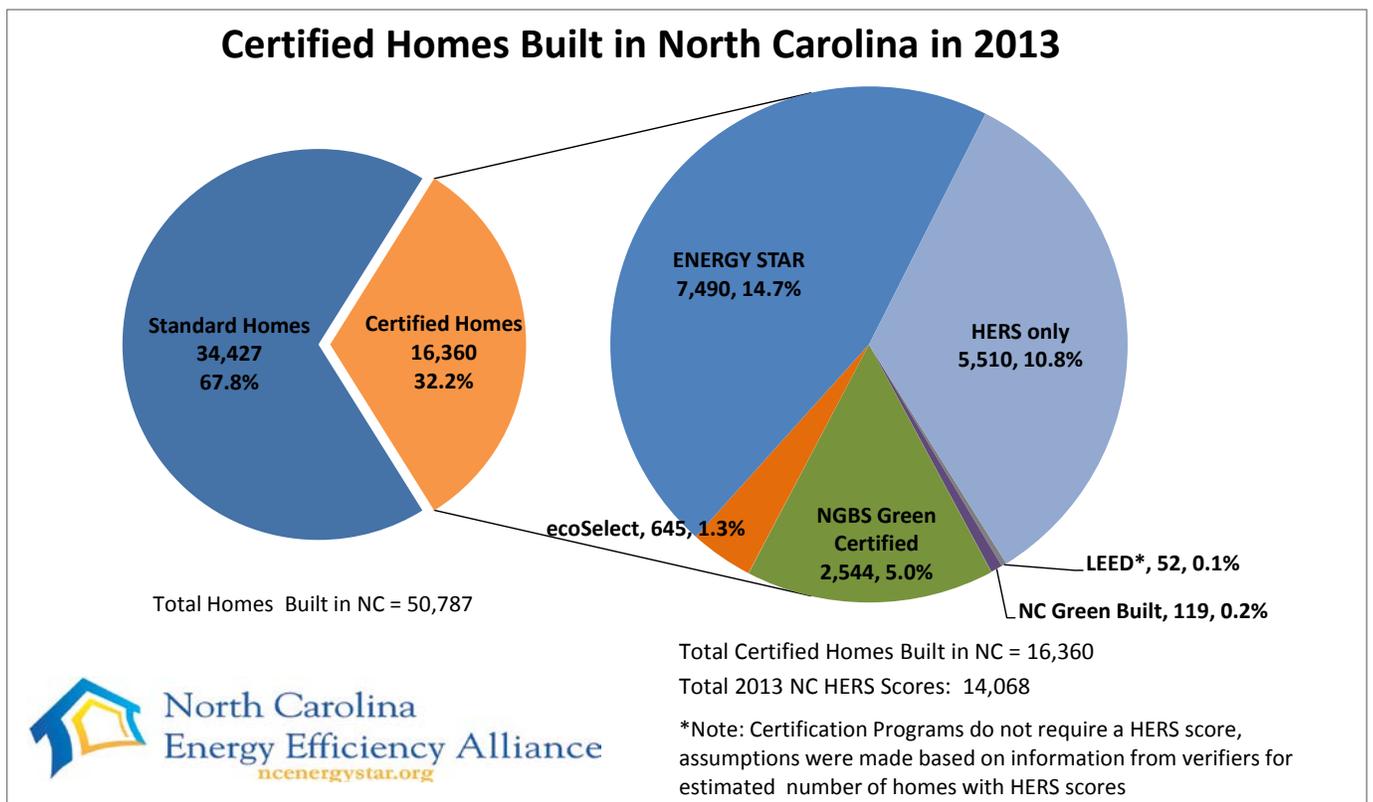


Figure 1: Certified Homes Built in North Carolina in 2013

Figure 2 below compares the total number of certified units in North Carolina to surrounding states. The discrepancy is quite large indicating again that NC builders, developers, and consumers see value in these certifications. There is clearly an emphasis in North Carolina on building residential units that meet the higher standards required by voluntary, 3rd party certification programs.

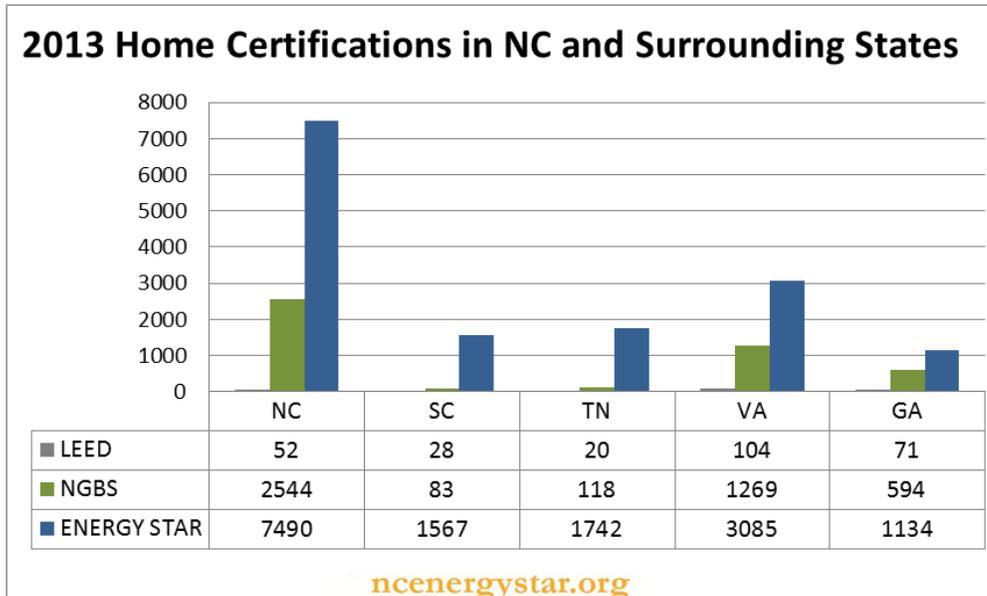


Figure 2: Home Certifications in NC and Surrounding States for 2013

Shown below in Figure 3 is the upward trend of home certifications in NC from year 2000 to present. This information is fascinating for several reasons but most notable is the continued rise in units certified during an economic recession. Also noted is the emergence of “other programs” in 2012 as codes improved and ENERGY STAR moved to the stricter Version 3.

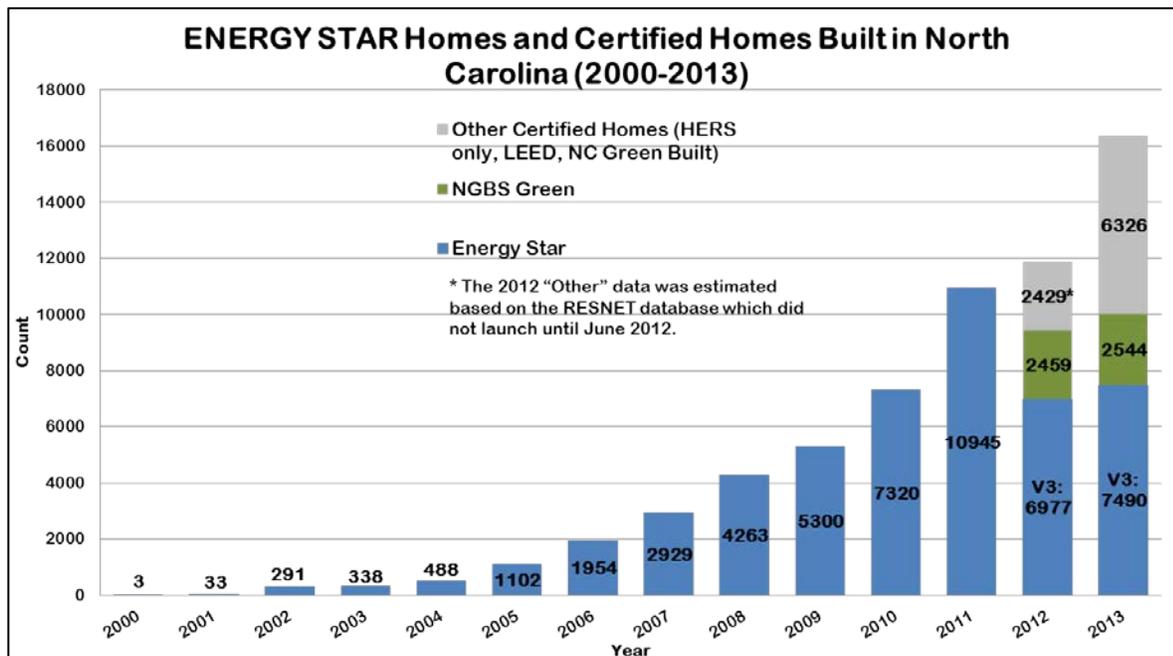


Figure 3: ENERGY STAR and Certified Homes Built in NC 2000-2013



Impacts and Summary:

Several key factors emerge when attempting to understand why NC is a national leader in 3rd party certified homes. First is the workforce. Home Energy Raters as well as support organizations, like the NCEEA, have done a great job educating and informing builders and developers of the benefits of these programs. Second, these programs are voluntary. This provides industry professionals the opportunity to separate themselves from the competition and better market their skills and products. This includes REALTORS, appraisers and utilities as well as builders and developers. Lastly, and most importantly, is North Carolina's adoption of the 2012 Energy Code (an amended version of the 2009 International Energy Conservation Code (IECC)). Code creates a launching pad for all 3rd party certification programs. Currently, on a national level, 35 states are at IECC 2009 levels or better. By adopting an Energy Code that is close to the national average North Carolina has created an "achievable" starting point for those seeking to build to voluntary high performance standards.

It is fair to say that variety has also played a critical role in keeping these numbers on the rise in NC. The ENERGY STAR program is a wonderful program and will remain strong in NC, but the business of high performance building is not a one size fits all proposition. Options like ecoSelect are now available for entry level certifications, NC Green Built provides a local, NC based certification, and the NGBS is a builder friendly program supported by the National Association of Homebuilders. LEED offers the availability of commercial certifications as well as residential. New and growing fast, is the RESNET backed "Home HERS label". Many builders are partnering with RESNET to simply have a HERS score issued with every home. In all cases, an independent, 3rd party must be employed to verify the home has met the provisions of the selected program.

All of these programs have varying degrees of difficulties, costs and purposes. Builders and developers will continue to survey these programs to determine which program is right for them. The program chosen will depend largely on their client(s), location, type of structure and their individual goals for building "beyond code". One thing for certain, it appears NC professionals are ready and willing to use these programs. The continued availability and growth of these programs in NC is a win-win across the board. The benefits and opportunities created reach all industry professionals, as well as better inform NC consumers. From job creation, to better buildings, to marketability these 3rd party certification programs offer it all. Clearly North Carolinians have recognizing their value.

