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CASE STUDY: D.R. Horton Stays Ahead of the Competition with ENERGY STAR®

For D.R. Horton, entering the extremely competitive Sacramento, California market was challenging at first. But the national builder found quick success through a simple strategy: build the most energy efficient homes in the area to differentiate from the competition. Rich Coyle, the division purchasing director, accomplished this by partnering with ENERGY STAR to include value added features like the ENERGY STAR Advanced Lighting Package (ALP).

D.R. Horton was able to quickly attract interested home buyers to its newest development, Sierra Valley Oaks, by offering new home buyers an “environmentally friendly” package including the ENERGY STAR ALP as a standard feature in all homes. Coyle comments that buyers “immediately recognize ENERGY STAR,” and choose D.R. Horton homes for their ENERGY STAR features that lead to both energy savings and environmental protection.

“Using the Advanced Lighting Package is the right thing to do for our customers, the environment, and our business.”

—Rich Coyle, D.R. Horton Sacramento, CA Division

D.R. Horton promotes the ENERGY STAR Advanced Lighting Package because of increased profitability, quick home sales, environmental protection, staying ahead of the competition, and their commitment to high quality products.

The Bottom Line Advantage

According to Coyle, the ENERGY STAR Advanced Lighting Package has had a positive effect on the sales of the Sierra Valley Oaks community. “We haven’t had to ‘sell’



Sierra Valley Oaks at a Glance

Price Range: \$480,000 to \$580,000

Description: 71 homes, 2,190 to 3,300 square feet

Lighting: 100% ENERGY STAR qualified fixtures standard in every home. Three ENERGY STAR qualified “Luxury” lighting upgrade packages.

the ENERGY STAR lighting to customers, the lights sell themselves!” remarks Coyle. “The fixtures are very attractive and the lighting quality is very good. Using the Advanced Lighting Package is the right thing to do for our customers, the environment, and our business. You can do the right thing and make a profit.” Within three weeks of opening the model homes, 100 percent of the phase-one houses were sold. In the second month, all phase two homes also sold pre-construction.

Not only does D.R. Horton offer a 100 percent ENERGY STAR qualified fixtures as standard in every home, Coyle is happy to report that they also offer three “luxury” ENERGY STAR qualified upgrade options. The standard package features polished brass fixtures, while the “luxury” upgrades offer fixture packages from the Serenity or Brandywine families, all manufactured by Sea Gull Lighting. All Sierra Valley Oaks homebuyers visit D.R. Horton’s design center to select their lighting fixtures. The new homeowners are so pleased with the ENERGY



STAR qualified lighting that a majority have selected one of the higher priced, "luxury" ENERGY STAR qualified lighting upgrade packages. For Coyle, "selling these popular upgrades is a great profit opportunity."

According to Coyle, the ENERGY STAR Advanced Lighting Package has been such a positive selling point for the Sierra Valley Oaks homes that they are currently planning to offer the ENERGY STAR ALP to buyers in a number of future Northern California developments.

Getting the Job Done

ENERGY STAR qualified lighting is an integral part of the marketing message at the Sierra Valley Oaks model homes. Each model home has a room devoted to energy efficiency that D.R. Horton calls the "Home Advantage" center. It is here that the Advanced Lighting Package's benefits are explained; using savings charts and electric meters as visual aids to show the utility bill savings. In addition, all the lighting fixtures have ENERGY STAR hang tags on them and the sales staff is trained to sell the benefits of ENERGY STAR qualified lighting. Potential buyers who visit the model homes immediately understand the benefits of the ENERGY STAR Advanced Lighting Package. "They don't need to be convinced," says Coyle. "When they see the fixtures, they are very pleased with how attractive they are. When they learn that they are energy efficient, they are very pleasantly surprised."

Staying Ahead of the Curve

Coyle feels that D.R. Horton's Sacramento division is better prepared to face the future of new home sales because they are promoting the ENERGY STAR Advanced Lighting Package. While some homebuilders in California were not prepared for the 2005 lighting efficiency requirements, Coyle comments that meeting the new energy codes was not only painless but profitable with the ENERGY STAR ALP as it puts them ahead of their competition. "ENERGY STAR fixtures are attractive and high quality, and our customers appreciate that we are doing the right thing for the environment. I know this is the future of home lighting, and we are happy to be on the inside track."

Within These Walls

The three Sierra Valley Oaks model homes range in size from 2,190 square feet to 3,332 square feet and feature between 3-5 bedrooms and 2-3 baths. All homes feature a standard, 100 percent ENERGY STAR qualified fixture package; plus three ENERGY STAR qualified lighting upgrade options featuring Sea Gull Lighting's Serenity and Brandywine families. Each of the ENERGY STAR qualified lighting packages are displayed individually in the development's model homes. Coyle comments that for potential buyers, viewing the fixtures is "a very positive experience, people are pleasantly surprised to learn that the beautiful fixtures are also ENERGY STAR qualified."



Helpful Hints and Sales Tip

- Educate potential buyers about why energy efficiency is beneficial to their bottom line and the environment.
- Prominently display ENERGY STAR qualified lighting fixtures in your model home.
- Work closely with a lighting manufacturer, sales representative, or designer who is knowledgeable of ENERGY STAR qualified lighting products.
- Educate sales staff on how to explain and sell the benefits of the ENERGY STAR Advanced Lighting Package.

For More Information...

on the ENERGY STAR Advanced Lighting Package, visit the ENERGY STAR Web site at www.energystar.gov or send an e-mail to ENERGYSTAR_ALP@icfi.com.