
Report

Boulder County Market Demand Study
for Energy Efficiency Loan Product

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SECTION I.

Introduction & Methodology

Boulder County (Boulder) was the recent recipient of a \$25 million Energy Efficiency Conservation Block Grant and Better Buildings Block Grant from the United States Department of Energy. The purpose of the grant is to fund efforts to pilot and provide energy efficiency services to the commercial and residential sectors and to increase the adoption of energy efficient building retrofits.

Boulder and the City and County of Denver (Denver) — a sub-recipient of the grant — are collaborating to use grant funding to offer a commercial and residential energy efficiency loan product to help incentivize property owners to make energy efficiency or renewable energy improvements to their properties. Energy efficiency improvements for which Boulder and Denver will make loans available include installation or replacement of:

- Energy-efficient lighting;
- Major mechanical systems and appliances;
- Central heating and cooling systems;
- Energy-efficient roofing;
- Renewable energy systems; and
- Insulation for attics, ceilings, and other structures.

Boulder and Denver will use a “one-stop shop” model for its loan product, offering an integrated, accessible product that includes modern conveniences as well as well-developed advisory services. In addition, Boulder and Denver believe that they will be able to offer competitive rates based on the loan structures that they are considering.

As part of developing the loan product, Boulder and Denver commissioned a research effort to collect information from homeowners and commercial property owners about their demand for an energy efficiency loan product. Boulder and Denver retained BBC Research & Consulting (BBC) to explore several questions related to the loan product, including:

- What is the level of interest among property owners to make energy efficiency improvements?
- What terms would be attractive to property owners for an energy efficiency loan product?
- What would be the likelihood that property owners would apply for an energy efficiency loan product (i.e., loan uptake)?

To answer those and other questions, BBC developed a telephone survey that we conducted with Boulder and Denver homeowners and commercial property owners. The survey provided Boulder and Denver with information to help them further develop the energy efficiency loan product.

Methodology

BBC conducted a telephone survey with homeowners and commercial property owners in Boulder and Denver about their interest in, and demand for, an energy efficiency loan product. BBC conducted the survey in late 2011.

Homeowners. BBC conducted telephone surveys with 600 homeowners — 400 in Boulder and 200 in Denver.

Survey instrument. BBC developed a 16-question survey instrument for use with Boulder and Denver homeowners.¹ The survey took approximately six minutes for participants to complete. The study team worked closely with Boulder and Denver management and staff to design, revise, and finalize the survey instrument. The survey covered the following topics:

- Factors that motivate energy efficiency improvements;
- Factors that motivate seeking energy efficiency loans;
- Factors that discourage seeking energy efficiency loans;
- Potential terms of energy efficiency loans;
- Past uptake of energy efficiency loans; and
- Likelihood of future uptake of energy efficiency loans.

¹ All survey questions were not asked of all participants based on various question skip patterns.

The survey also included participant screener questions and demographic questions. Appendix A presents the full survey instrument that BBC used for residential property owners.

Survey recruitment and participation. The study team used a combination of random digit dialing (RDD) techniques and lists of local homeowners to complete the homeowner telephone surveys. The study team completed the first 195 homeowner surveys using an RDD sample. We completed the remaining 405 surveys by calling phone numbers from a sample list that we purchased from Scientific Telephone Samples.

The study team made up to 12 calls with each homeowner on different days and at different times of the day to minimize non-response. The telephone surveyor identified Boulder and Denver as the study sponsors. Potential participants were not offered any type of incentive to participate in the survey.

Commercial property owners. BBC conducted telephone surveys with 71 commercial property owners — 32 reported that they own properties just in Boulder, 37 reported that they own properties just in Denver, and 2 reported that they own properties in both Boulder and Denver.

Survey instrument. BBC developed a 20-question survey instrument for use with Boulder and Denver commercial property owners.² The survey instrument covered the same topics as the homeowner survey. The survey took approximately seven minutes for participants to complete. Appendix B presents the full survey instrument that BBC used for residential property owners.

² All survey questions were not asked of all participants based on various question skip patterns.

Survey recruitment and participation. The study team used two lists of local commercial property owners to complete the surveys. The study team purchased one list from Scientific Telephone Samples and used a second list from the Boulder County Assessor's Office. After reconciling data between the two lists, the study team called all commercial property owners for which valid phone numbers were available. The study team completed surveys with 71 out of 1,231 commercial property owners, for a response rate of approximately 6 percent.

The study team made up to 12 calls with each commercial property owner on different days and at different times of the day to minimize non-response. The telephone surveyor identified Boulder and Denver as the study sponsors. Potential participants were not offered any type of incentive to participate in the survey.

SECTION II.

Results

BBC conducted telephone surveys with Boulder and Denver homeowners and commercial property owners to gather information about their demand for energy efficiency loan products, loan terms that they would find attractive, and other related topics.

A total of 600 homeowners and 71 commercial property owners completed the telephone survey.

Residential Survey Results

The study team completed telephone surveys with 600 homeowners — 400 from Boulder and 200 from Denver.

Respondent characteristics. The study team collected demographic information about homeowners as part of the survey. We compared demographic characteristics between Boulder and Denver homeowners.

Overall, the demographic profile of Boulder homeowners aligned closely with the profile of Denver homeowners.

Home type. About 90 percent of Boulder homeowners and 85 percent of Denver homeowners reported that their properties were single-family homes.

Household income. Thirty-seven percent of Boulder and one-quarter of Denver homeowners reported household incomes of \$100,000 or more. A significantly larger percentage of Denver homeowners (24%) than Boulder homeowners (15%) reported household incomes of less than \$40,000.

Age. Both Denver (30%) and Boulder (28%) homeowners most frequently reported that they were between the ages of 55 and 64.

Race/ethnicity. Most Boulder (92%) and Denver (80%) homeowners reported being white. Too few participants reported being minorities to complete any other meaningful analyses based on race/ethnicity.

Interest in energy efficiency and loan products. The study team asked participants about their interest in making energy efficiency improvements to their homes and about their past interest in seeking loans to finance such improvements.

Factors that motivate energy efficiency improvements. The study team asked participants to list up to three factors that would motivate them to make energy efficiency improvements to their homes. Figure II-1 presents the factors that participants identified. The factor that participants most frequently identified was cost benefits of energy efficiency improvements. Of respondents that identified at least one motivating factor of making energy efficiency

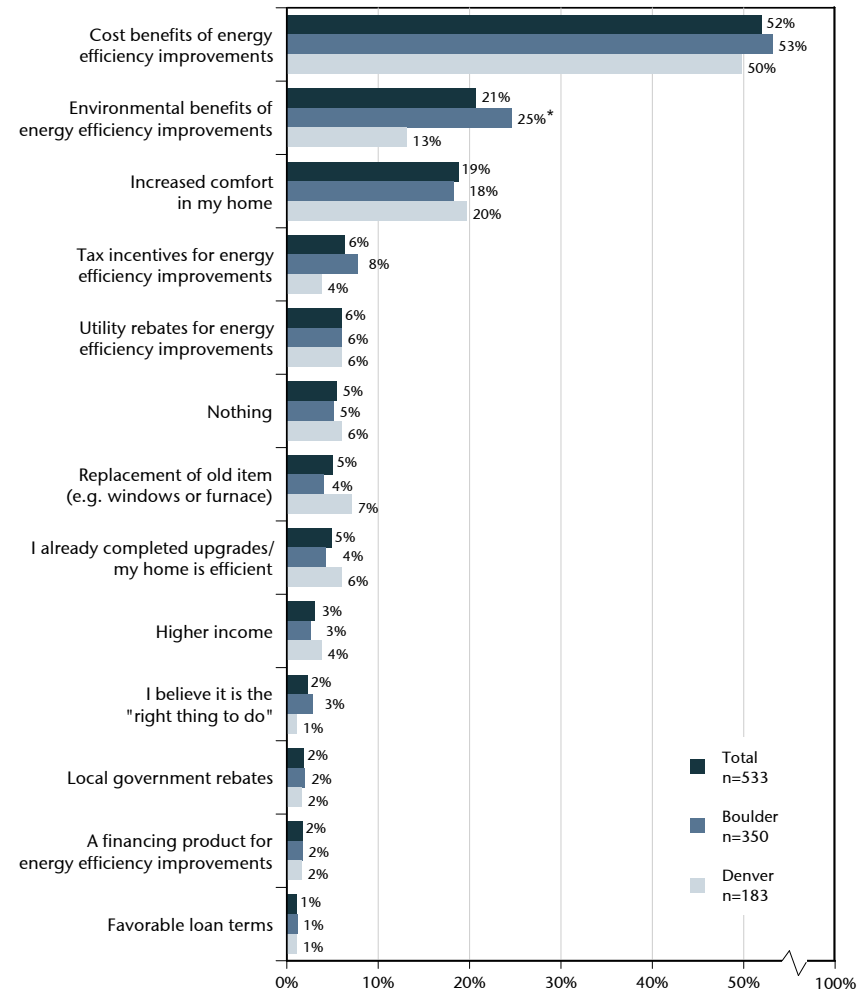
improvements, more than one-half identified the cost benefits associated with energy efficiency improvements (53% of Boulder homeowners and 50% of Denver homeowners).

Other motivating factors that Boulder homeowners frequently identified included environmental benefits of energy efficiency improvements (25%) and increased comfort in their homes (18%). Similarly, other motivating factors that Denver homeowners identified included increased comfort in their homes (20%) and environmental benefits of energy efficiency improvements (13%).

Approximately 6 percent of homeowners identified tax incentives as a motivating factor for making energy efficiency improvements. That result appeared to be affected substantially by household income — 7 percent of participants who reported household incomes of less than \$40,000 listed it as a motivating factor compared to only 1 percent of participants who reported household incomes of \$40,000 or more, and that difference that was statistically significant.

Participants who reported household incomes of \$40,000 or more (25%) were more likely than participants who reported household incomes of less than \$40,000 (4%) to identify environmental benefits as a motivating factor for energy efficiency improvements, and that difference that was statistically significant.

Figure II-1.
Factors that motivate energy efficiency improvements



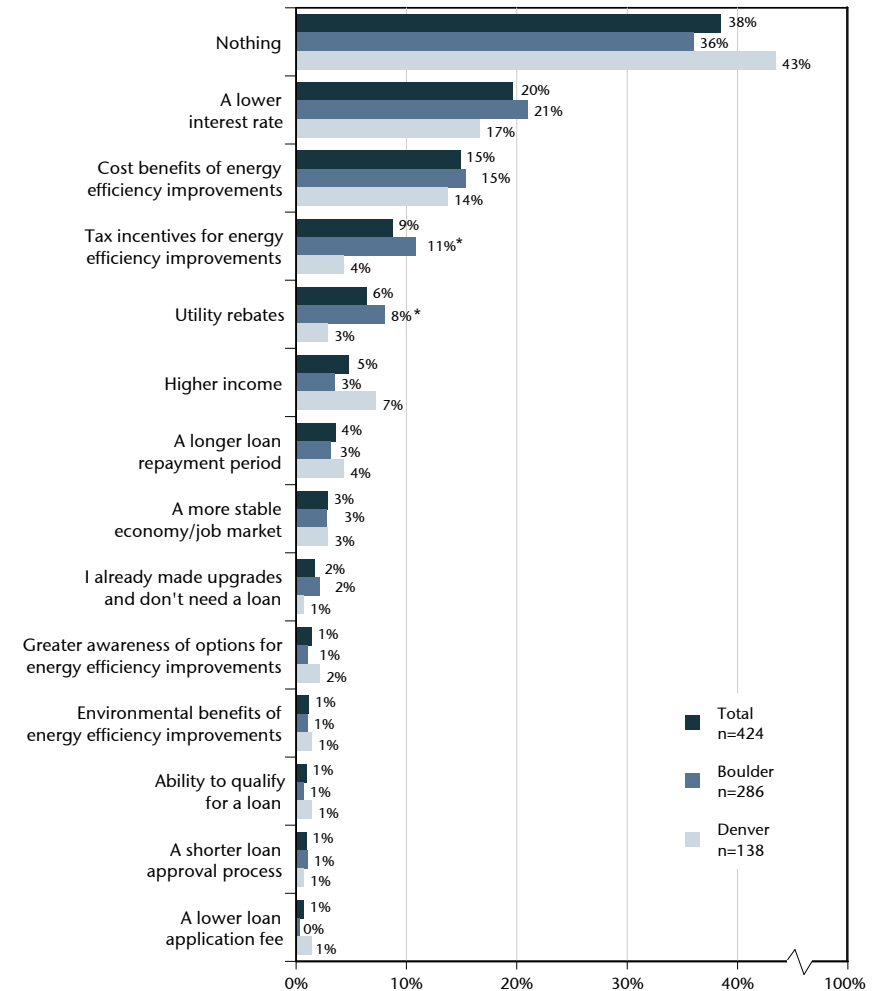
Notes: Participants could identify multiple reasons, so the total does not add up to 100 percent. Asterisks (*) denote statistically significant difference between Boulder and Denver at the 95 percent confidence level.

Source: 2011 Energy Loan Market Demand Study Survey, BBC Research & Consulting.

Factors that motivate seeking energy efficiency loans. The survey asked participants to identify factors that would motivate them to seek loans to make energy efficiency improvements to their homes. Figure II-2 presents factors that participants identified. Of respondents who identified at least one motivating factor, the most frequently identified factor was a lower interest rate (20%). Participants also identified cost benefits of energy efficiency improvements (15%) to be motivating factor for seeking energy efficiency loans.

Overall, 38 percent of participants reported that there were no factors that would motivate them to seek loans to make energy efficiency improvements to their homes (Boulder homeowners = 36%; Denver homeowners = 44%). That result appeared to be affected substantially by age — 43 percent of participants who reported being 55 years or older reported that there were no factors that would motivate them to seek loans to make energy efficiency improvements compared to 27 percent of participants who reported being 54 years or younger, and that difference was statistically significant.

Figure II-2.
Factors that motivate seeking energy efficiency loans



Notes: Participants could identify multiple reasons, so the total does not add up to 100 percent. Asterisks (*) denote statistically significant difference between Boulder and Denver at the 95 percent confidence level.

Source: 2011 Energy Loan Market Demand Study Survey, BBC Research & Consulting.

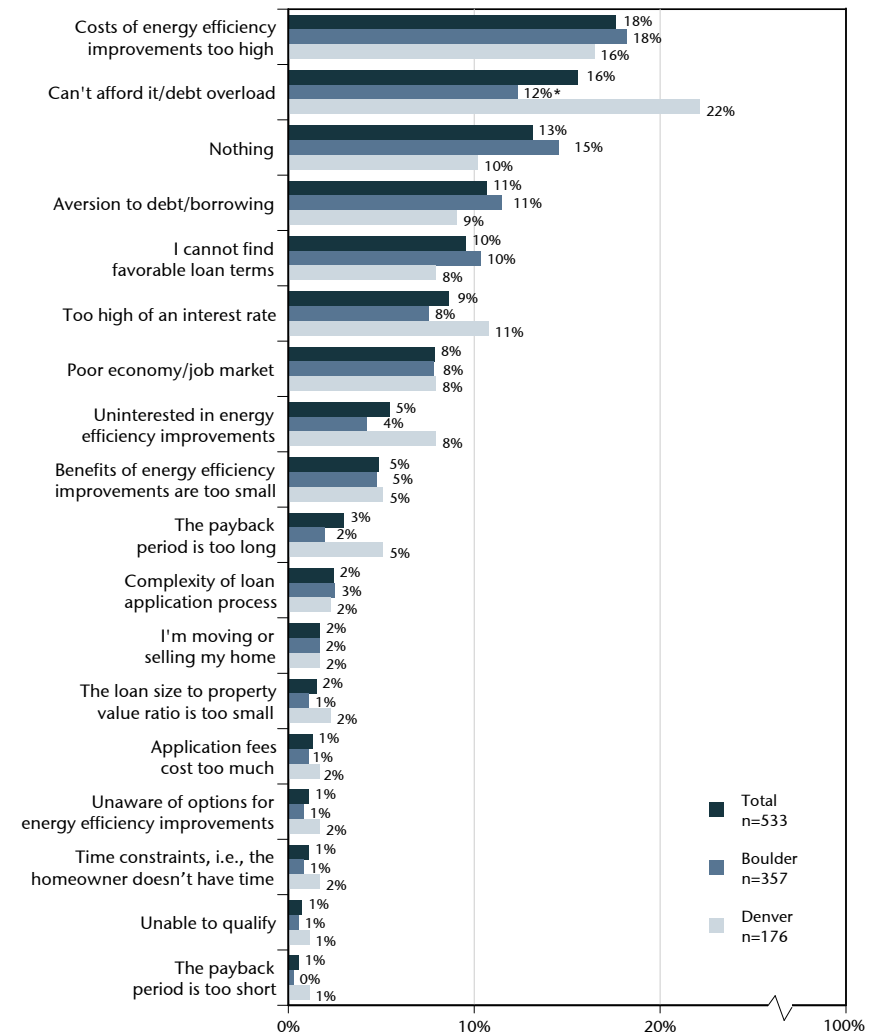
Factors that discourage seeking energy efficiency loans. The study team asked homeowners to identify factors that would prevent them from seeking loans to make energy efficiency improvements to their homes. Figure II-3 shows the factors that participants identified. The two most frequently identified factors that would prevent homeowners from seeking energy efficiency loans were the cost of such improvements (18%) and current debt overload (16%). Survey participants also identified unfavorable loan terms (10%) and relatively high interest rates (9%) as factors that would prevent them from seeking energy efficiency loans.

Many homeowners from both Boulder and Denver reported that they did not want to take on new debt because of a general aversion to taking on debt (11%). Somewhat related to that result, 8 percent of homeowners reported that current economic conditions would prevent them from seeking energy efficiency loans.

Compared to homeowners that reported a household income of \$40,000 or more (16%), a larger share of homeowners that reported a household income of less than \$40,000 (24%) said that costs of energy efficiency improvements were too high. However, this difference was not statistically significant. A larger share of homeowners with a household income of less than \$40,000 (22%) than homeowners with a household income of \$40,000 or more (10%) said that current debt burdens would prevent them from seeking energy efficiency loans, and that difference was statistically significant.

A larger share of homeowners that were younger than 55 years old (14%) than homeowners that were 55 years or older (7%) reported that their inability to find favorable loan terms would discourage them from seeking energy efficiency loans, and that difference was statistically significant.

Figure II-3.
Factors that discourage seeking energy efficiency loans

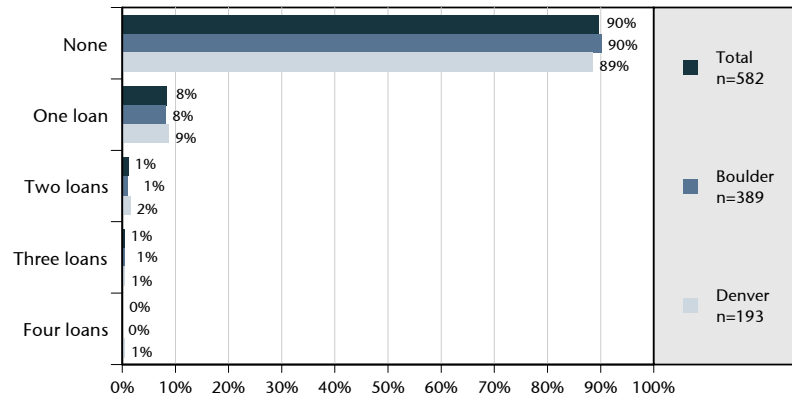


Notes: Participants could identify multiple reasons, so the total does not add up to 100 percent. Asterisks (*) denote statistically significant difference between Boulder and Denver at the 95 percent confidence level.

Source: 2011 Energy Loan Market Demand Study Survey, BBC Research & Consulting.

Past uptake of energy efficiency loans. The study team collected information about energy efficiency loans that participants took out during the past three years. Participants were asked to identify how many loans they had taken out during that time to finance energy efficiency improvements. Figure II-4 presents those results.

Figure II-4.
Loans taken out in the past three years for energy upgrades



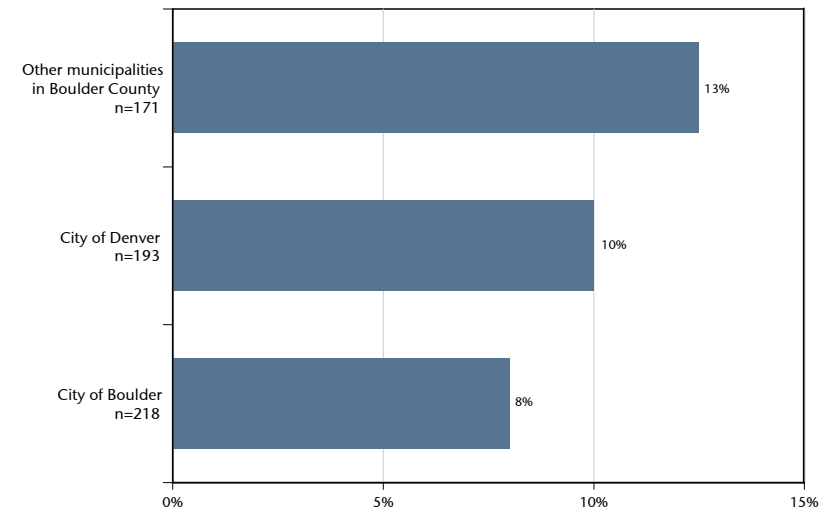
Notes: Total may not add up to 100 percent because of rounding. Asterisks (*) denote statistically significant difference between Boulder and Denver at the 95 percent confidence level.
Source: 2011 Energy Loan Market Demand Study Survey, BBC Research & Consulting.

Most survey participants reported that they had not taken out a loan to finance energy efficiency improvements during the past three years. As presented in Figure II-4, only 10 percent of Boulder homeowners and 11 percent of Denver homeowners reported that they took out at least one energy efficiency loan during the past three years. Participants were also asked to identify the smallest amount of financing that they took out related to those loans. Participants who reported that they took out at least one energy efficiency loan most frequently said that the smallest amount of financing that they took out was between \$2,000 and \$5,000 (26%).

Compared to participants who reported that they did not take out energy efficiency loans during the past three years, participants who reported that they did take out loans were half as likely to report that no factors would motivate them to seek loans to make energy efficiency improvements to their homes (40% versus 20%), and that difference was statistically significant.

Figure II-5 presents the percent of participants that reported that they had taken out at least one energy efficiency loan in the past three years broken out by the City of Boulder, the City and County of Denver, and other municipalities in Boulder County. As Figure-5 shows, 13 percent of respondents in other Boulder municipalities reported that they took out at least one energy efficiency loan during the past three years.

Figure II-5.
Percent of participants that reported they had taken out at least one energy efficiency loan in the last three years, by municipality

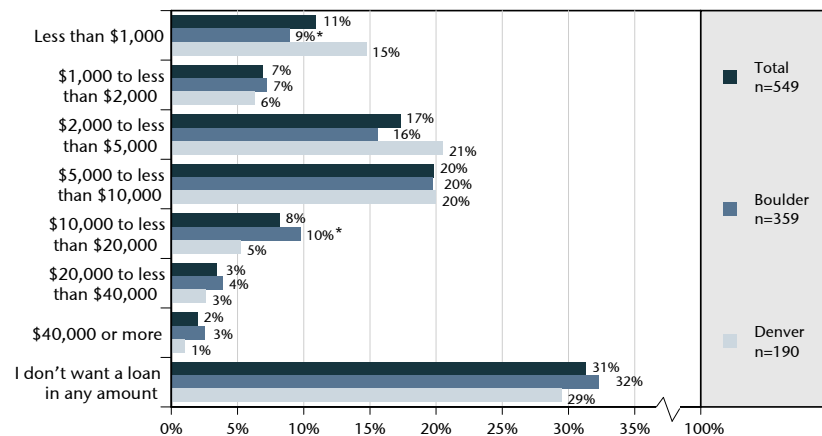


Notes: Other municipalities in Boulder County include Longmont, Louisville, Lafayette, Lyons, Jamestown, Nederland, Superior, Ward, and unincorporated CDPs.
Source: 2011 Energy Loan Market Demand Study Survey, BBC Research & Consulting.

Potential terms of energy efficiency loans. The study team collected information about potential loan terms that would make energy efficiency loans attractive to Boulder and Denver homeowners.

Size of loan. The study team asked participants to identify the loan size in which they would be most interested if a loan were made available for making energy efficiency improvements to their homes. Figure II-6 presents the size ranges that participants indicated would be most attractive to them. The two loan sizes in which Boulder and Denver homeowners reported being most interested in were between \$2,000 and \$5,000 (17% and 16%) and between \$5,000 and \$10,000 (20% and 20%).

Figure II-6.
Preferred size of residential energy efficiency loans



Notes: Total may not add up to 100 percent because of rounding. Asterisks (*) denote statistically significant difference between Boulder and Denver at the 95 percent confidence level.

Source: 2011 Energy Loan Market Demand Study Survey, BBC Research & Consulting.

In general, Boulder homeowners reported being interested in loans of greater values than Denver homeowners. A significantly larger percentage of Boulder homeowners (16%) than Denver homeowners (9%) reported being interested in energy efficiency loans between \$10,000 and \$20,000. Related to that result, a larger percentage of Denver homeowners (15%) than Boulder homeowners (9%) reported they would be most interested in energy efficiency loans worth \$1,000 or less.

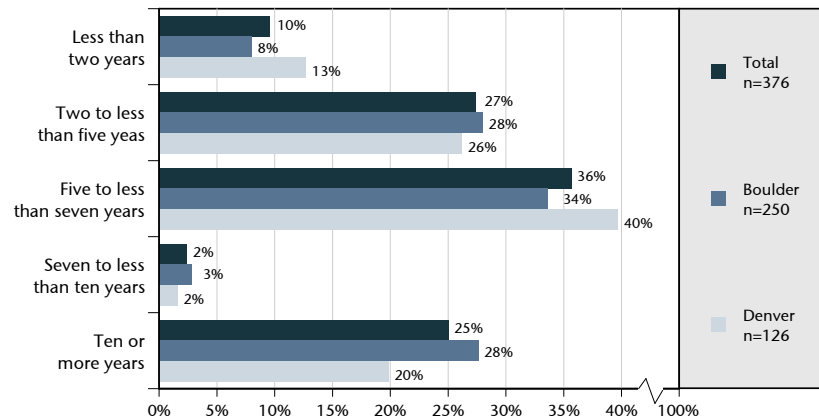
The size of loan in which participants reported being most interested tended to increase with household income. Nine percent of homeowners with a household income of \$100,000 or more reported that they would be most interested in an energy efficiency loan worth \$40,000 or more. Only 3 percent of participants with a household income of less than \$100,000 reported being interested in energy efficiency loans of that size. However, that difference was not statistically significant.

Interest rate. The study team asked homeowners to identify the highest annual percentage rate that they would be willing to pay on an energy efficiency loan. The mean interest rate that survey participants reported that they would be willing to pay was 3 percent. Survey participants most frequently reported that they would be willing to pay an interest rate between 4 percent and 5 percent (27%).

The mean interest rate that Boulder homeowners reported that they would be willing to pay (3.8%) was higher than the mean interest rate that Denver homeowners reported that they would be willing to pay (3.4%), but that difference was not statistically significant.

Repayment period. The survey asked homeowners to identify for how many years they would want the repayment period of an energy efficiency loan to be. As shown in Figure II-7, homeowners most frequently reported being interested in a repayment period that was between five and seven years long — 36 percent of homeowners reported that they would be interested in a repayment period of that length. On average, Boulder homeowners reported being interested in a longer repayment period (6.3 years) than Denver homeowners (5.7 years), but that difference was not statistically significant.

Figure II-7.
Preferred repayment period for residential energy efficiency loans



Notes: Total may not add up to 100 percent because of rounding. Asterisks (*) denote statistically significant difference between Boulder and Denver at the 95 percent confidence level.

Source: 2011 Energy Loan Market Demand Study Survey, BBC Research & Consulting.

Likelihood of future uptake of energy efficiency loans. The study team collected information about the likelihood that Boulder and Denver homeowners would apply for energy efficiency loans in 2012. Participants were asked to think about a loan that met or exceeded all of their needs in terms of loan size, interest rate, and repayment period and to rate how likely they would be to apply for such a loan in 2012. Participants made their ratings on a scale from 0 to 9, where 0 indicated “extremely unlikely” and 9 indicated “extremely likely.”

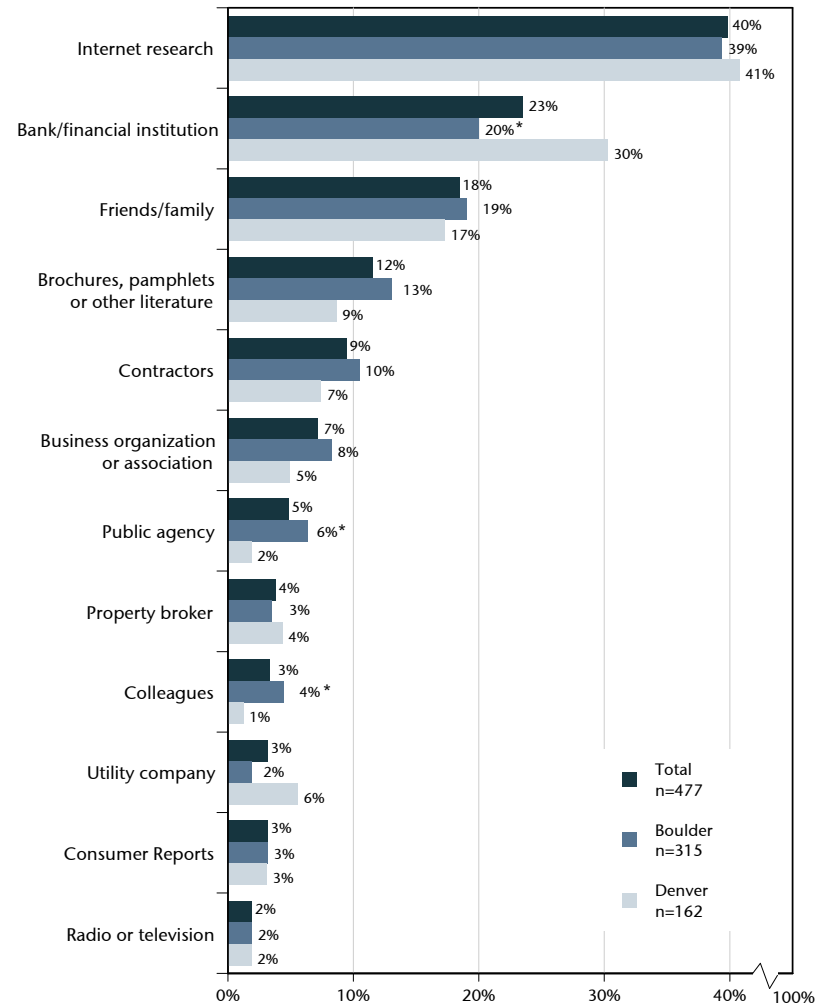
On average, participants indicated that they were relatively unlikely to seek a loan to finance energy efficiency upgrades in 2012 (mean rating of 1.8 out of 9). Approximately 58 percent of participants rated the likelihood that they would apply for an energy efficiency loan in 2012 as 0. The mean likelihood rating of Boulder homeowners (1.88) was slightly higher than that of Denver homeowners (1.78), but that difference was not statistically significant.

On average, participants who reported they had taken out at least one energy efficiency loan during the past three years (3.2) were more likely to say that they would seek future energy efficiency loans than participants who reported that they did not take out an energy efficiency loan during the past three years (1.7), and that difference was statistically significant.

Sources of information. The survey asked homeowners to identify the sources on which they rely (or would rely) to obtain information about loan products related to home improvements. As shown in Figure II-8, homeowners most frequently listed Internet research (40%) as a source of loan information. Homeowners also frequently listed banks and other financial institutions (23%) and friends and family (18%) as sources for such information.

Figure II-9 presents the sources of loan information on which homeowners do rely, or would rely, based on age. Participants younger than 75 years of age most commonly reported that they rely on Internet research for loan information (43%). A relatively large percentage of respondents between 25 and 34 years old (12.5%) reported that they rely on business organizations or associations for information on home-improvement loan products. Homeowners 55 years old and older reported that they rely on contractors (14%) more frequently than respondents under the age of 55 (3%), and that difference was statistically significant.

Figure II-8.
Sources of information for home-improvement loans



Notes: Participants could identify multiple reasons, so the total does not add up to 100 percent. Asterisks (*) denote statistically significant difference between Boulder and Denver at the 95 percent confidence level.

Source: 2011 Energy Loan Market Demand Study Survey, BBC Research & Consulting.

Figure II-9.
Sources of home-improvement loan information by age

Source of loan information	35 years old and under	Between 35 and 44 years old	Between 45 and 54 years old	Between 55 and 64 years old	Between 65 and 74 years old	75 years old and older
Internet research	38.9 %	50.0 %	45.6 %	45.6 %	15.7 %	13.6 %
Bank/financial institution	16.7	21.7	28.2	19.7	11.2	34.1
Other	16.7	8.3	6.8	12.2	4.1	18.2
Friends/family	11.1	26.7	14.6	19.0	7.6	27.3
Business organization or association	11.1	6.7	8.7	6.8	2.0	11.4
Utility company	11.1	3.3	2.9	2.7	1.5	2.3
Brochures, pamphlets or other literature	11.1	10.0	6.8	12.2	7.1	13.6
Consumer Reports	5.6	3.3	2.9	1.4	2.5	4.5
Public agency	5.6	5.0	7.8	4.1	2.5	0.0
Property broker	5.6	3.3	4.9	2.7	2.5	2.3
Colleagues	0.0	3.3	3.9	4.1	0.5	6.8
Contractors	0.0	0.0	4.9	12.9	6.1	20.5
Radio or television	0.0	1.7	4.9	0.7	1.0	0.0
Home improvement store	0.0	1.7	1.0	0.7	0.5	0.0
n=	18	60	103	147	97	44

Notes: Interpretations should be made with caution, as some of the age ranges have a limited number of observations. Any significant findings are identified above in the report.

Source: 2011 Energy Loan Market Demand Study Survey, BBC Research & Consulting.

Expected energy efficiency loan uptake. The study team used estimates from the U.S. Census Bureau of the total number of Boulder and Denver owner-occupied homes and survey responses about the likelihood of loan uptake in 2012 to estimate expected ranges of energy efficiency loan uptake.

The study team focused on the proportion of respondents that is mostly likely to seek financing for energy efficiency improvements in the future — those participants that rated the likelihood of them applying for an energy efficiency loan in 2012 as an 8 or a 9.

Based on the Census Bureau's estimate that there are 75,001 owner-occupied homes in Boulder and 132,793 owner-occupied homes in Denver, the study team expects that between 3,695 and 4,075 Boulder homeowners and between 6,440 and 7,397 Denver homeowners will seek energy efficiency loans in 2012.

Commercial Survey Results

In addition to telephone surveys with Boulder and Denver homeowners, the study team completed telephone surveys with 71 commercial property owners — 32 that own properties just in Boulder, 37 that own properties just in Denver, and two that own properties in both Boulder and Denver. Caution might be exercised when drawing inferences from comparisons between Boulder and Denver participants due to the relatively low number of observations.

Respondent characteristics. The study team collected information about characteristics of commercial property owners that participated in the survey. We compared characteristics between Boulder and Denver commercial property owners.

Overall, the profile of Boulder commercial property owners aligned closely with the profile of Denver commercial property owners. However, the study team observed some key differences between the groups:

- On average, Denver commercial property owners reported that they owned more properties than Boulder commercial property owners;
- A greater percentage of Denver commercial property owners than Boulder commercial property owners owned more than 100,000 square feet of property;
- A greater percentage of Boulder commercial property owners than Denver commercial property owners reported that they lease commercial space to industrial tenants; and
- Boulder commercial property owners were more likely to report having triple net leases with their tenants, whereas Denver commercial property owners were more likely to report full-service/grossed leases.

Number of properties. About half of Boulder and Denver commercial property owners reported that they owned only one property. However, a larger percentage of Denver property owners (21%) than Boulder property owners (6%) reported that they owned five or more properties.

Square footage. Overall, 29 percent of commercial property owners reported that they owned 1,000 square feet or less of commercial property. Compared to Boulder property owners (17%), a larger percentage of Denver property owners (27%) reported that they owned more than 100,000 square feet of commercial property.

Tenants. Most participants (82%) reported that they leased at least some of their commercial space out to tenants. The vast majority of those participants (95%) reported that they leased out 75 percent or more of their commercial property to tenants.

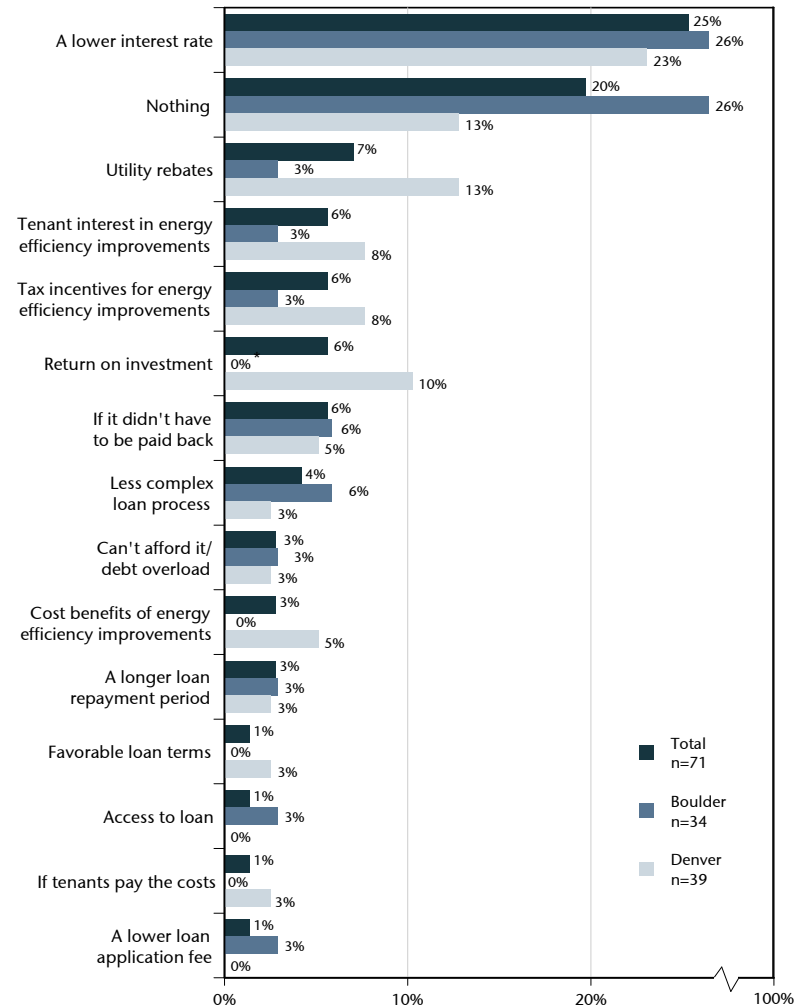
Types of tenants. Overall, 52 percent of Boulder and Denver commercial property owners reported that they leased commercial space to tenants in the services industry. A greater proportion of Boulder property owners (29%) than Denver property owners (14%) reported that they leased commercial space to industrial tenants.

Types of leases. Forty-four percent of Boulder commercial property owners reported that they had triple net leases with their tenants and 24 percent reported they had full-service/grossed leases. In contrast, 33 percent of Denver property owners reported that they had triple net leases with their tenants and 36 percent reported that they had full-service/grossed leases.

Interest in energy efficiency and loan products. The study team asked participants about their interest in seeking a loan product to make energy efficiency improvements to their commercial properties and about their past interest in seeking loans to finance energy improvements.

Factors that motivate seeking energy efficiency loans. The study team asked participants to identify factors that would motivate them to seek loans to make energy efficiency improvements to their commercial properties. Figure II-10 presents factors that participants identified. Of commercial property owners who identified at least one motivating factor, the most frequently identified factor was relatively low interest rates. About 26 percent of Boulder property owners and 23 percent of Denver property owners reported that a relatively low interest rate would motivate them to seek energy efficiency loans.

Figure II-10.
Factors that motivate seeking energy efficiency loans



Notes: Participants could identify multiple reasons, so the total does not add up to 100 percent. Asterisks (*) denote statistically significant difference between Boulder and Denver at the 95 percent confidence level.

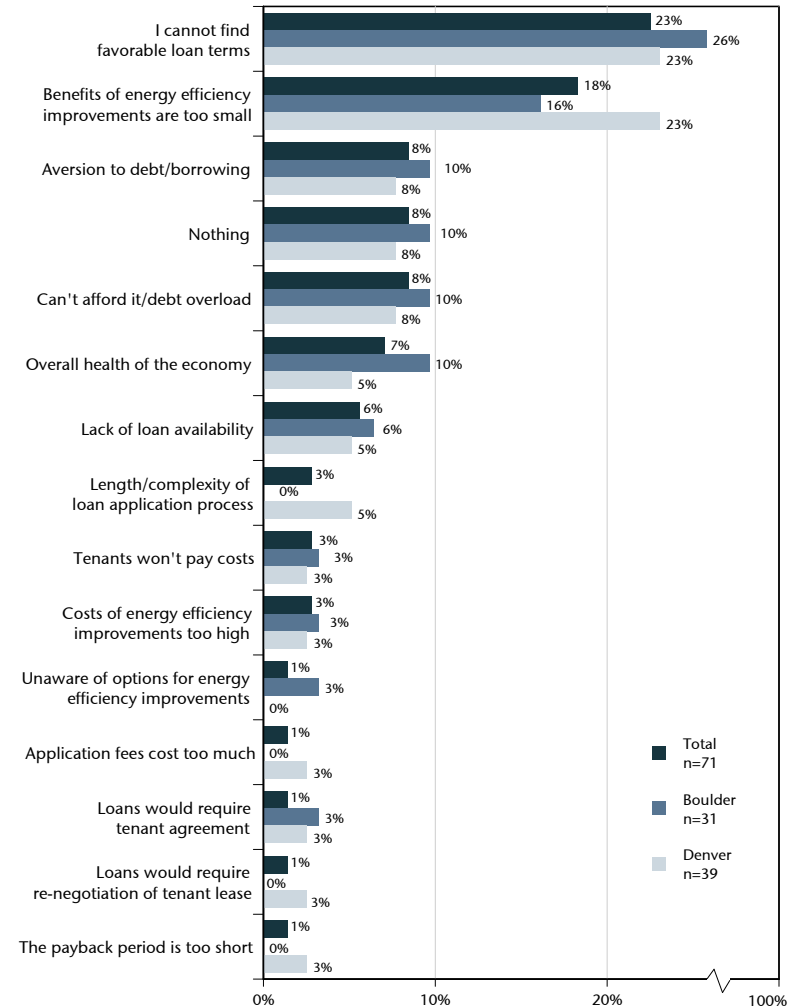
Source: 2011 Energy Loan Market Demand Study Survey, BBC Research & Consulting.

Approximately 6 percent of Boulder property owners also identified a less complex loan process as a factor that would motivate them to seek loans to make energy efficiency improvements to their property. Other motivating factors that Denver property owners identified included utility rebates (13%), return on investment (10%), and tax incentives (8%).

Overall, 20 percent of participants reported that there were no factors that would motivate them to seek loans to make energy efficiency improvements to their commercial properties (26% for Boulder property owners and 13% for Denver property owners 13%).

Factors that discourage seeking energy efficiency loans. The survey asked participants to identify factors that would prevent them from seeking loans to make energy efficiency improvements to their property. Figure II-11 shows the factors that property owners identified. The most frequently identified factor that would prevent commercial property owners from seeking energy efficiency loans is the inability to find favorable loan terms. Around one-quarter of Boulder and Denver property owners reported that the inability to find favorable loan terms would discourage them from seeking energy efficiency loans. Eighteen percent of survey participants said that the perceived benefits of energy efficiency improvements are too small, which would prevent them from seeking loans to make energy efficiency improvements to their properties. Six percent of property owners also identified lack of loan availability as a factor that would prevent them from seeking energy efficiency loans.

Figure II-11.
Factors that discourage seeking energy efficiency loans



Notes: Participants could identify multiple reasons, so the total does not add up to 100 percent. Asterisks (*) denote statistically significant difference between Boulder and Denver at the 95 percent confidence level.

Source: 2011 Energy Loan Market Demand Study Survey, BBC Research & Consulting.

Many commercial property owners from both Boulder and Denver reported that they did not want to take on new debt, either because of being currently overloaded with debt (8%) or because of a general aversion to taking on debt (8%). In the same vein, 7 percent of property owners reported that current economic conditions would prevent them from seeking loans to make energy efficiency improvements to their property.

Commercial property owners that reported owning 50,000 square feet or more of commercial space most frequently said that their inability to find favorable loan terms (37%) would prevent them from seeking energy efficiency loans. However, 21 percent of those property owners indicated they did not want to take on any new debt because of a general aversion to debt.

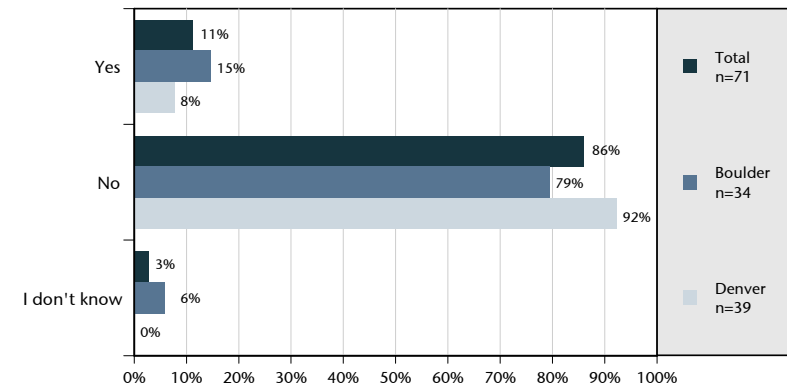
Participants that reported owning less than 50,000 square feet of commercial property most frequently reported that the benefits of energy efficiency improvements were too small (29%) as a factor that discouraged them from seeking energy efficiency loans. Those property owners also frequently said that their inability to find favorable loan terms (19%) would prevent them from seeking energy efficiency loans.

Past uptake of energy efficiency loans. The study team collected information about energy efficiency loans that commercial property owners took out during the past three years. Participants were asked to identify how many loans they had taken out during that time to finance energy efficiency improvements and to identify the smallest amount of financing that they took out related to those loans.

As shown in Figure II-12, most commercial property owners reported that they had not taken out a loan to finance energy efficiency improvements during the past three years. Overall, only 11 percent of property owners reported that they took out at least one energy efficiency loan during that time. A larger percentage of Boulder property owners (14%) than Denver property owners (8%) said that they took out at least one energy efficiency loan during the past three years, but that difference was not statistically significant.

Participants who reported that they took out at least one energy efficiency loan most frequently said that the smallest amount of financing that they took out was between \$20,000 and \$50,000 (38%).

Figure II-12.
Loans taken out in the past three years for energy upgrades



Notes: Total may not add up to 100 percent because of rounding. Asterisks (*) denote statistically significant difference between Boulder and Denver at the 95 percent confidence level.

Source: 2011 Energy Loan Market Demand Study Survey, BBC Research & Consulting.

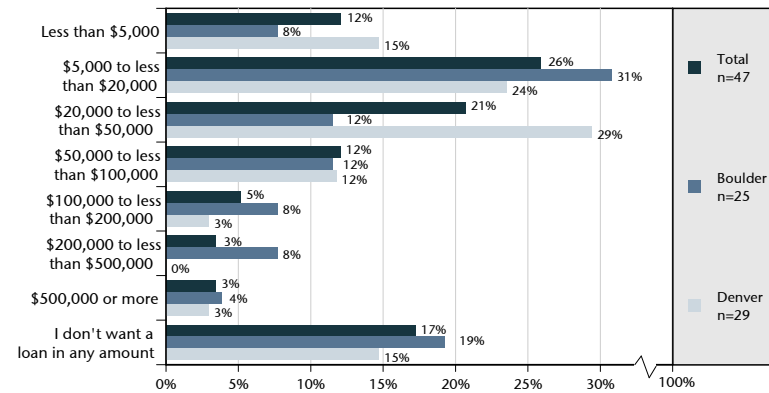
The study team also examined past energy efficiency loan uptake by municipality. Twenty percent of Boulder property owners and 8 percent of Denver property owners reported that they had taken out at least one energy efficiency loan in the past three years. The one Longmont property owner that participated in the survey said that his organization had taken out at least one energy efficiency loan in the past three years. No other participants reported taking out energy efficiency loans in the past three years.

Potential terms of energy efficiency loans. The study team collected information about potential loan terms that would make energy efficiency loans attractive to commercial property owners.

Size of loan. The study team asked participants to identify the loan size in which they would be most interested if a loan were made available for making energy efficiency improvements to their homes. Figure II-13 presents the size ranges that commercial property owners indicated would be most attractive to them. The loan size range in which Boulder property owners reported being most interested was between \$5,000 and \$20,000 (31%). The loan size range in which Denver property owners reported being most interested was between \$20,000 and \$50,000 (29%).

Compared to Denver property owners (6%), a larger share of Boulder property owners (19%) reported being interested in energy efficiency loans worth \$100,000 or more. Related to that result, a larger percentage of Denver property owners (15%) than Boulder property owners (8%) reported they would be most interested in energy efficiency loans worth \$5,000 or less. However, those differences were not statistically significant.

Figure II-13.
Preferred size of commercial energy efficiency loans



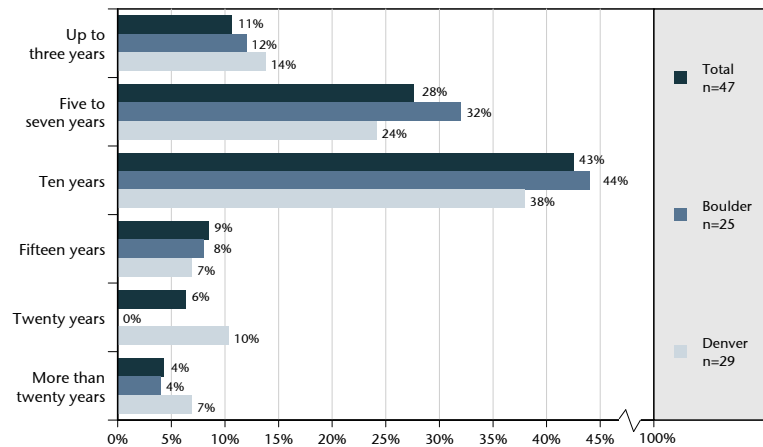
Notes: Total may not add up to 100 percent because of rounding. Asterisks (*) denote statistically significant difference between Boulder and Denver at the 95 percent confidence level.
Source: 2011 Energy Loan Market Demand Study Survey, BBC Research & Consulting.

Interest rate. The study team asked property owners to identify the highest interest rate that they would be willing to pay on an energy efficiency loan. The mean interest rate that survey participants reported that they would be willing to pay was 4.5 percent. Many survey participants (29%) reported that they would be willing to pay an interest rate up to 5 percent. The mean interest rate that Boulder property owners reported that they would be willing to pay (4.7%) was higher than the mean interest rate that Denver property owners reported that they would be willing to pay (4.4%), but that difference was not statistically significant.

On average, property owners that owned 50,000 square feet or more of commercial space reported that they would be willing to pay an interest rate of up to 4.9 percent. Property owners that owned less than 50,000 square feet of property were willing to pay a slightly lower interest rate (4.5%), but that difference was not statistically significant.

Repayment period. The study team asked property owners to identify how many years they would want the repayment period of an energy efficiency loan to be. As shown in Figure II-14, commercial property owners most frequently reported being interested in a repayment period that was 10 years long — 43 percent of property owners reported that they would be interested in a repayment period of that length. On average, Denver property owners reported being interested in a longer repayment period (10.4 years) than Boulder property owners (8.4 years), but that difference was not statistically significant.

Figure II-14.
Preferred repayment period for commercial energy efficiency loans



Notes: Total may not add up to 100 percent because of rounding. Asterisks (*) denote statistically significant difference between Boulder and Denver at the 95 percent confidence level.

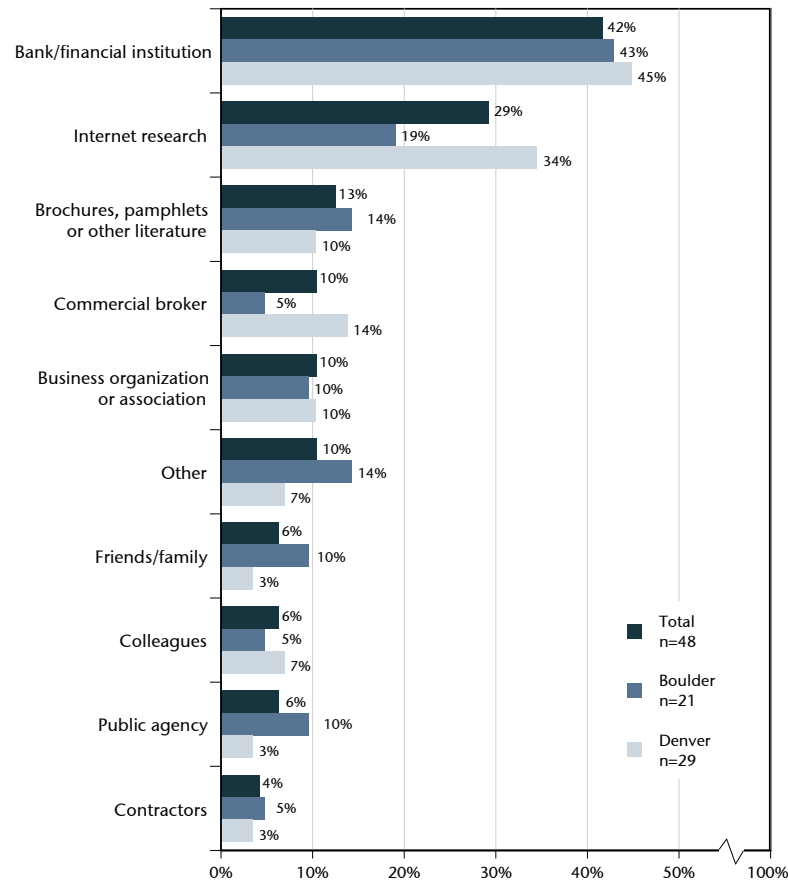
Source: 2011 Energy Loan Market Demand Study Survey, BBC Research & Consulting.

Likelihood of future uptake of energy efficiency loans. The study team collected information about the likelihood that Boulder and Denver commercial property owners would apply for energy efficiency loans in 2012. Participants were asked to think about a loan that met or exceeded all of their needs in terms of loan size, interest rate, and repayment period and to rate how likely they would be to apply for such a loan in 2012. Participants made their ratings on a scale from 0 to 9, where 0 indicated “extremely unlikely” and 9 indicated “extremely likely.”

On average, commercial property owners indicated that they were relatively unlikely to seek a loan to finance energy efficiency upgrades in 2012 (mean rating of 3.2 out of 9). Forty percent of property owners rated the likelihood that they would apply for an energy efficiency loan in 2012 as 0. The mean likelihood rating of Denver property owners (3.3) was slightly higher than Boulder property owners that of (3.0), but that difference was not statistically significant.

Sources of information. The study team also asked commercial property owners to identify the sources on which they rely (or would rely) to obtain information about loan products related to property improvements. As shown in Figure II-15, property owners most frequently listed banks and financial institutions (42%) as a source of loan information. Participants also frequently listed Internet research (29%); brochures, pamphlets, or other literature (13%); and business organizations (10%) as sources for such information.

Figure II-15.
Sources of information for property-improvement loans



Notes: Participants could identify multiple reasons, so the total does not add up to 100 percent. Asterisks (*) denote statistically significant difference between Boulder and Denver at the 95 percent confidence level.

Source: 2011 Energy Loan Market Demand Study Survey, BBC Research & Consulting.

Expected energy efficiency loan uptake. The study team used estimates from the U.S. Census Bureau of the total number of Boulder and Denver business establishments and survey responses about the likelihood of loan uptake in 2012 to estimate expected ranges for energy efficiency loan uptake.

The study team focused on the proportion of property owners that is mostly likely to seek financing for energy efficiency improvements in the future — those participants that rated the likelihood of them applying for an energy efficiency loan in 2012 as an 8 or a 9.¹

Based on the Census Bureau’s estimate that there are 11,352 business establishments in Boulder County and 21,959 business establishments in Denver, the study team expects that between 977 and 1,371 Boulder commercial property owners and between 2,437 and 3,343 Denver commercial property owners will seek energy efficiency loans in 2012.

¹ Only one Denver commercial property owner said that his likelihood to apply for an energy loan in 2012 was 9. No Boulder commercial property owners said that their likelihood to apply for an energy loan in 2012 was 9.

SECTION III.

Key Findings and Recommendations

Boulder and Denver retained BBC to collect information from homeowners and commercial property owners about their interest in an energy efficiency loan product. The study team conducted telephone interviews to explore:

- Interest among property owners to make energy efficiency improvements;
- Terms that would be attractive to property owners for an energy efficiency loan product;
- The likelihood that property owners would apply for an energy efficiency loan product; and
- Other, related topics.

This section summarizes key findings from the survey and offers recommendations for Boulder and Denver to consider when creating a loan product to help finance energy efficiency property improvements.

Key Findings

Key findings from BBC's homeowner and commercial property owner surveys are presented below.

Homeowners. The study team learned a great deal about the interest that homeowners have in energy efficiency loan products as well as what loan terms that would be attractive to them.

- Cost savings and environmental benefits associated with energy efficiency improvements motivate homeowners to consider such improvements and to seek energy efficiency loans.
- Many homeowners also indicated that increased comfort of their homes would motivate them to make energy efficiency improvements.
- The relatively high costs of energy efficiency improvements and unfavorable loan terms discourage homeowners to seek energy efficiency loan products.
- Homeowners are constrained by debt overload and the overall health of the economy, and those factors may prevent them from seeking energy efficiency loan products.

- Homeowners indicated that they would be most interested in loans between \$2,000 and \$10,000; with a maximum interest rate between 4 percent and 5 percent; and a repayment period between 5 and 7 years.
- ***Overall, homeowners showed very little interest in seeking loan products to make energy efficiency improvements to their homes in 2012.***
- Most homeowners rely on Internet research or banks and financial institutions for information on loan products. A relatively large portion of homeowners also rely on friends and family for loan information.

Commercial Property Owners. The study team also explored the interest that commercial homeowners have in energy efficiency loan products as well as what loan terms that would be attractive to them.

- Like homeowners, cost savings associated with energy efficiency improvements motivate commercial property owners to consider such improvements and to seek energy efficiency loans.
- The inability to find favorable loan terms discourages commercial property owners from seeking energy efficiency loans.
- Property owners are hesitant to take on new debt either because of current financial priorities or because of the overall poor health of the economy.
- Commercial property owners indicated that they would be most interested in loans between \$5,000 and \$20,000; with a maximum interest rate between 4 percent and 5 percent; and a repayment period of 10 years.

- ***Like homeowners, commercial property owners showed little interest in seeking loan products to make energy efficiency improvements to their properties in 2012.***
- Most commercial property owners rely on banks and financial institutions or Internet research for information on loan products.

Recommendations

BBC presents several recommendations for Boulder and Denver to consider when creating an energy efficiency loan product for homeowners and commercial property owners.

Create marketing tools that present the costs and benefits associated with energy efficiency loans. Many homeowners and commercial property owners said that the relatively high costs of energy efficiency upgrades would discourage them from seeking energy efficiency loans, as would the relatively small benefits of energy efficiency improvements. BBC recommends that Boulder and Denver create a presentation of costs — including loan fees and interest rates — that could be associated with energy efficiency loans. Boulder and Denver should also present information related to savings that could be gained through energy efficiency upgrades.

Develop a loan product with relatively low interest rates. Survey participants identified low interest rates as a motivating factor for seeking energy efficiency loans and high interest rates as a preventative factor. Most homeowners and commercial property owners said that they would not be willing to pay an interest rate that was above 5 percent for an energy efficiency loan. BBC recommends that Boulder and Denver offer energy efficiency loans to homeowners with interest rates between 4 percent and 5 percent.

Building an effective marketing campaign. Homeowners and commercial property owners alike indicated that they frequently rely on banks or other financial institutions for information about loan products. BBC recommends that Boulder and Denver engage the local banking community and encourage them to market energy efficiency loans in their establishments. BBC also recommends that Boulder and Denver incorporate web-based marketing for their loan products, as many participants indicated that they rely on Internet research for information about loan products.

In addition, homeowners indicated that they commonly rely on friends and family for information about home-improvement loans. BBC recommends that Boulder and Denver incentivize homeowners that act as first-mover borrowers. After identifying first-movers, BBC recommends that Boulder and Denver work with these homeowners to provide marketing tools that they can use to inform friends and family members about energy efficiency upgrades.

APPENDIX A. Homeowner Survey

Good [morning/afternoon/evening]. My name is [interviewer's name] calling from Aspen Research on behalf of Boulder County and the City and County of Denver. Boulder County and the City and County of Denver are conducting a survey of residential property owners within Boulder County and the City and County of Denver concerning the demand for loans for completing energy efficiency improvements to your property. The purpose of this study is to measure the demand for energy efficiency improvement loans and to identify the terms of such a loan that would be attractive to borrowers. This is not a sales call — your participation is sincerely appreciated.

[IF THE PROPERTY OWNER IS LOCATED IN THE CITY OF BOULDER, ALSO MENTION THE CITY OF BOULDER AS A STUDY SPONSOR.]

The survey should take about 6 minutes of your time. There are no correct or incorrect responses, and your responses will be confidential. With whom can I speak to get the information we need from your property?

[AFTER REACHING THE OWNER, THE INTERVIEWER SHOULD RE-INTRODUCE THE PURPOSE OF THE SURVEY AND BEGIN WITH QUESTIONS]

Introductory Questions

I have a few basic questions about the properties that you own.

Q1. Do you currently own or rent your primary residence?

- 1=Own
- 2=Rent [TERMINATE]
- 3=Other [TERMINATE]

Q2. In which city is your primary residence located?

Mark only one.

DO NOT READ CHOICES

- 1=City of Boulder
- 2=City of Denver
- 3=Longmont
- 4=Louisville
- 5=Lafayette
- 6=Lyons
- 7=Jamestown
- 8=Nederland
- 9=Superior
- 10=Ward
- 11=Erie
- 12=Unincorporated CDP: _____
[CDPs are located in Boulder County]
- 13=Other (please specify): [TERMINATE]
- 88=I don't know
- 99=Refused

Q3. Which of the following choices best describes your home?

READ CHOICES; SELECT ONE

- 1=Single family home
- 2=Townhome
- 3=Duplex
- 4=Fourplex
- 5=Condominium
- 6=Apartment
- 7=Mobile home

DO NOT READ

7= Other (please specify):

88=I don't know

99=Refused

Interest in Energy Efficiency

Next, I have a few questions about your interest in making energy efficiency improvements to your primary residence and in taking out a loan to do so.

Q4. What factors would motivate, or have motivated, you to make energy efficiency improvements to your home?

LIMIT TO THREE

DO NOT READ CHOICES

1=Cost benefits of energy efficiency improvements

2=Environmental benefits of energy efficiency improvements

3=Increased comfort in my home

4=A financing product for energy efficiency improvements

5=Utility rebates for energy efficiency improvements

6=Tax incentives for energy efficiency improvements

7=Local government rebates

8=Other (please specify):_____

88=I don't know

99=Refused

Q5. Approximately how many different times have taken out a loan to finance energy efficiency improvements in the past 3 years?

By energy efficiency improvements, I am including:

- ▶ Installation of energy-efficient lighting or windows;
- ▶ Increasing attic insulation or air sealing for walls, basement, or crawl spaces;
- ▶ Replacement of major appliances such as refrigerators, washing machines, and dryers;
- ▶ Improvements to or replacement of furnace, air conditioning system, or water heater; or
- ▶ Installation of renewable energy systems, like solar panels.

_____ times

998=I don't know

999=Refused

IF 0 TIMES OR 998 OR 999, SKIP TO Q7.

Q6. Which of the following categories best represents the smallest amount of financing that you have taken out for energy efficiency improvements in the past 3 years?

READ CHOICES

1= Less than \$1,000

2= \$1,000 to less than \$2,000

3=\$2,000 to less than \$5,000

4=\$5,000 to less than \$10,000

5=\$10,000 to less than \$20,000

6=\$20,000 to less than \$40,000

7=\$40,000 or more

88=I don't know

99=Refused

Q7. What financial factors would motivate you to seek a loan to make energy efficiency improvements to your home in the next 12 months?

LIMIT TO THREE

DO NOT READ CHOICES

- 1=Presentation of cost benefits of energy efficiency improvements
- 2=Presentation of environmental benefits of energy efficiency improvements
- 3=Greater awareness of options for energy efficiency improvements
- 4=A lower interest rate
- 5=A longer loan repayment period
- 6=A lower loan application fee
- 7=A shorter loan approval process
- 8=Utility rebates
- 9=Tax incentives for energy efficiency improvements
- 10=Other (please specify): _____
- 88=I don't know
- 99=Refused

Q8. What are some of the primary factors that would prevent you from taking out a loan to make energy efficiency improvements to your home in the next 12 months?

LIMIT TO THREE

DO NOT READ CHOICES

- 1=Unaware of options for energy efficiency improvements
- 2=Unaware of loan options for energy efficiency improvements
- 3=Uninterested in energy efficiency improvements
- 4=Property faces logistical constraints such as roofing space
- 5=Benefits of energy efficiency improvements are too small
- 6=Costs of energy efficiency improvements too high
- 7=I cannot find favorable loan terms
- 8=The payback period is too short
- 9=The payback period is too long
- 10=The loan size to property value ratio is too small
- 11=Complexity of loan application process
- 12=Application fees cost too much
- 13=Time constraints, i.e., the homeowner doesn't have time
- 14=HOA/external restrictions
- 15=Land-use restrictions
- 16=Other (please specify): _____
- 88=I don't know
- 99=Refused

Potential Loan Terms

Now I would like to discuss loan terms that would be attractive to you if a loan were made available for making energy efficiency improvements to your primary residence.

Q9. If a loan were made available for making energy efficiency improvements to your home, which of the following categories best represents the size of loan in which you would be most interested?

Select only one.

READ CHOICES

- 1= Less than \$1,000
- 2= \$1,000 to less than \$2,000
- 3=\$2,000 to less than \$5,000
- 4=\$5,000 to less than \$10,000
- 5=\$10,000 to less than \$20,000
- 6=\$20,000 to less than \$40,000
- 7=\$40,000 or more

DO NOT READ

- 77 = I don't want a loan in any amount [SKIP TO Q12]
- 88 = I do not know
- 99 = Refuse

Q10. If a loan were made available to you for making energy efficiency improvements to your home, what is the highest annual percentage rate you would be willing to pay?

_____ %

- 88 = I do not know
- 99 = Refuse

Q11. If a loan were made available to you for making energy efficiency improvements to your home, for how many years would you want the repayment period to be?

_____ years

- 88 = I do not know
- 99 = Refuse

Uptake

Q12. Think about a loan for making energy efficiency improvements that meets or exceeds all of your needs in terms of loan size, interest rate, and repayment period. In addition, the loan would give you access to rebates and to an advisor who would provide technical assistance throughout the entire loan process. How likely would you be to apply for the loan in 2012?

I would like you to rate the likelihood on a scale from 0 to 9, where 0 indicates “extremely unlikely” and 9 indicates “extremely likely.”

ENTER 0-9

88=I don’t know
99=Refused

Q13. On what sources do you (or would you) rely for information about home-improvement loan products?

Mark all that apply. DO NOT READ CHOICES

1=Bank/financial institution; please specify: _____
2=Property broker
3=Friends/family
4=Colleagues
5= Business organization or association
6=Internet research
7=Brochures, pamphlets or other literature
8=Contractors
9=Other: _____
88=I don’t know
99=Refused

Demographics

I have just a few last questions.

Q14. Which of the following categories best represents your age?

READ CHOICES; SELECT ONE

1=Under 18 years old
2=Between 18 and 24 years old
3=Between 25 and 34 years old
4=Between 35 and 44 years old
5=Between 45 and 54 years old
6=Between 55 and 64 years old
7=Between 65 and 74 years old
8=75 years old or older
88=I don’t know
99=Refused

Q15. What is your race or ethnicity?

DO NOT READ CHOICES

ACCEPT MULTIPLE RESPONSES

1=White
2=Hispanic
3=Black or African American
4=American Indian or Alaska Native
5=Asian Pacific
6=Subcontinent Asian
7=Other race (please specify): _____

88=I don’t know
99=Refused

Q16. Please indicate which of the following categories best represents your estimated total household income for 2010?

READ CHOICES; SELECT ONE.

1=Less than \$20,000

2=Between \$20,000 and less than \$40,000

3=Between \$40,000 and less than \$60,000

4=Between \$60,000 and less than \$80,000

5=Between \$80,000 and less than \$100,000

6=\$100,000 or more

DO NOT READ

88=I don't know

99=Refused

APPENDIX B. Commercial Property Owner Survey

Good [morning/afternoon]. My name is [interviewer's name] calling from Aspen Research on behalf of Boulder County and the City and County of Denver. Boulder County and the City and County of Denver are conducting a survey of commercial property owners within Boulder County and the City and County of Denver concerning the demand of loans for completing energy efficiency property improvements. The purpose of this study is to measure the demand for energy efficiency improvement loans and to identify the terms of such a loan that are attractive to borrowers. This is not a sales call — your participation is sincerely appreciated.

[IF THE PROPERTY OWNER IS LOCATED IN THE CITY OF BOULDER, ALSO MENTION THE CITY OF BOULDER AS A STUDY SPONSOR.]

The survey should take about 7 minutes. There are no correct or incorrect responses, and your responses will be confidential. With whom can I speak to get the information we need from your organization?

[AFTER REACHING THE OWNER OR AN APPROPRIATELY SENIOR STAFF MEMBER, THE INTERVIEWER SHOULD RE-INTRODUCE THE PURPOSE OF THE SURVEY AND

BEGIN WITH QUESTIONS]

Introductory Questions

I have a few basic questions about the commercial properties that your organization owns.

Q1. Can you confirm that this is [organization name]?

1=Right organization [SKIP TO QUESTION 3]

2=Not right organization

88=I don't know [TERMINATE]

99=Refused [TERMINATE]

Q2. What is the name of your organization?

Q3. Does your organization own at least one commercial property in Boulder County or in the City and County of Denver? By commercial property I mean:

- Office space;
- Retail space;
- Restaurant space;
- Health care facility space;
- Education facility space;
- Warehouse space;
- Manufacturing facility space; and
- Multi-family housing units

1=Yes

2=No [TERMINATE]

88=I don't know [TERMINATE]

99=Refused [TERMINATE]

Q4. How many properties does your organization own in Boulder County or in the City and County of Denver?

_____ properties in Boulder County

_____ properties in City and County of Denver

[TERMINATE IF ANSWER IS ZERO TO BOTH]

Q5. Approximately how much total square footage of commercial property does your organization own in Boulder County and in the City and County of Denver?

_____ sq. ft. in Boulder County

_____ sq. ft. in City and County of Denver

88=I don't know

99=Refused

Q6. In which cities are your organization's properties located?

Mark all that apply.

DO NOT READ CHOICES

1=City of Boulder

2=City of Denver

3=Longmont

4=Louisville

5=Lafayette

6=Lyons

7=Jamestown

8=Nederland

9=Superior

10=Ward

11=Erie

12=Unincorporated CDP: _____

[CDPs are located in Boulder County]

88=I don't know

99=Refused

Q7. Does your organization lease any of its property space to tenants?

1=Yes

2=No [SKIP TO Q10]

88=I don't know [SKIP TO Q10]

99=Refused [SKIP TO Q10]

Q8. Approximately what percent of the total square footage of commercial property that your organization owns does it lease to tenants?

_____ %

88 = I do not know

99 = Refuse

Q9. What types of leases does your organization have with its tenants?

Mark all that apply.

DO NOT READ CHOICES, BUT, IF NECESSARY, GIVE EXAMPLES

1=Percentage lease

2=Net lease

3=Triple net lease

4=Full-serviced/gross lease

5=Green lease

6=Other (please specify): _____

88=I don't know

99=Refused

Q10. In what industries do your tenants work?

IF 2, 88, or 99 to Q7, In what industry does your organization work?

Mark all that apply.

DO NOT READ CHOICES, BUT, IF NECESSARY, GIVE EXAMPLES

1=Non-profit organizations

2=Government

3=Hospitals

4=Schools

5=Retail stores

6=Industrial businesses

7=Services businesses

8=Restaurants, bars, cafes and coffee shops

9=No industry, my tenants are residents/multi-family housing

10= Other (please specify): _____

88=I don't know

99=Refused

Interest in Energy Efficiency

Next, I have a few questions about your organization's interest in using commercial financing to make energy efficiency improvements to any of its properties in Boulder County or in the City and County of Denver. By commercial financing, I mean loans, leasing agreements, or other financial products.

Q11. Has your organization taken out any financing to make energy efficiency improvements to any of its properties in the past 3 years?

By energy efficiency improvements, I am including:

- ▶ Installation of high-efficiency lighting;
- ▶ Replacement of major mechanical systems and appliances;
- ▶ Improvements to or replacement of central heating and cooling systems;
- ▶ Installation of energy efficient roofing;
- ▶ Installation of renewable energy systems, like solar panels;
- ▶ Improving attic insulation and air sealing; or
- ▶ Installation of insulation for ceiling, air ducts, sidewall, basement, water tank, or water line spaces.

1 = Yes

2 = No [SKIP TO Q14]

88=I don't know [SKIP TO Q14]

99=Refused [SKIP TO Q14]

Q12. Approximately how many different times has your organization utilized financing for energy efficiency improvements in the past 3 years?

_____times

88=I don't know

99=Refused

Q13. Which of the following categories best represents the smallest amount of financing that your organization has taken out for energy efficiency improvements in the past 3 years?

READ CHOICES

1= Less than \$5,000

2= \$5,000 to less than \$20,000

3=\$20,000 to less than \$50,000

4=\$50,000 to less than \$100,000

5=\$100,000 to less than \$200,000

6=\$200,000 to less than \$500,000

7=\$500,000 or more

88=I don't know

99=Refused

Q14. What financial factors would motivate your organization to seek financing to make energy efficiency improvements to any of its properties in the next 12 months?

LIMIT TO THREE

DO NOT READ CHOICES

- 1= Tenant interest in energy efficiency improvements
- 2= Presentation of cost benefits of energy efficiency improvements
- 3= Presentation of environmental benefits of energy efficiency improvements
- 4= Greater awareness of options for energy efficiency improvements
- 5= A lower interest rate
- 6= A longer loan repayment period
- 7= A lower loan application fee
- 8= A shorter loan approval process
- 9= Utility rebates
- 10= Tax incentives for energy efficiency improvements
- 11= Other (please specify): _____
- 88= I don't know
- 99= Refused

Q15. What are some of the primary factors that would prevent your organization from taking out financing to make energy efficiency improvements to any of its properties in the next 12 months?

LIMIT TO THREE

DO NOT READ CHOICES

- 1= Unaware of options for energy efficiency improvements
- 2= Unaware of loan options for efficiency improvements
- 3= Uninterested in energy efficiency improvements
- 4= Properties face logistical constraints
- 5= Benefits of energy efficiency improvements too small
- 6= Costs of energy efficiency improvements too high
- 7= I cannot find favorable loan terms
- 8= The payback period is too short
- 9= The loan size to property value ratio is too small
- 10= Length/complexity of loan application process
- 11= Application fees cost too much
- 12= Loans would require board/leadership permission
- 13= Loans would require tenant agreement
- 14= Loans would require lien-holder agreement
- 15= Loans would require re-negotiation of tenant lease
- 16= Other (please specify): _____
- 88= I don't know
- 99= Refused

Potential Loan Terms

Now I would like to discuss loan terms that would be attractive to your organization if a loan were made available to your organization for making energy efficiency improvements to any of its properties.

Q16. If a loan were made available to your organization for making energy efficiency improvements to any of its properties, which of the following categories best represents the size of loan in which your organization would be most interested?

Select only one.

READ CHOICES

- 1= Less than \$5,000
- 2= \$5,000 to less than \$20,000
- 3=\$20,000 to less than \$50,000
- 4=\$50,000 to less than \$100,000
- 5=\$100,000 to less than \$200,000
- 6=\$200,000 to less than \$500,000
- 7=\$500,000 or more

DO NOT READ

- 77 = I don't want a loan in any amount [SKIP TO Q19]
- 88 = I do not know
- 99 = Refuse

Q17. If a loan were made available to your organization for making energy efficiency improvements to any of its properties, what is the highest interest rate your organization would be willing to pay?

_____ %

- 88 = I do not know
- 99 = Refuse

Q18. If a loan were made available to your organization for making energy efficiency improvements to any of its properties, for how many years would your organization want the repayment period to be?

_____ years

- 88 = I do not know
- 99 = Refuse

Uptake

Q19. Think about a loan for making energy efficiency improvements that meets all of your organization's needs in terms of loan size, interest rate, and repayment period. In addition, the loan would give you access to rebates and to an advisor who would provide technical assistance throughout the entire loan process. How likely would you be to apply for the loan in 2012?

I would like you to rate the likelihood on a scale from 0 to 9, where 0 indicates "extremely unlikely" and 9 indicates "extremely likely."

ENTER 0-9

88=I don't know
99=Refused

Q20. On what sources does your (or would your) organization rely for information about property-improvement financing products?

Mark all that apply.

DO NOT READ CHOICES

- 1=Bank/financial institution; please specify:_____
 - 2=Commercial broker
 - 3=Friends/family
 - 4=Colleagues
 - 5= Business organization or association
 - 6=Internet research
 - 7=Brochures, pamphlets or other literature
 - 8=Other:_____
- 88=I don't know
99=Refused