



Your New Home Value

How spray foam insulation increases new home value

The U.S. housing market has been tough the last few years. With low prices and high inventory levels, homeowners who need to sell can be seemingly stuck trying to differentiate their home in the marketplace.

Recent studies though have revealed that homebuyers who invest in energy efficient technology when their homes are being built are much more likely to get premium pricing for their home when it comes time for resale.

According to the Appraisal Journal, every \$1 decrease in energy costs results in a \$10 to \$25 increase in home values. Reducing a utility bill by \$1,200 a year translates into at a \$12,000 – \$30,000 increase in home price.

With this knowledge, it is no wonder that homebuyers are demanding more energy efficient features than ever before. Whether it is LED lighting, high efficiency furnaces, heat pumps or tankless water heaters, homebuyers seemingly can't get enough energy saving technology.

One of the best technologies that a homeowner can use to dramatically reduce their energy consumption is to insulate with sprayfoam insulation such as SWD's Quik-Shield line of insulation products.

SWD Urethane's Quik-Shield spray foam insulation products allow a home to consume a lot less energy (40% to 50% less in most cases) than a conventionally constructed home. This can translate to increased resale values significantly higher than neighboring properties.

It is true that building with sprayfoam can cost slightly more but when you sell your home you can recoup the investment. You also begin to recoup the investment on day one through reduced energy costs

Another way to look at the ways spray foam insulation increases your new home value is to look at the impact it has on the operational costs of a home. There is almost no other product that a homeowner can buy that provides the return on investment of spray foam insulation.

Case in point:

A homeowner buys a \$200,000 home with traditional insulation. Their mortgage at 6%/30 yr would be \$1199 and their monthly energy costs would be estimated at \$275. If the homeowner chose to install SWD foam insulation their mortgage would have increased to \$206,000. At the same 6%/30 yr would be \$1235 but energy costs would have dropped to \$154. This means that choosing the sprayfoam reduces the total home operation cost by \$85 a month or \$30,610 over the life of a 30 year loan.



The U.S. Environmental Protection Agency "ENERGY STAR Homes" program teaches that energy-efficient homes produce immediate positive cash flow for home buyers because the reduction in monthly fuel bills more than offsets the higher monthly mortgage payment needed to finance such investments. Some home buyers, however, still hesitate to invest in energy efficiency because they are uncertain that they would stay in their homes long enough to recover their investment through lower fuel bills and that they could recover an investment in energy efficiency when they sell their homes