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It may not be easy, but being 'green' sells

By Aubin Tyler, Globe Correspondent | April 11, 2010

Before he listed an Andover home last fall, broker Leland DiMeco of Boston Green Realty recommended the homeowner improve the energy efficiency of the vintage 1922 Colonial. An energy audit revealed air leaks, which were subsequently sealed with foam insulation for short money.

Also at DiMeco's suggestion the seller spent about \$7,000 to mediate asbestos insulation wrapped around old pipes in the basement. The homeowner had already redecorated the interior using nontoxic paints and installed new stainless Energy Star-compliant appliances.

The result? The house sold in just seven days, at its asking price of \$525,000. Meanwhile, a similar-size and vintage Colonial down the street without the upgrades sold for \$429,000.

The seller, DiMeco said, recouped her costs and was "extremely happy."

More and more sellers and buyers are trying to make an environmental statement with their real estate transactions — but at what price?

While generally more expensive items — solar panels, for example — are difficult to recoup in the sale of a house, they can be influential in tipping a buyer toward buying. Conversely, buyers might not assign much value to low-cost, high-impact steps such as air sealing and insulation because they seem so ordinary. It may not be so easy to figure out which green measures make the most financial sense, but they do seem to add cachet to a listed property.

"Everybody is interested in green features and benefits," said Suzanne Shepard of Cambridge-based Charles Associates, an "ecobroker," or real estate agent who specializes in environmentally friendly properties. "It's very important to people when it's brought to their attention. It certainly sways their buying decisions."

When kitchen designer Charlotte Bogardus and her partner, Bob DiNatale, a photographer, looked for a loft three years ago around Boston, they were drawn to a top floor unit at the Residences at Franklin School, an 1899 schoolhouse in Medford converted into condos. It had high, vaulted ceilings, tall windows, and terraces at either end.

"We both went nuts" over the amount of light that streamed in, Bogardus said. Not to mention the nighttime view of the city skyline and the lights at Fenway Park.

The building had other green attributes: thick walls and heavy-duty insulation that resulted in low bills and a comfortable interior. And its location put it a short MBTA ride into the city. They bought the 2,000-square-foot condo for \$650,000.

“We were looking for something green. It wasn’t the number one reason, but it was a real plus,” she said. “The green features made it a physically attractive place, and I just loved the idea of a recycled building.”

The Franklin School currently has two two-bedroom units for sale: one at 1,419 square feet for \$374,500; the other a 1,432-square-foot penthouse, for \$475,000.

When architect Campbell Ellsworth and his wife, Natalia Bard, an art historian, set out to restore an 1869 Colonial and build two new town homes at Sherman and Winslow streets in Cambridge, they were committed to making them energy efficient and attractive. Ellsworth estimated he spent between 10 and 20 percent more over standard construction.

Now with all three properties for sale, Ellsworth isn’t sure he’ll recoup all his additional costs. But money wasn’t the prime motivation.

“We did it because it’s the right thing to do. It’s irresponsible to create houses that are consuming energy like the old days,” Ellsworth said. “It’s a risk, but I think there’s a clientele in Cambridge that appreciates that.”

The tightly constructed three-story town homes are highly insulated, but also well-vented for fresh air circulation. The double-insulated, gas-filled, low-emittance windows let in light but keep out drafts. A 95 percent efficient boiler from Buderus supplies both heat and hot water. Ellsworth said his energy consultant, Mike Duclos, predicted the town homes will score about one-third higher than the average American residence on the Home Energy Rating System, or HERS, index, a sophisticated measure of home energy efficiency.

Design-wise, the town homes are ultra-modern, narrow and vertical, with blond wood finishes, cedar shingles in a whimsical two-tone pattern, sculptural aluminum deck railings, and unusually spaced windows, some meeting at corners.

“That’s the trick of building snug to create views and privacy,” Ellsworth said.

The larger town home, at 1,748 square feet, lists for \$792,000, while the other, at 1,549 square feet, is marketed at \$741,000. The older, restored home is for sale at \$823,000.

In Greater Boston, most available properties are older, drafty, and difficult to heat. The first thing a seller should do is get an energy audit, which will not only disclose the weaknesses in the house, but also quantify the value of any energy efficiency measures already added.

Energy audits available through local programs such as the state-sponsored MassSAVE are free. Better yet, the program provides hefty subsidies for the most common — and cost-effective — steps to take: adding insulation and air sealing, so that out-of-pocket costs for sellers amount to small change.

“You’ll get the biggest bang for your buck if you make the home more energy efficient before you sell,” said Peggy MacLeod of the Center for Ecological Technology in Northampton, which has certified 1,000 Energy Star homes since 2003.

After air leaks and poor insulation, the big energy drains in a home are poor heating and cooling systems. Be prepared to replace older heating systems, said Bruce Harley, technical director of the nonprofit Conservation Services Group, which runs energy efficiency programs.

“Don’t wait until [the boiler] breaks down or you’ll get stuck with whatever’s in the back of the truck,” Harley said. “I wouldn’t replace a 5- to 10-year-old boiler that’s 84 percent efficient for one that’s 90 percent efficient. But with a 25- to 30-year-old boiler, it’s time to shop around.”

New windows are a tougher call. While leaky windows can be a major source of heat loss, replacing them with high-performance models is so expensive it often takes years to recoup their costs via lower heating bills.

Harley’s advice to sellers? “If you work out the cost of putting in new windows and you’re going to do it anyway, it will add more to the resale value. Aim for the best performance you can afford.”