

CR Herro, Meritage Homes – Meritage Homes: Selling the value of IAQ with Indoor airPLUS (11:08 min; 10,441 KB)

Kat Godlewski: Welcome to the US Environmental Protection Agency’s Indoor airPLUS podcast series. This episode is being recorded at the Energy and Environmental Building Alliance Conference and Expo in Denver, Colorado. The Indoor airPLUS team has the privilege of speaking with CR Herro today from Meritage Homes to talk about selling the value of indoor air quality with Indoor airPLUS.

Nick Hurst: Hi, my name is Nick Hurst with ICF International and I’m here today with CR Herro of Meritage Homes, and we are at the Energy and Environmental Building Alliance Conference and Expo here in Denver, Colorado. Every one of Meritage Homes’ divisions is an Indoor airPLUS partner now, and Meritage has recently been building with Indoor airPLUS in some of their key markets. CR has taken some time out of his schedule here to sit down with us and discuss how Meritage uses the Indoor airPLUS Program to showcase the improved indoor air quality features of their homes. CR, thanks for being here.

CR Herro: Nice to be here, Nick.

Nick Hurst: Can you give us just a little bit of insight into Meritage’s approach and your focus on indoor air quality and the reasons why this is important to the company?

CR Herro: Yea, our approach to indoor air quality funnels up into what we see from our average consumer which is—as a home builder—consumers have a lot of choices. And those choices are designed around location, price, and features. When you look at the location, price point, and features you need in a home, you will find forty homes that meet those fundamental needs. And what we’ve learned is we need to start exceeding that fundamental requirement and start inspiring consumers into a better quality of life, a better-built home, and better features. The Indoor airPLUS Program really gives us both a better way to build to improve people’s health and validation through the US EPA program, in that certification, to demonstrate to an average consumer that they can have more than just good enough.

Nick Hurst: That’s great. I’m sure it’s probably challenging, to some degree, building across multiple climate zones as a large production builder. What challenges have you seen in implementing the program specifications, and what opportunities are out there as well?

CR Herro: You know the good news is that its 80-20. All the innovation strategies tend to be “reduce problems” and then “enhance opportunities.” So around indoor air quality, you want to reduce uncontrolled gain of pollution, dust, dirt, pollen—things that can cause people problems. You don’t want to build homes with things that are going to off-gas VOC’s and any other odors or moisture or other problems. That’s 80% going to be standard, coast to coast. We do have some challenges. We build in Houston. We build in Orlando, where even just brining in ventilation air can present comfort problems because you’re also bringing in humidity with that ventilation air. So we’ve had to work in partnership with our trades and our product manufactures to handle humidity in really low-load homes. A normal home has an air conditioner that is running all the time, and its dehumidifying while it’s running. A well-built home—so if you’re building to Indoor airPLUS, you’re building to ENERGY STAR or a very good energy efficiency program—so you’ve got really low loads to handle humidity. So we found that when we ventilate—we actually work with a company called Aprilaire to develop an inline dehumidifier with

that ventilation—so that the air we bring in is dry, filtered, and fresh so that the house has an opportunity to dry out after construction. But through the rest of its life, the air it gets is controlled instead of coming in through leaks, bringing in pollutants, but also bringing in humidity that can cause comfort issues.

Nick Hurst: Yea, that's great that there are some innovative approaches that you guys are using for that.

CR Herro: That's what's been interesting is building a tight envelope is the right thing to do for indoor air quality, for comfort, and for reduced operating costs. But you have to do it the right way. And the right way is you still need to bring in fresh air and you need to bring in tempered fresh air. It needs to be filtered, it needs to be distributed so you don't have hot spots or cold spots, and in humid climates it needs to be dehumidified.

Nick Hurst: Sure. One other thing we've been hearing from builders who are new to Indoor airPLUS, is they are unsure of where to find low-emission products that comply. What types of materials have you found to use to meet the requirements of the Indoor airPLUS Program in Section 6, that Low-emission Materials section? Why do you feel it's important to put effort into finding those materials?

CR Herro: I haven't had that struggle. Quite honestly, whenever I build a home, I put it within the scope of the work, the requirements. And ten years ago they might have been difficult to source—green-labeled carpets, and low-VOC paints, and low-VOC adhesives. But today, you go to Home Depot, and every product that you're looking for has a low-VOC alternative. And so, whether you're building a custom home or a production builder building 8000 homes like me, I've yet to get pushback from a trade saying they can't source that, and they're not cost affective. A low-VOC paint or a low-VOC carpet has become common enough in the marketplace, that we aren't paying a premium. We're just choosing the better product in the marketplace. And that goes to the first part of your question, "Why do we do it," —because it's the right thing to do.

We got into indoor air quality because we wanted to build a home for the customer that was going to live in the home. And indoor air has become linked with both quality construction, but most importantly, a big value differentiator in health and comfort for the people that are going to live in the homes and the people that are going to decide which of the good enough homes that are out there, that they are going to choose to buy. And so, we've really decided to choose the products and align ourselves with the program in order to promote that higher quality of life in order to differentiate our product. But honestly, if you think about it, what home would you build for someone you cared about? Not to be sappy, it really does come down to that. My design principles for 8000 homes a year are the same as, "what house would I build for my grandma?" It's got to be simple, it's got to be easy, it's got to be cost effective, and it's got to make her life better. That's why we do what we do.

Nick, Hurst: It seems that you have taken a substantial amount of time to really get things right on the front end, on the design end, on the specifications end to really push that out to your trades, which is probably an important message for all builders. Another thing that has just happened with the release of Revision 03 of the specifications is a little more clarification in Section 6, in the Low-emission Materials section, on what products are compliant and an additional resource guide that is linked right to the specifications that allows builders a little bit more insight into those standards and some links to where to go to find them, as well.

CR Herro: Right, and that makes compliance really simple. You can set clear expectations with your trades up front. Because, you're right, it's a little bit of work up front to be clear on what your expectations are and what the materials that need to be sourced to build the home should be. But honestly, it solves all sorts of call-back issues on the back end. I don't get comfort complaints. I don't get, "I have a strange odor" complaints. I get customers that have their expectations exceeded, which buys me a lot of good will. So if there's a crack in my grout, they call me up and recognize that I've built a really good home and they are a lot more tolerant than if they didn't have those benefits and they haven't already appreciated that we were dedicated to improving their quality of life. Now it becomes a more contentious warranty issue. That little bit of effort upfront buys me a whole lot of goodwill on the back end that more than pays for itself.

Nick Hurst: That makes a lot of sense. Turning to sales a little bit—you do a lot of training for your sales agents around the country and travel quite a bit.

CR Herro: . . . which is scary isn't it—letting your engineer get in front of your sales people?

Nick Hurst: Well, you recently participated in a mini-pilot of the Indoor airPLUS Sales Training Kit, which is going to be released very soon. What are some of the key messages that you try to convey or the techniques that you use to mentor your sales staff in particular?

CR Herro: It's ironic, we really started doing this wrong. Six years ago, when we started implementing these standards, we tried to train our sales people around features. Look its MERV, and MERV stands for minimum efficiency rating value, and this is what it does, and here's pollen capture rate. It put our sales people to sleep, and they were afraid of it and intimidated by it, and they certainly couldn't communicate it to a customer. If they could, the customer didn't care anyway. So we really, through doing it wrong, had to evolve our messaging to be about benefit-based, about creating opportunities for consumers to be inspired to live better.

Ironically, then you guys come out with this great sales training program that says "Hey, don't talk about the features, talk about these great benefits of comfort and having your kid live healthier and how we can reduce incidents of asthma or the materials that can exacerbate problems with asthma, that 1 in 5 adults have airborne allergies." So, there was a really nice convergence in the program and what we've learned the hard way into helping our consumers be inspired, through our sales force, to be aware that air quality matters to their quality of life. And they can have significantly better trust and quality of life by just making this simple decision and asking any builder that they are going to live in to build to these standards. They don't even have to understand the full length of the standard, they just need to look for the label. That certification gives them the confidence that it is backed through best practices, and very comprehensive best practices, so their little girl feels better.

So it becomes this really simple message of taking care of families, and that training package is really written for sales people to make that add-on of—you're going to be demonstrating the house and inspiring people to live in this house. Why not inspire them to make a good decision about taking care of their family while they live in that house, as well? So I really have liked that program, and it dovetails well into the hard lessons we've learned over the last six years.

Nick Hurst: That's great. You obviously have a passion for communicating those principles and values to your sales staff.

CR Herro: . . . only because I've done it wrong for so long!

Nick Hurst: Ha, ha—and that's not a problem. CR, we really appreciate you taking a little bit of time to sit down with us today and talk about Meritage Homes and your approach to communicating that value of indoor air quality. For those of you listening, be sure to check out the other podcasts on the Indoor airPLUS website, as well as Revision 3 of the Construction Specifications which are now available. And, of course, be sure to check out Indoor airPLUS on Facebook and follow us on Twitter at E-P-A-i-a-PLUS (@EPAiaPLUS). Thanks again for listening.