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NYS Homeowners and Energy Efficiency

Results were recently released for the Homeowner Segmentation Study, conducted in July 2011 by KJT Research Group for the New York State Energy Research and Development Authority (NYSERDA). A total of 1,012 homeowners located across New York participated in the research to help NYSERDA better understand how they view home energy consumption, the importance they place on energy saving solutions, and why they would consider taking advantage of programs that increase energy efficiency.

Market Insights

There's strong interest in energy efficiency

More than half (56%) of New York homeowners plan to make home energy efficiency improvements, 87% within the next 3 years.

Comprehensive home assessments make sense; it's the preferred first step

Before tackling energy efficiency, 88% are **likely to obtain a comprehensive home energy assessment**. However, only 19% have had any kind of assessment or audit done before. This signals strong awareness of the need for a comprehensive analysis, along with potential demand for the service.

Money matters ... as a motivator *and* as a barrier to energy upgrades

72% say saving money on utility bills is the main reason to make energy upgrades, with wasting less energy and making their home more comfortable the second and third reasons. But only a third say they would be willing to finance upgrades through a loan. Of that third, two-thirds would prefer a lower-rate loan via a state loan program. Money also matters when homeowners decide **not** to make energy upgrades, with half indicating they can't afford energy projects or need to save for other priorities.

Most prefer to tackle energy efficiency project by project

79% would prefer to make energy upgrades one or two at a time, as their budget and time allows, signaling that **the commitment to energy efficiency can be long-term**. Only 14% say they would tackle all upgrades within a short period of time (6 months).





Investment thresholds differ by income levels

The “optimal” price point on an energy upgrade package for households with income above \$75K is \$5,000. Incomes below \$75K say their optimal spend is \$3,000.

People want a relatively short payback period

70% indicate they would invest in energy efficiency if the **payback period were 3 to 4 years**, defining the desired return on investment.

Homeowners plan ahead and will engage contractors to help

While 20% said their most recent home improvement project was **to fix something that was broken**, 60% said they wanted to **make improvements to their homes**. 70% said they would hire a contractor to do at least part of the work. 63% would check in with friends and relatives for a contractor recommendation. 52% would call someone they already know and trust.

Some believe their home is already energy efficient, while others recognize symptoms

32% say their home is already energy efficient. How do homeowners know their home is not? 56% say the windows are not airtight; 46% say there is not enough insulation; 46% say doors are not airtight; 39% say energy bills are too high; 32% say their furnace or air conditioning is not efficient; 30% say heating or cooling is uneven.

More education is needed on the most effective energy saving methods

When asked what's the most effective improvement in saving energy, 25% say new windows—a measure that was cited more than any other improvement. While **adding wall insulation, and doing weatherstripping and sealing typically yield a higher return on investment** in energy savings, these two measures were cited by only 14% and 11%, respectively.

Many factors don't seem to make a difference when considering energy upgrades

Where a home is located in New York and its age, or the income level of the homeowner, doesn't come into play in whether people believe their home is energy efficient or not. How much a homeowner currently spends on energy or the notion that upgrades will improve the value of a home is also irrelevant.