

Redefining Luxury

Throughout 2009, Unique Homes is looking at how luxury real estate is evolving. This is the second in our series. In our next issue, we'll look at how technology is redefining luxury.



A water garden meanders through Acqua Liana, Frank McKinney's \$29 million green mansion stretching from the Atlantic to the Intracoastal in Palm Beach County, Fla.

## COLOR MY HOUSE GREEN

By Camilla McLaughlin

**Not too long ago**, the green in luxury real estate usually referred to all the greenbacks needed to purchase a home. Today, upscale real estate is acquiring an entirely new green tint as sustainable features, solid value, cost efficiency and authenticity trump unbridled consumption. It's all part of luxury's new paradigm, which Paul Boomsma, president of Luxury Portfolio at Leading Real Estate Companies of the World, describes as "a more conscious and responsible approach to having money."

"The ultra wealthy are very sensitive to their carbon footprint and to the perception of that footprint," observes Frank McKinney, a South Florida builder who recently completed a \$29 million ocean-front mansion that received certifications from three green rating organizations.

"Green is going to become a much much more important criteria in the selection of luxury property" as more people want to use their

wealth for good and spend money wisely, says Laurie Moore Moore, CEO and founder of the Institute for Luxury Home Marketing.

Like many, McKinney believes the residential greening of America will be a big factor in the eventual turnaround of real estate.

Right now, energy-efficient properties account for only about six to 10 percent of new residential construction. That figure is expected to double by 2012, although a good number of builders are wagering that it will triple. Residential green might be in its infancy, but already a few multiple listing services include green as a separate category and a small but growing number of real estate agents are adding energy audits—including a blower test for leaks—on the list of inspections prior to sale. Some architects, such as Phil Kean in Sarasota, Fla., whose resume includes a long list of award-winning green homes, also include a blower test as standard practice for all their homes.



## Consumers, Still Dazed and Confused

In spite of the incessant green chatter from marketers and the media, most consumers know surprisingly little about energy efficiency and conservation. "Green is very well known in general terms but in terms of specifics it is still in the early stages," says Chris Bartle, founder of Green Key Real Estate, a San Francisco-based national real estate franchise specializing in green.

The most recent Eco Pulse survey of consumer attitudes regarding housing, conducted by the Shelton Group, a Tennessee advertising agency focused on energy and sustainability, shows that even though U. S. consumers are familiar with all the eco buzzwords, they really don't know what makes a home green. While 55 percent believe having a green home is important, only 42 percent could actually name a green home feature. Even worse, the one green feature mentioned by most respondents (28 percent) was solar, which is one of the most expensive green technologies. That's probably one reason why the biggest misconception among consumers is that green is cost prohibitive.

"The dollar factor seems to stump people," agrees Nicole Brulé-Fisher with Realty Executives Southern Arizona in Tucson, who was the first in the country to receive the National Association of Realtors' new green designation. She is also an EcoBroker. Founded in 2002, EcoBroker was designed to educate agents so they could become what founder John Beldock describes as "neutral green ambassadors" who can translate greenspeak for homeowners as well as identify and market green aspects of homes.

"Greenwashing is everywhere in the media right now, which is phenomenally exciting, and yet it also means we have to be ever vigilant to be certain that our clients are well protected and can decipher carefully claims being made," says Brulé-Fisher.

## Lots of Great Shades

Green has become a catchall term to characterize anything that is energy-efficient and in reality it covers a huge range of practices and home features from water conserving faucets and programmable thermostats, to alternative heat sources and the capture and reuse of gray water. There is no one right way to go green and in fact, Beldock says, "there are lots of great shades of green."

Ask Bill Salmon, a principal of Baker Street Properties, about solar and he'll tell you the payback period doesn't justify the cost, especially in

the mountain west where electricity is relatively inexpensive. Salmon's common sense approach resulted in Tahoma, the first development in Park City, Utah, to be certified by Build Green Utah. Inside one of the three townhomes that comprise Tahoma, reclaimed heart pine floors, stone quarried from a nearby canyon, Energy Star-rated appliances and a direct vent gas fireplace are all desirable green attributes. Still, Salmon is quick to interject that none of these make the house green. Instead he talks about the high-efficiency gas boiler used for radiant heat in the floors and for hot water, the layer of R-14 rigid foam surrounding the exterior foundation preventing thermal freezing of the upper levels of the walls, the

house is also designed to allow ample amounts of daylight, reducing the amount of lighting. Both lighting and indoor air quality garner points on various green certifications.

Each of the three townhouses that comprise Tahoma was tested by a third party rater using the Home Energy Rating System (HERS). The lower the number on the HERS Index, the less energy a home uses. The average HERS score at Tahoma was 53, indicating that each unit is 47 percent more energy-efficient than the standard new home built today, which has a HERS Index of 100. To receive an Energy Star rating, a home in Utah's climate would need a HERS Index of 85 or less. Tahoma also was certified by Build



blown fiberglass insulation and how the contractor painstakingly filled every crevice, especially around the foundation and roofline.

Efficiency is really all about "building tight and ventilating right says Stu Galvis of Boulder Green Properties/Keller Williams Front Range Properties, underscoring the role indoor air quality plays in green homes. Galvis is also a member of the Boulder Green Building Council and a national instructor for EcoBroker.

Some of the newest technologies combine ventilation with heating and cooling. One of Galvis' current listings, a \$2 million, 5,137-square-foot home, uses a combination of passive and active solar elements to produce more energy than it consumes. It has a GEO Assisted Heat Recovery System, which uses underground tubing to pre-heat and pre-cool a portion of the intake air for the furnace. Like many efficient properties, this

Green Utah and Build Green Colorado. Even though a Leadership in Energy and Environmental Design (LEED) certification is considered the optimal standard, Salmon, like many developers and builders, opted not to go for a LEED certification because of the additional time, paperwork and number of inspections, which can tack as much as \$10,000 onto a home's price.

## Luxury Green: Oxymoron or Responsible Construction

Many view green and luxury as contradictory, simply because of the square footage of most homes. But some builders and architects, such as architect Phil Kean of Phil Kean Designs in Winter Park, Fla., believe the larger size brings a greater duty to incorporate energy-efficient features. "We're interested in doing green and doing the

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HUNTS POINT, WASHINGTON

# Opportunity of a lifetime

Imagine walking out your back door to this view! What an opportunity to own 75 feet of West Hunts Point waterfront with a sandy beach and deep dock moorage. Privacy abounds in this beautiful 1-owner home. Features include beautiful white oak wide-plank floors, 3 fireplaces and 3 bedrooms. Relax in the large master suite with a walk-in closet. Entertain in your formal dining room or out on your lovely brick patio that overlooks the water, city and mountain views. A separate caretakers cottage above the 2-car garage rounds out this listing. For a private showing and information on the recent price drop, please call Debbie or Dina.

Price upon request.



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right thing. We're building big houses and we know we're having an effect on the environment and the planet, so we feel it's our responsibility to build our homes a little greener," he says. There are a number of green strategies that Kean uses on all his homes. Each one undergoes a blower test. He typically uses high SEER-rated air conditioning units, Energy Star-rated Low-E glass, foam insulation, low-VOC paints, and he tries to buy locally. "Distance matters," he says, referring to products that might appear to be green but have to be shipped great distances. If you look at the carbon footprint that it takes to get them to the site, in the end they are not as green as they appear to be, he explains. He also tries to select products for longevity, and to incorporate multiple functions into individual rooms. For example, he designs family rooms so they morph into media rooms, with window coverings and a drop-down screen.

Kean is a big proponent of solar water heating, which he incorporates into about half of his homes since the payback in Florida is so short. "There is such a great return on your investment," he says. "After three years, your hot water is free." Kean also has one of the eight homes in Florida that have received a LEED gold or platinum certification.

Also challenging the belief that luxury homes

really can't be green is McKinney, whose recently completed \$29 million, approximately 15,000-square-foot oceanfront home received a LEED gold certification as well as Florida Green Building Council and Energy Star for homes certifications. McKinney said he had to learn a whole new way of building with this home, which has a bundle of energy-saving technologies that result in a 45-percent improvement in efficiency. Many of the materials, such as flooring and woods, are from renewable sources or are reclaimed materials. According to McKinney, the compound's numerous water features actually lower the temperature on the site by two to three degrees. Approximately 75 percent of the construction waste was recycled or diverted from a landfill.

Along with homes such as these that serve as models for future green construction, sustainable developments are underway in many regions of the country with developers leading by example in their land use and common buildings. One notable condo being built in Asheville, N.C., includes a smart car for each residence and the world's first parking garage dedicated solely to fuel-efficient vehicles. Homes use more energy than cars, but combining the two, an energy-efficient residence and an efficient car, truly does put residents on the road to a green life. **UFI**



This living room graces one of three townhomes at Tahoma, the first development in Park City certified by Build Green Utah.

PHOTO BY SCOTT ZIMMERMAN