

Green Homes Show Growth in a Recovering Market According to New Report from McGraw Hill Construction



June 5, 2014 - Residential construction is a key engine behind economic growth in the United States. According to McGraw Hill Construction's Dodge Construction Market Forecast, single and multifamily housing projects account for about 45% of the value of all construction projects started in the United States in 2014. With that market forecasted to grow rapidly in coming years, the green activity and drivers in the market are critical. The new SmartMarket Report of the single and multifamily builder and remodeler community released today by McGraw Hill Construction (<http://www.construction.com/>) contains this critical intelligence.

The report, "Green Multifamily & Single Family Homes: Growth in a Recovering Market," surveys builder and remodeler members of the National Association of Home Builders and reveals the evolution of green building for single family homes from boom to bust to recovery through comparisons with previous studies from 2006 to 2011, and includes new data on multifamily housing to provide a comprehensive review of the sector.

According to the latest study:

- 62% of firms building new single family homes report that they are doing more than 15% of their projects green. By 2018, 84% of them expect this level of green activity.
- 54% of firms building new multifamily projects report that they are doing more than 15% of their projects green. There is also growth expected—with 79% reporting the same level of activity anticipated by 2018.
- In the single family market, the most striking shift is in those firms dedicated to green building (doing more than 90% of their projects green). That percentage is already at 19%, and by 2018, it is expected to double (to 38%).

The study finds that builders and remodelers in both the single family and multifamily sectors report that the market is recognizing the value of green: 73% of single family builders (up from 61% since the last report) and 68% of multifamily builders say consumers will pay more for green homes.

“Greater consumer interest in green homes has contributed to the ongoing growth, leading us to anticipate that by 2016, the green single family housing market alone will represent approximately 26% to 33% of the market, translating to an \$80 billion to \$101 billion opportunity based on current forecasts. The findings also suggest that lenders and appraisers may be starting to recognize the value of green homes, making it a factor that could help encourage the market to grow if there is more widespread awareness across the U.S.,” said Harvey Bernstein, vice president, Industry Insights and Alliances for McGraw Hill Construction.

The study also examines the triggers for green building activity. “This new study demonstrates phenomenal growth in green building, with more builders engaging in sustainable building practices than ever before,” said NAHB Chairman Kevin Kelly, a home builder and developer from Wilmington, Del. “While growth in green in the single family market is driven more by high quality and customer demand, the multifamily market is more driven by cost factors such as the availability of government or utility incentives, as well as enhancing their competitive position and corporate image. All are compelling reasons for the industry to engage with this continuously growing market.”

The SmartMarket Report also reveals a vigorous and growing renewables market in the residential sector. 65% of the respondents – both single family and multifamily – currently use renewables on at least some of their projects, and the percentage that incorporate them in all of their projects is expected to grow from 8% in 2013 to 20% by 2016.

Green Single Family Homes Embraced by Twin Cities Home Builders

“Green Multifamily & Single Family Homes: Growth in a Recovering Market” was produced by McGraw Hill Construction in partnership with the National Association of Home Builders, with the support of Waste Management and Menck Windows. View the full report [here](#).