



Quality and Value Driving Growth in the Green Building Market—According to New McGraw-Hill Construction SmartMarket Report on Green Homes and Remodeling

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Energy efficiency efforts become standard in new construction and remodeling projects, while remodelers place high value on waste management and sustainable materials.

New York – May 1, 2012 - [McGraw-Hill Construction](#), part of The McGraw-Hill Companies (NYSE: MHP), today released its latest SmartMarket Report: *New and Remodeled Green Homes: Transforming the Residential Market* at the National Association of Home Builders' ([NAHB National Green Building Conference and Expo](#)). The report includes McGraw-Hill Construction's estimate that the green homes share of the construction market was 17% in 2011, equating to \$17 billion, and expected to rise 29%-38% by 2016, potentially a \$87–114 billion opportunity, based on the five-year forecast for overall residential construction.

The report reveals that two of the key factors driving this market growth are the fact that green homes are seen as having higher quality and that they save consumers money.

"In the current residential market, there is an enormous need to differentiate your homes for consumers," says Harvey Bernstein, Vice President of Industry Insights and Alliances at McGraw-Hill Construction. "When builders are able to offer homes that not only are green, but also offer the combination of higher quality and better value, they have a major competitive edge over those building traditional homes."

This report, produced by McGraw-Hill Construction in conjunction with the NAHB and Waste Management, is designed to provide key insights into product and market opportunities in the single-family home building and remodeling industries. It is backed by proprietary research surveys and the power of the McGraw-Hill Construction Dodge database.

"NAHB builder and remodeler members were surveyed on their green building practices, which allowed us to shine a light on the state of the green market in this new report," said NAHB Chairman Barry Rutenberg, a home builder from Gainesville, Fla. "The results highlight the tremendous growth in green building, and the potential market opportunities that lie ahead. As more projects seek green certification, NAHB and the NAHB Research Center stand ready to meet the demands of this exciting and ever-changing market."

Factors driving the growth in the green home building and remodeling market include:

- Higher quality for both new home builders and remodelers. For those doing a high volume of green homes (at least 60% of the homes they build), its importance is magnified, with 90% who regard higher quality as an important trigger for building green, compared to 72% of builders overall.
- Customers are strongly value-driven—around two-thirds of builders and remodeler respondents state that customers request green homes or remodeling projects in order to lower their energy use or save money, more than twice any other factor.
- Higher first costs for building green are noted by a much lower percentage of builders as an obstacle now than they were reported in 2008.

The study also reveals the key practices and technologies taking over in the residential marketplace as a result of the shift toward green:

- More than 80% report that energy efficiency is making today's homes greener compared to two years ago. Use of energy-efficient features is pervasive in the market—the top practice by nearly all surveyed builders and remodelers, regardless of their level of green building activity.
- Indoor air quality is growing in importance and focus for home builders. 60% of home builders believe that efforts to improve indoor air quality make homes greener than they were two years ago, and 95% of high volume home builders report including features that impact air quality.
- More than half consider durable materials one of the most important features in their homes today. In particular, remodelers emphasize this key aspect of their projects. Durability and better materials are key reasons why green homes and remodeling projects are considered of higher quality.

"These findings confirm the shift we've seen in the market," says Jim Halter, Vice President, Construction Solutions for Waste Management. "Builders and remodelers are placing more emphasis on energy efficiency, increases in sustainability focused waste management practices and more products made from post-consumer materials. These important factors are pushing our industry forward."

The key findings from the study were presented by McGraw-Hill Construction on May 1 at a plenary session at NAHB's National Green Building Conference and Expo in Nashville, Tennessee, followed by a panel of industry experts discussing its impact on the market. For a copy of the report, visit <http://analyticsstore.construction.com/index.php/new-and-remodeled-green-homes-transforming-the-residential-marketplace-2012.html>.

About McGraw-Hill Construction

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About The McGraw-Hill Companies

McGraw-Hill (NYSE: MHP) announced on September 12, 2011, its intention to separate into two public companies: McGraw-Hill Financial, a provider of content and analytics to global financial markets, and McGraw-Hill Education, an education company focused on digital learning and education services worldwide. McGraw-Hill Financial's leading brands include Standard & Poor's Ratings Services, S&P Capital IQ, S&P Indices, Platts energy information services, and J.D. Power and Associates. With sales of \$6.2 billion in 2010, the Corporation has approximately 21,000 employees across more than 280 offices in 40 countries. Additional information is available at <http://www.mcgraw-hill.com/>.

About The National Association of Home Builders

The National Association of Home Builders (NAHB) is a Washington-based trade association representing more than 140,000 members involved in home building, remodeling, multifamily construction, property management, subcontracting, design, housing finance, building product manufacturing and other aspects of residential and light commercial construction. NAHB is affiliated with 800 state and local home builders associations around the country. NAHB's builder members will construct about 80 percent of the new housing units projected for this year.

About Waste Management, Inc.

Waste Management, Inc., based in Houston, Texas, is the leading provider of comprehensive waste management services in North America. Through its subsidiaries, the company provides collection, transfer, recycling and resource recovery, and disposal services. It is also a leading developer, operator and owner of waste-to-energy and landfill gas-to-energy facilities in the United States. The company's customers include residential, commercial, industrial, and municipal customers throughout North America. To learn more information about Waste Management visit www.wm.com or www.thinkgreen.com.