

The Green Market is Here to Stay

Learn what “green” is, why it matters— and how you can profit from it.

By John Wagner

Headlines everywhere blare about the rise of green building, and there's no denying that its rate of growth and adoption is historic. Green building is being "pulled" by consumers and "pushed" by contractors, as manufacturers rush new green products to market. The frantic activity is remarkable because green is actually hard to define. Ask 10 people what green is, and you'll get 10 different answers.

As yet, no one has grabbed the leadership position for defining green—but it's not for lack of trying. Lots of groups have jumped on the green bandwagon, including the National Association of Home Builders (NAHB), the International Building Code, ANSI, U.S. Green Building Council, U.S. Environmental Protection Agency, and many others. NAHB's standard, the Model Green Home Building Guidelines, has grabbed the most attention among builders because it's easy to adopt and doesn't require costly inspections. In fact, today the NAHB, the International Building Code, and ANSI are all working to codify a single green standard.

Green Is for Real

Between 40% to 50% of new homes built in 2010 are expected to be green and contain at least three of five green building elements, according to a recent McGraw-Hill Construction survey. That number was 2% of the market (just \$7.4 billion) in 2006.

Another McGraw-Hill survey found a high degree of home buyers were satisfied with green homes. In the survey, 63% of respondents said they had purchased green products because of the lower operating and maintenance costs that come with energy- and resource-efficient homes. An overwhelming 85% percent said they were more satisfied with their new green homes than with their previous, traditionally built homes. Plus, growth in green isn't limited just to new homes. The survey found 40% of homeowners who are remodeling or renovating have used green products.

With numbers like that coming in from respected third-party polls, it's clear that the green building market is exponentially expanding—from 2% to 50% in four years! A dramatic opportunity awaits the lumber dealer who is prepared to capitalize on the green building movement.

What's Green Mean?

Now that we know that green is all the rage, can we define what green is? More importantly, how can the lumber dealer community respond to contractors or homeowners who ask for green products when these customers might not even know what they're looking for?

The first misconception about green building is that it's a new trend. It's not. Many quality contractors have been building green for a long time; they just haven't claimed the title. After all, the first rule of green building is that the building envelope (roof, walls, foundation systems) be tight, well-vented, and built with high-quality materials. Know any contractors who build this way? I bet you do. But they might not have called themselves green builders a few years ago.

A tight building envelope is important because the first test for a green home is energy efficiency, which is equal parts building envelope and efficient HVAC appliances. If a home's design and components can reduce the amount of fuel required to heat and cool the home, then that home is well on its way to being a green home. That's because the fuel that's burned to heat and cool a home includes environmental and financial costs to extract and ship it, and burning it creates carbon dioxide (CO₂), a greenhouse gas. Building a tight home that burns less fuel reduces its "carbon footprint" and lowers its environmental impact. Achieving even modest energy savings can have dramatic consequences. The CO₂ contributed by a typical U.S. household can reach 60 tons each year (the amount given off by a car driving 133,000 miles.) If a home is 30% more efficient, it saves 18 tons of CO₂ each year.

Building a tight, well-vented envelope calls upon a great many products sold by lumberyards, to say nothing of the products that will eventually be used in a home after it is weathered in, such as low-VOC paints and adhesives, Energy Star appliances, healthy carpets, water-saving devices, formaldehyde-free underlayments...the list goes on and on.

Profiting from Green

Lumber dealers can take dramatic advantage of the exploding green building market by offering an increased selection of high-margin green products and by educating their staff about the green qualities of products already on the shelves. For instance, if a contractor wants to go green when purchasing sheetgoods, you don't need to sell him soy-based adhesive OSB (though that would be nice, because it's a higher-margin product). Instead, sell the builder standard OSB, and explain that OSB is greener than plywood because it does not require large trees. The builder can then pass along that fact to his client. The same is true for nearly all engineered lumber.

Other products that you already sell have remarkably green features and can contribute to making a home more efficient, such as high R-value insulation (heating and cooling account for half of a home's energy consumption); spot-application foams (for sealing rim joists and sill protrusions); mastic for sealing ducts (sealed ducts can boost duct performance by 50%), and parallel-chord trusses (which allow more insulation where the bottom chord rests on the top plate). Composite or recycled-plastic decking is as green as it gets. High-quality, long-life roofing reduces the number of shingles that end up in the waste stream. Low-VOC finishes and a full line of compact fluorescent bulbs (which use 70% less energy) round out the green products you can offer immediately. You don't have to change your offerings; just be prepared to explain how they can be part of the greenest of homes.

In future columns, we'll take a look at a few slightly more exotic products that are coming into the green building product market, such as appliances, new breeds of housewraps and roofing underlayments, fiber siding, and much more.

Stay tuned and buckle your seatbelts, because we are going green at light speed.

The award-winning author of nine books about home building and a frequent contributor to the industry's leading trade magazines, John D. Wagner is the new Green Editor for LBM Journal.