

The big question

By Elizabeth DiSalvo | August 12th, 2015



A Ridgefield (green) dream home under construction.

I recently took a survey of ‘average homeowners’ and asked them what their most burning home improvement question is. The over whelming answer? How much does it really cost? They really pushed, they wanted answers! Who can tell me? How do you know ahead of time? Is it worth it? Will I get my money back in re-sale? What is my return on investment? Isn’t going green too expensive?

It is one of the many mysteries of home construction. You really have to hold your breath and jump. You have to have a comfortable financial cushion. You need a contingency fund. You have to be okay with ballpark.

Unfortunately, all of this is true, whether it is a new house or a small addition. Construction is complicated and there are too many decisions in flux at all times. It is hard to say exactly how much something will cost to build and how much it will be worth in the future until these things are in the past. Hindsight is 20-20.



A Stamford home with a water view, under construction.

But we do have some tools for estimating, and we do have tracked data. In my world — residential green construction — this is what I have learned in 27 years:

- A new house around here is going to cost average \$250 per square foot. It can be less and it can most definitely be a lot more. But wait! Does that include just the finished living space? Does that include the attic? The basement? The garage? Right...good questions. Maybe. Sort of yes. Depends on your taste in finishes. I do know one contractor team with which I work that always brings its house in for about \$210 per square foot — but that is counting every single square foot with a ceiling height at least 7 feet, whether it's finished or not. And I can tell you that this team is strongly in the middle price range.
- A renovated house will be priced around the same but you have to count the existing spaces you are modifying, and you have to count them more than you think you do. Sometimes we use a smaller number — like \$100/ sf for the lightly affected portions of the existing house, but it could easily be more.
- You have to be ready for it to cost a lot more than you can possibly imagine. • You have to be prepared to sacrifice when you cannot afford everything you want. You need to make difficult choices whether you are spending \$50,000 or \$5,000,000. This is always the case. I have yet to see a client not face this challenge.
- Renovating green vs. traditional does not have to cost a lot more. It usually costs a little more, maybe 10%? And you get that money back in spades.
- We have tracked many of the houses we have transformed from 'normal' to 'sustainable'. These houses — which range from simply energy efficient to net zero — generally reveal similar results: Our typical clients end up doubling the size of their small house and then spending about 1/2 to 1/3 of what they used to spend on heating and cooling their home. That means they are paying 50 to 66 % less than they did when their house was half the size.
- And payback time? ROI? About 5 years for the upgrades they do. After that everything is gravy. A low cost, low maintenance home with great re-sale value.
- Most clients believe they can get it done for significantly less. This doesn't happen often.

I have learned that doing the green thing is worth it. You absolutely save money — big money. It may take five years to break even, but after that you are the one laughing your way to the bank. Have fun! For more info, contact Elizabeth DiSalvo at Trillium Architects, 203-438-4540.