



PRESS RELEASE

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USGBC Teams Up with Harvard University's 2010 Report "The State of the Nation's Housing"

Report shows housing affordability can be improved by efficiency upgrades in existing home stock

Washington, DC – (June 21, 2010) – The U.S. Green Building Council (USGBC) has co-sponsored a report from the Joint Center for Housing Studies of Harvard University entitled *The State of the Nation's Housing 2010*, which studied the affordability, energy and location efficiency within the existing U.S. housing stock. For the first time, the report also looked at the utility and transportation costs associated with current trends in the residential real estate market, finding that housing can be made more affordable through efficiency upgrades.

Utility and transportation costs greatly affect housing affordability for families at all income levels. Released earlier this week, the report found the sale of existing homes in 2009 climbed five-percent, while new home sales were down by 23-percent. Much of the growth in existing home sales is credited to declining real estate prices, along with government tax credits marketed to first-time homebuyers.

"As existing home sales begin to rise, there is a great opportunity to bring the energy and water efficiency aspects of these homes up to today's standards," said Casius Pealer, director of affordable housing policy, U.S. Green Building Council. "The report found that if all pre-2000 homes were brought up to the same efficiency as post-2000 homes in their regions, residential energy consumption would fall by 22.5 percent – reducing the financial strain on American families and directly tackling our collective environmental challenges."

The report also suggests that energy reduction tax incentives for green remodeling not only benefited the environment and families residing in energy efficient homes, but proved promising for growth in the residential real estate market. Energy consumption per square foot of housing built before 1990 fell by 21.6 percent from 1993-2005. While some of this gain may reflect conservation, more likely it resulted from improvements that increased energy efficiency, raising the marketability and value of these homes.

"Sustainable designs and materials can help reduce energy consumption in new homes and also provide opportunities for savings in existing homes," says Nicolas P. Retsinas, Director of the Joint Center for Housing Studies. "Homeowners have the potential to significantly reduce home energy costs."

The imperative to improve housing affordability must also focus on location efficiency and transportation costs. The report found that many people opt for cheaper housing that requires higher travel costs, which can actually reduce overall affordability. Families who sought to limit their housing

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expenditures either sacrificed neighborhood quality in closer-in locations or moved greater distances from urban cores to take advantage of lower housing costs, but also drastically increasing transportation costs.

However, longer-term federal commitments, such as HUD's new Sustainable Communities initiative, will seek to integrate housing and transportation decisions and encourage more energy efficient and transit-friendly development patterns on a local level. This effort is furthered through USGBC programs such as LEED for Homes and LEED for Neighborhood Development, both of which offer credits for smart location and linkages and location efficiency.

[Click here to read the key findings from the report.](#)

To learn more about *The State of Nation's Housing 2010*, visit <http://www.jchs.harvard.edu/publications/markets/son2010/index.htm>

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U.S. Green Building Council

The USGBC community is transforming the way we build, design and operate our buildings for healthier places that save precious resources for people to live, work, learn and play in. USGBC is helping create buildings and communities that regenerate and sustain the health and vitality of all life within a generation. Headquartered in Washington, D.C., the Council is the driving force of the green building industry, which is projected to contribute \$554 billion to the U.S. gross domestic product by 2013. USGBC leads a diverse constituency of builders and environmentalists, corporations and nonprofit organizations, elected officials, concerned citizens, teachers and students. The USGBC community comprises 80 local chapters, 17,000 member companies and organizations, and more than 140,000 individuals who have earned LEED Professional Credentials. Visit www.usgbc.org for more information.

Joint Center for Housing Studies of Harvard University

The Joint Center for Housing Studies is Harvard University's center for information and research on housing in the United States. Established in 1959, it is a collaborative unit affiliated with the Graduate School of Design and the Harvard Kennedy School. The Joint Center analyzes the dynamic relationships between housing markets and economic, demographic, and social trends, providing leaders in government, business, and the non-profit sector with the knowledge needed to develop effective policies and strategies. For more information, please visit www.jchs.harvard.edu.

The State of the Nation's Housing Sponsorship

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