
Green Renter Survey Executive Report

Prepared for HD Supply Facilities Maintenance
January 2011



Background & Objectives

HD Supply Facilities Maintenance is seeking to better understand renter purchasing criteria and importance of sustainability related apartment features to the overall purchase decision.

In order to achieve this, Strata Research was commissioned to test renters' awareness and importance of various 'environmentally friendly' features, as well as determine their willingness to pay an extra premium if these features were included. In specific, this research set out to:

- Identify what renters consider to be 'green', otherwise considered 'environmentally friendly', apartment options or features
- Gauge the importance of these options relative to other purchasing criteria
- Determine which 'green' features need be present to be considered a 'green', or 'environmentally friendly', apartment or complex
- Learn what premium they would pay for a sustainable/environmentally friendly apartment or complex
- Determine if the findings are consistent throughout the country

Methodology

For this research, 1,053 target consumers were interviewed via an 8-minute online survey conducted December 10-12, 2010.

- Participants were screened to have the following criteria:
 - At least 18 years of age
 - Primary or equal in making household decisions
 - A resident in the US
 - Multi-unit apartment renters
 - Either moved in the past 6 months or planning to move within the next 6 months

The table below illustrates the respective margin of error associated with the sample size:

Total Respondents	Margin of Error
Total (n=1,053)	±3.0%
Midwest: OH, WI, IN, IL, IA, ND, MI, KS, NE, SD, MO, MN (n=268)	±6.0%
Northeast: NY, PA, NJ, NH, ME, MA, CT, RI, VT (n=233)	±6.4%
South Atlantic: GA, NC, MS, VA, FL, AL, SC, DE, MD, TN, DC, KY, WV (n=224)	±6.5%
Southwest: TX, LA, AR, OK (n=72)	±11.5%
West: AK, CA, WA, ID, CO, OR, HI, UT, NV, AZ, NM, MT, WY (n=256)	±6.1%

Please note that throughout this report some percentages may not total 100% due to rounding.
Significance testing done at the 95% confidence level unless noted otherwise.

Summary of Findings

When deciding which apartment to rent, 62% of renters reported that their apartment being ‘environmentally friendly’ was an important consideration factor.

- Among these renters that considered it important, 49% had considered it *very* important.
- Renters’ primary reasons why they felt it was important to live in an ‘environmentally friendly’ apartment were that it was good for the earth (29%) and it was cost efficient (26%).
- However, those renters that did not find this an important consideration factor stated the affordability of rent (32%) or it being more expensive (25%) as their main reasons.

Among various, general apartment features that renters looked for, such as hardwood flooring or upgraded kitchen appliances, 56% of renters considered ‘energy efficiency’ features and 42% considered ‘environmentally friendly’ features important when deciding which apartment to rent.

- In addition, 18% considered energy efficiency features, such as ENERGY STAR appliances as *very* important.
- Furthermore, 12% considered environmentally friendly features, such as water efficient landscaping or a recycling program, as *very* important.
- These findings were primarily driven by renters that were looking to move to another apartment in the near future.

When presented with a specific list of various sustainable features, the ones renters were most aware of and believed to be ‘environmentally friendly’ were energy efficient windows, ENERGY STAR appliances, water saving fixtures, and a complex wide recycling program.

- Renters were least aware of front loading washers and a salt water pools, and those that were aware of these did not consider them as being ‘environmentally friendly’ features.

Summary of Findings

When placing importance on the features they considered to be ‘environmentally friendly’, renters rated an apartment’s location, a programmable thermostat, ENERGY STAR appliances, weatherstripping, energy efficient windows, and a complex wide recycling program as the most important features.

- However, irrigation with reclaimed water, eco-friendly carpeting, and a salt-water pool proved to be of lesser importance among ‘environmentally friendly’ features.

In order for an apartment complex to be considered ‘environmentally friendly’, ENERGY STAR appliances, a complex wide recycling program, energy efficient windows, ENERGY STAR hot water and HVAC unit, water saving fixtures, and energy efficient lighting were the top mentions of essential features that must be included.

- Air quality monitoring and a salt water pool were the items least mentioned among features that must be included for an apartment complex to be considered ‘environmentally friendly’.
- Additionally, renters whose utilities are not included with their rent placed more importance on specific complex-wide energy saving features.

53% of renters would consider paying an extra amount per month for their apartment to have ‘environmentally friendly’ features; of those 8% definitely would.

- Among those willing to consider paying a premium for these features, on average renters were willing to pay \$101 extra per month for the inclusion of ‘Basic Green’ apartment features (10% average increase) and \$146 for the inclusion of the ‘Deluxe Green’ apartment features (15% average increase).

Environmentally Friendly Apartment Importance

Renters mentioned the most important reason for living in an 'environmentally friendly' apartment was it was good for the Earth.

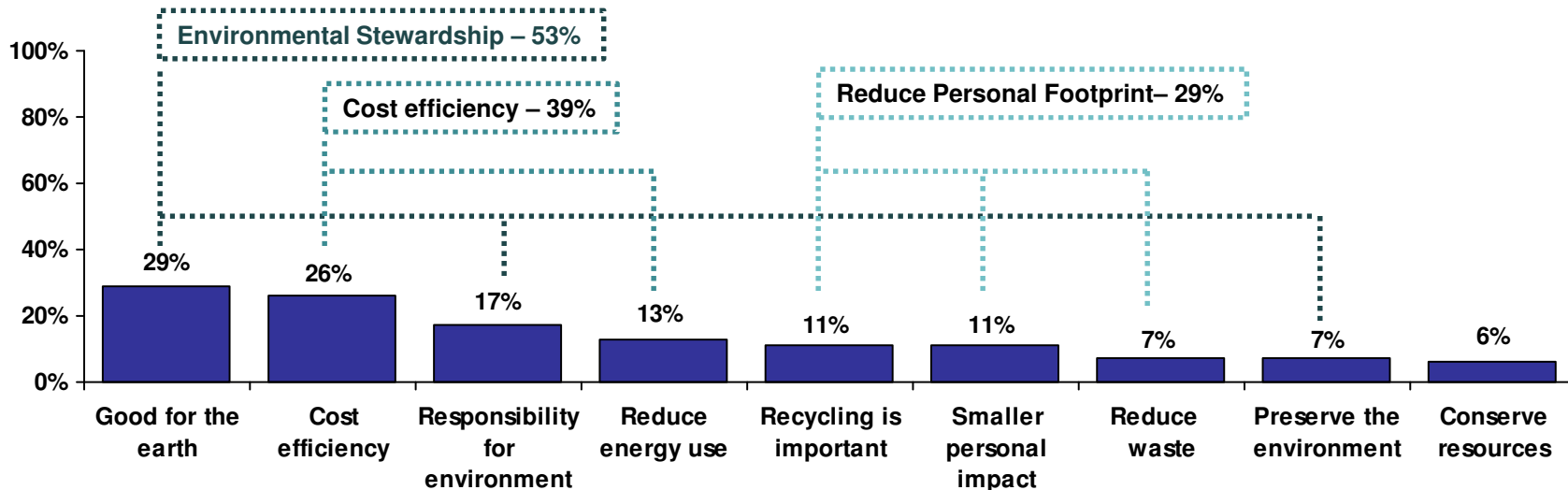
- Cost efficiency followed closely as the second most important reason.

“It cuts down on costs as well as long-term damage to the environment.”

“To save money and leave my children a healthy earth to inhabit.”

Why is it important to you to live in an 'environmentally friendly' apartment?*

Base: Important to live in an 'environmentally friendly' apartment, Multiple-Response (n=655)



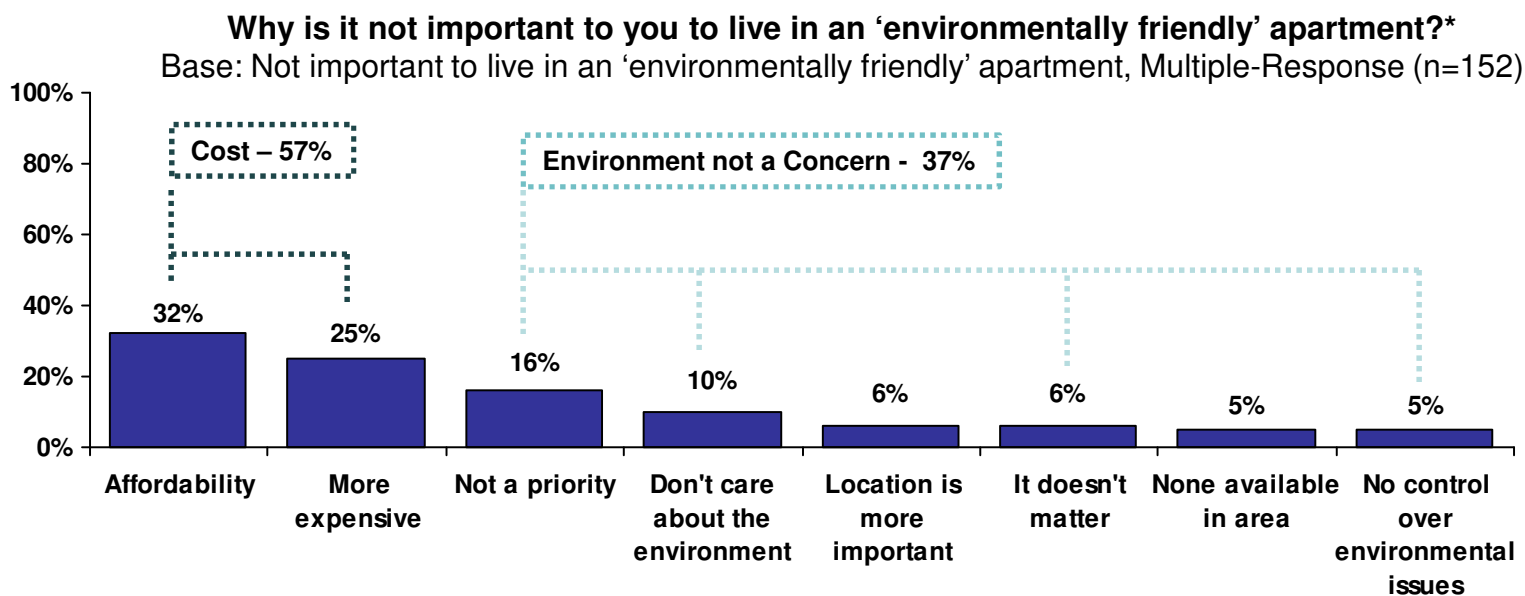
*Reasons mentioned by less than 5% were omitted from this list.

Environmentally Friendly Apartment Importance

Renters that did not consider it important to live in an ‘environmentally friendly’ apartment most frequently mentioned affordability as the main reason.

“Those apartments tend to be on the expensive side. I usually can't afford them.”

“Environmentally-friendly usually means more expensive.”



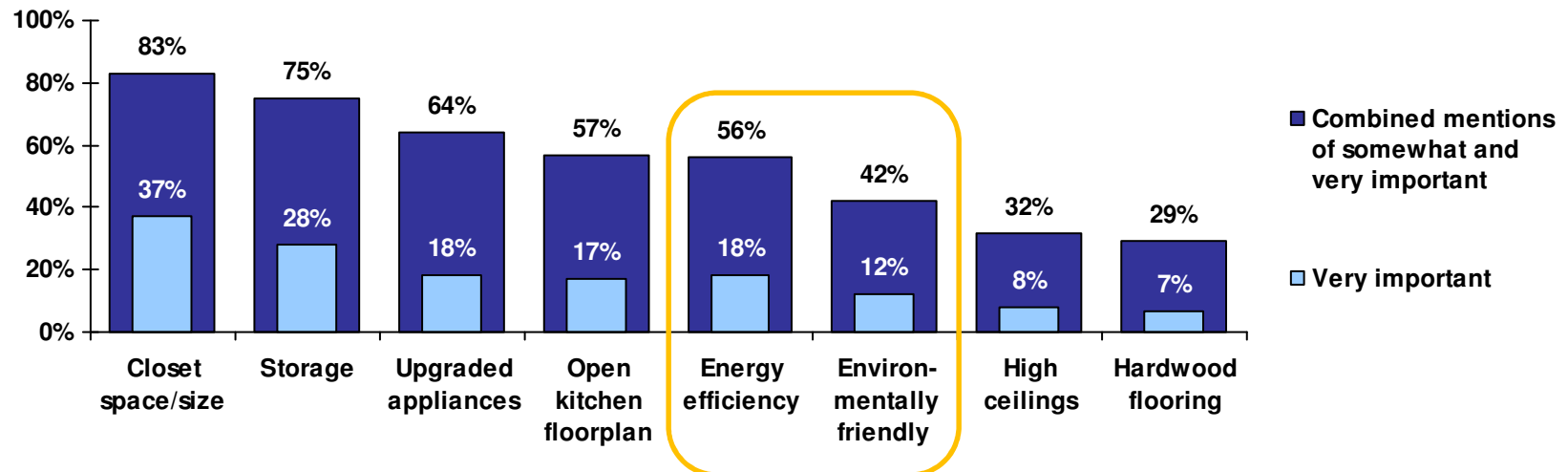
*Reasons mentioned by less than 5% were omitted from this list.

Importance Among Apartment Features

To gauge where 'environmentally friendly' features were in the general consideration set, when asked unaided amongst a series of general apartment features it was discovered that one-half of renters still felt that general energy efficiency and environmentally friendly features were of importance when choosing which apartment to rent.

- Renters age 35 or older were more likely to consider both energy efficiency and environmentally friendly features important when asked unaided, compared to their counterparts.
- Also, renters that live with roommates were also more likely to consider environmentally friendly features *very* important, particularly driven by those living with children, when compared to those that live alone.

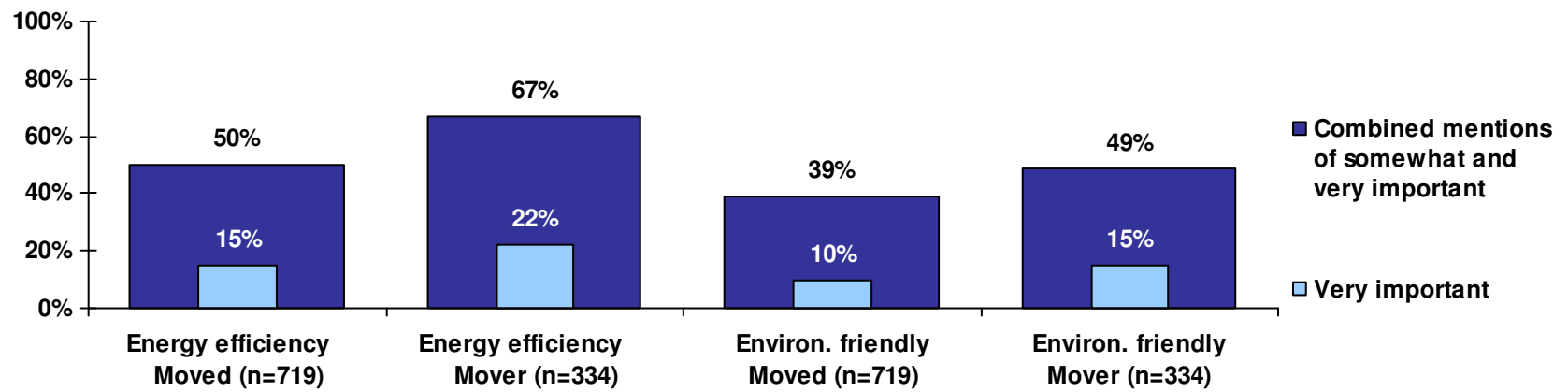
How important are/were the following features when choosing an/you chose your apartment?
Base: Total Respondents (n=1,053)



Importance Among Apartment Features

Renters looking to move in the near future were also more likely to consider both energy efficiency and environmentally friendly features important when compared to renters who had recently moved.

How important are/were the following features when choosing an/you chose your apartment?
Base: Total Respondents



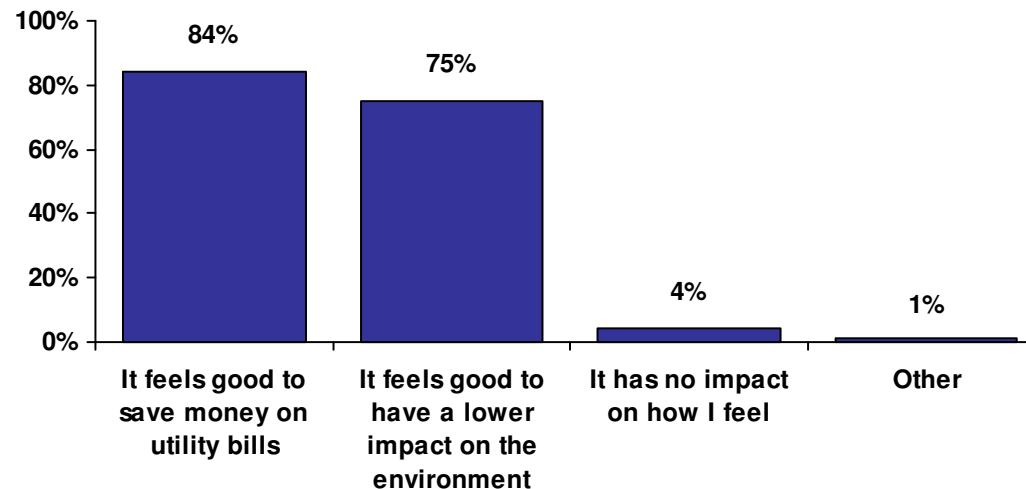
Reasons for Renting with Environmentally Friendly Features

The top reason described by 84% of renters on their feelings about renting an apartment with 'environmentally friendly' features was to feel good saving money on utility bills.

- Three-quarters of renters also stated that it feels good to have a lower impact on the environment when renting an apartment with 'environmentally friendly' features.
- Other reasons mentioned for renting an apartment with 'environmentally friendly' features was that it feels good to do the right thing and the positive effect their actions have on the community (n=5)*.

Which would best describe your feelings about renting an apartment with 'environmentally friendly' features?

Base: Environmentally friendly is important, Multiple Response (n=1,019)



* Caution: low sample size