



Eco Chic *or* Eco Geek?

The Desirability of Sustainable Homes

Executive Summary

1 Executive Summary

House-builders, property developers, housing associations and designers have a significant opportunity to contribute to more sustainable patterns of consumption in the UK through motivating changes in consumer behaviour.

In November 2005, Sponge published a report compiled via desk research: *The gaps in the existing case for building sustainable homes to encourage sustainable lifestyles*.¹ This report found that:

- It has yet to be proven that there is market demand for more sustainable homes; and
- Homebuyers do not fully understand the choices available to them in relation to sustainability features.

It concluded that:

- Home buyers will only demand sustainable homes when they are aware of the social and environmental benefits and can differentiate between homes in terms of their sustainability features. Action is required to make home buyers more aware of these features; and
- Further research needs to explore how consumers feel about various sustainability features in a home. Are some more appealing than others? And if so why?

This study intended to build upon this research and investigate the gaps identified. In order to explore the desirability of sustainable homes to home owners, and understand what can be done to drive demand, Ipsos MORI undertook a quantitative telephone survey of 501 home owners and qualitative research with four discussion groups.

This research found that:

- Home owners are becoming increasingly interested in sustainable housing. Four out of five believe that sustainable homes can help combat climate change. There is a general willingness to adopt sustainable lifestyles; however this has to be both time and cost effective. Home owners expect developers to build to high environmental standards, over half (52%) are prepared to pay more to, but nine out of ten people also think that the Government should provide incentives to encourage demand.
- Lack of information is seen as a key barrier in driving demand for sustainable homes. 70% of homeowners claim to know little or nothing at all about sustainable homes. 73% also felt the Government should be responsible for communicating the benefits of sustainable homes to the public. If Government schemes such as the Home Information Pack (and associated Energy Performance Certificate) and the new Code for Sustainable Homes succeed, these findings suggest that information is a significant barrier that needs to be addressed, in order to drive demand for sustainable homes.
- In addition to these key findings, the research highlighted a number of specific issues which should be taken into account by the two key stakeholders responsible for the delivery of sustainable homes.

1.1 Key research findings for Government

- Four out of five homeowners believe that more environmentally friendly homes would help combat climate change;
- Three in five homeowners claim to have installed energy and/or water saving features since moving into their homes. Those homeowners who have lived in their home for more than ten years are most likely to have taken action. Those who claim they have installed energy saving features are also more likely to be concerned about how much energy and gas they use;

¹ This report was prepared by Upstream and can be downloaded at www.spongenet.org.

- 92% of respondents want to see sustainability features offered as options on new homes. 64% of respondents think these should be compulsory;
- Over nine in ten respondents feel that there should be more financial incentives to encourage people to buy sustainable homes. The most popular of which, are for the Government to give subsidies to make current homes more sustainable and for reduced council tax bills for sustainable homes;
- Lack of information is seen as a key barrier in driving demand for sustainable homes. 70% of homeowners claim to know little or nothing at all about sustainable homes. Three quarters of home owners (73%) feel the Government should be responsible for communicating the benefits of sustainable homes to the public.

1.2 Key research findings for House-builders

- Homeowners are concerned over how much electricity/gas and water they use (75% for energy; 61% for water);
- Water and energy efficiency are becoming more important features for home buyers. While 45% of respondents state that energy efficient or water saving features were fairly or very important when choosing their *current* home, 73% say it would be fairly or very important in choosing their *next* home;
- 92% of respondents want to see sustainability features offered as options on new homes. 64% of respondents think these should be compulsory;
- Home owners hold positive associations with sustainable homes, seeing them as modern, attractive, hi-tech, fashionable, and good value (in comparison with old-fashioned, ugly, lo-tech and poor value); and
- Home owners are prepared to pay extra to live in a sustainable housing development. Two thirds of homeowners would be prepared to pay a monthly charge for sustainability services, such as convenient recycling facilities, green-caretaker, and car sharing.

1.3 Recommendations

On the basis of the findings we have focused our recommendations on the two stakeholder groups:

1.3.1 Recommendations for Government

- Work needs to continue to be undertaken prior to the introduction of the Energy Performance Certificates within Home Information Packs and the Code for Sustainable Homes to ensure that customers are aware of these initiatives and that they understand their benefits. Consumers need further information about sustainable homes in general, as well more detail about specific features (for example, renewable energy);
- Greater consideration should be given to fiscal incentives to accompany the introduction of such schemes. This study has shown that subsidies to make current homes more sustainable and reductions in council tax are the most popular measures that could be taken.
- The desire to make some sustainability features compulsory should be considered in the review of planning policy and building regulations to respond to this market demand and support the Government's Sustainable Development agenda.

1.3.2 Recommendations for house-builders

- More consideration should be given to the inclusion of 'green services' within developments (such as recycling services, green caretakers). There is the scope to develop innovative

sustainability services which could act as a unique selling point for the development (or indeed the developer). This research shows that such services may be a better way of recouping investments in sustainability by developers than expecting just an increased selling price. Some of these options could be offered at little or no cost to the housebuilder.

- More could be done to sell sustainable homes to customers. Sales staff could be made aware of the key sustainability features of developments, and be able to highlight the benefits of these to customers. Sales staff could also be aware of energy performance certificates and the Code for Sustainable Homes, and understand how sustainable homes perform relative to both new homes and existing homes.

1.3.3 Recommendations for Sponge

- Work with WWF, Green Alliance, the Sustainable Development Commission and others to encourage policy development for fiscal incentives to stimulate behaviour change amongst home-buyers and home owners.
- Work with developers to deliver a suite of sustainability features to offer to home-buyers as standard or optional benefits.
- Produce a guide for home-buyers to help them better understand sustainable homes, the sustainability features and the labelling of these homes, including the Home Information Pack (including the Energy Performance Certificate) and the Code for Sustainable Homes.
- Support the development of a labelling scheme that is administered by an independent non-profit organisation.

1.4 Building the market for sustainable homes

This report is part of *Building the Market for Sustainable Lifestyles*, a three year Environmental Action Fund (EAF) project co-funded by Defra and delivered by the Sponge Sustainability Network (a group of over 2,000 built environment professionals with an interest in sustainable building).

The three year project sets out to explore and communicate the case for building homes that encourage sustainable lifestyles. While an increasing body of experience and research supports the case for sustainable homes, further work is required to give the business case further credibility.



Sponge would like to thank Defra for the project funding provided through the Environmental Action Fund. Sponge is also grateful to ESD and HBOS who have provided co-funding for this report.

The authors would like to thank the Sponge Members' Group and Industry Panel for their contributions to this project.

©Ipsos MORI/J28288 & Sponge Sustainability Network 2006