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BEAZER HOMES

eSMART High Performance Homes



Discover
eSMART
High Performance Homes



The eSMART logo consists of a green square with a white leaf icon and the text "eSMART" in white, with "BY BEAZER HOMES" in smaller white text below it.



Industry Paradigm Shift



“It takes a special kind of builder to know square feet are not the only kind of feet in your home.”



Homebuyer Insights



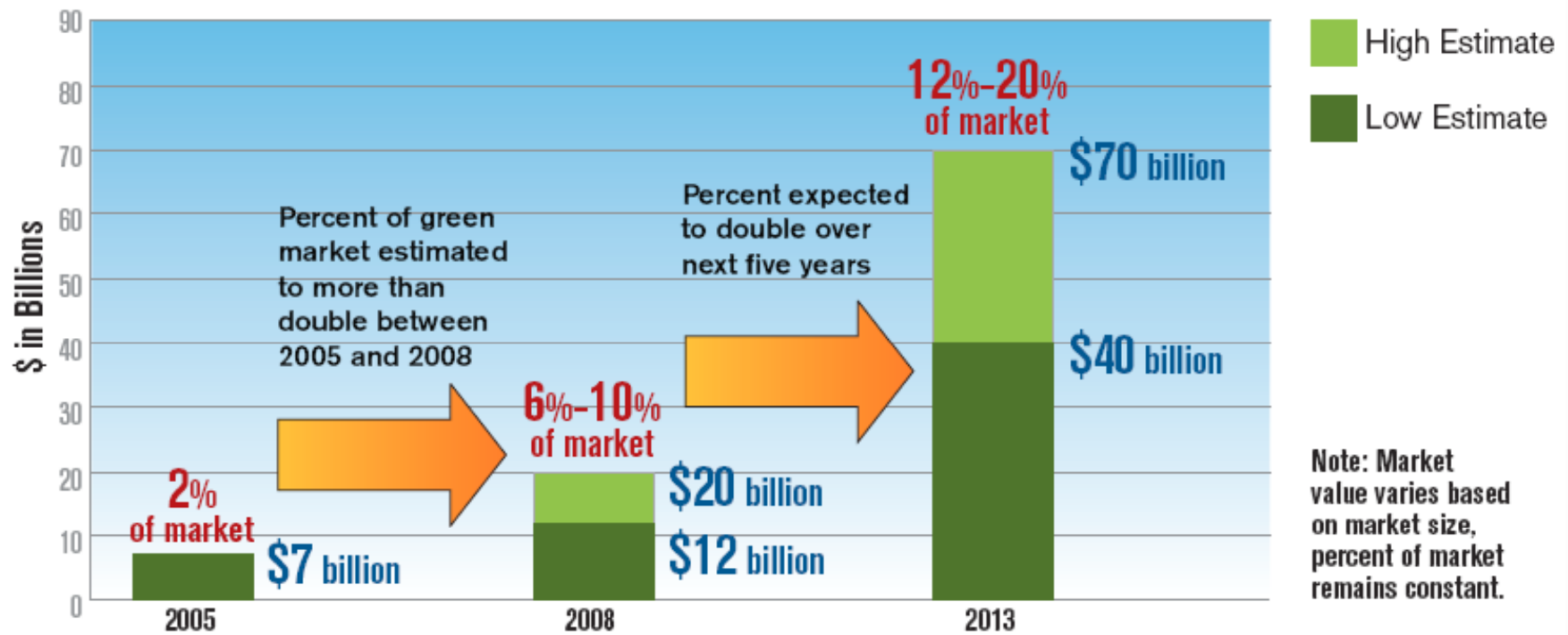
- 73 percent say the presence of features that reduce the home's energy consumption are key to their purchase decision
- Three out of four say builders need to do more to make an affordable "green" home available to the average American
- 55 percent agree that every home in America should be required to use basic energy-saving features like programmable thermostats & CFLs to help reduce our nation's energy consumption
- Consumers want to do their part for the environment and are looking for companies to provide marketable solutions



Market Potential to Double by 2013



Residential Green Building Market Opportunity



Source: *The Green Home Builder SmartMarket Report*, McGraw-Hill Construction, 2008

Goals



- **First National Builder to offer Comprehensive Package of Eco-friendly Features**
 - All Beazer homes would be built to new standard
- **Raise the Bar for Production Builders**
 - No single national homebuilder recognized as a leader in the space
- **Drive sales & conversion**
 - Create meaningful differentiation



Accelerated Performance Levels



Introduced three high-performance systems that work together to save energy & resources and improve indoor air quality



Enhanced base package *included* in every Beazer home



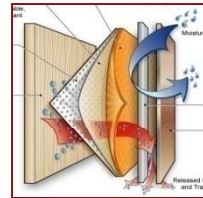
Upgrade package provides even more savings, higher performance.



Optimal performance "green" option package available in every market.

We measure the benefits of our eSMART High Performance Homes compared to new homes built to code and to resales.

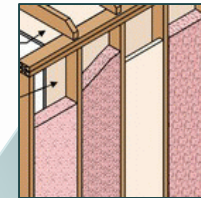
Enhancements to eSMART



Air Barrier/Sealing



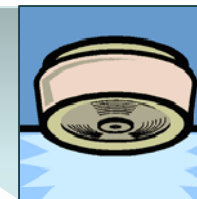
Advanced framing techniques



Increased framed wall insulation (R13-R15)



Increased attic insulation (R30-R38)

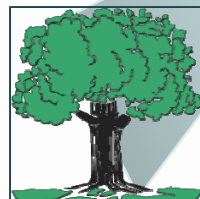


CO detector



Features from eSMART Phase I

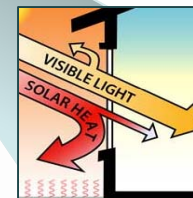
- *Water-saving bath fixtures
- *Water-saving shower heads
- *Merv-8 filters
- *Low VOC paint
- *Low VOC carpet
- *Programmable Thermostats
- *CFLs
- *eStar Dishwashers



Regionally-appropriate landscaping



Energy Monitor

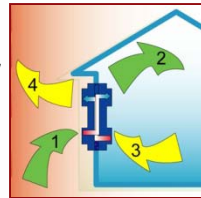


Low-E windows

eSMART Plus Option Package



Fresh air supply
(with in-line damper)



Jumper ducts in each
bedroom



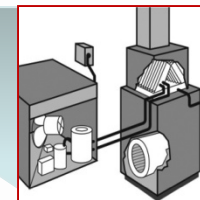
Mastic sealed ductwork



Radiant barrier



14 SEER Air Conditioner or
92.1% AFUE furnace



Energy Star water heaters



Dual flush/ high efficiency toilets (HET)

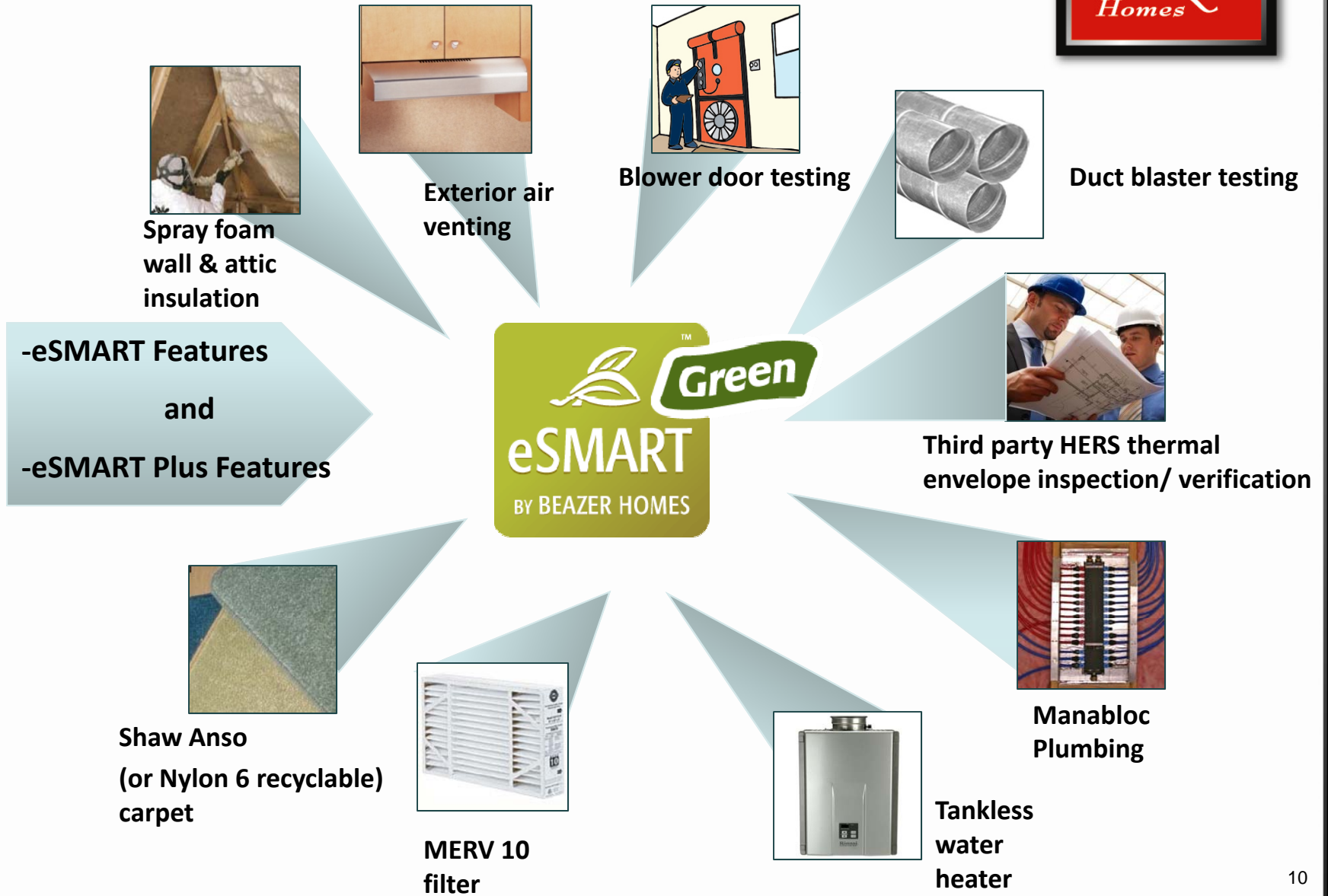


Features from Phase II eSmart

- *Air Barrier/Sealing
- *Advance framing techniques
- *Increased framed wall insulation (R13-R15)
- *Increased attic insulation (R30-R38)
- *CO detector
- *Low-E windows
- *Energy Monitor
- *Native landscaping



eSMART Green Option Package



eSMART Green – Climate Zone Specifics



eSMART Green options are tailored to local climate conditions to provide best results



Cold Climates

- R-49 Blown-in Cellulose Insulation in Attic
- R-19 Insulation on Exterior Walls
- Enclosed Ducting
- HERS Testing



Warm Climates

- Spray foam insulation in Attic & on Exterior Walls
- Ducting in Semi-conditioned Space
- HERS Testing

NAHB Analysis



- Beazer partnered with the NAHB Research Center to perform energy analysis' on one of our most popular homes in each Climate Zone.
- Each level of eSMART -- Base, Plus and Green -- was compared to representative houses meeting the following criteria:
 - Building America Benchmark
 - 2003 IECC (Indianapolis)
 - 2006 IECC
- Results showed eSMART homes at all levels are significantly more energy efficient than homes built to the base specifications above.
 - Reports allow us to market specific savings to homeowners in each market

Example of eSMART Savings Potential in Climate Zone 2 (Phoenix)



Key Learnings



- **Executive level support is critical to success**
- **Employee training makes all the difference**
 - It's all about how you tell "the story"
 - Ability to match the message to the audience
- **Quantification of savings is essential**
 - Must "show the money" or "savings potential" to the Customer
- **Consistency is key**
 - Reinforce the message at every opportunity
- **Solicit feedback every step of the way**
- **Continue to raise the bar**

