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On the Front Lines: Les Frye, Shugart Enterprises

The recession caused this North Carolina builder to take a serious look at green construction; now it has the most National Green Building Standard-certified homes in the country.

By: [Jennifer Goodman](#)



This Shugart 2nd Generation home in Winston-Salem, N.C., is one of dozens the company has built to the NAHB's National Green Building Standard.

Credit: Courtesy Shugart Enterprises

EcoHome checks in with Les Frye, director of special projects for Winston-Salem, N.C.-based [Shugart Enterprises](#).

How long have you been in the home building business?

Shugart Enterprises was founded in 1966 by Grover Shugart, who is still active in the day-to-day operation of the company. We specialize in single-family homes and one-level townhomes for the first-time home buyer, first-time move-up buyer, and the empty nester. Our market area consists of the Winston-Salem, Greensboro, and High Point areas of North Carolina.

When did you first become interested in green building? Why?

In early 2008, I began attending seminars and meeting with green industry specialists to begin learning about the various green programs and their requirements. Also, in the spring of 2008 I became certified by the NAHB as a Certified Green Professional.

Shugart Enterprises was very fortunate in that we really were not affected by the home building slowdown until the banks began failing and lending all but stopped in the late summer and early fall of 2008. At that time we felt the moment was right for us to proceed with implementing a green building program for several reasons. First and foremost, we strive to be a leader in our market and we wanted to be on the forefront as green building became more commonplace in our area. Secondly, we felt making this commitment would differentiate Shugart Enterprises from our competition and hopefully give a prospective buyer a reason to buy a Shugart home during this slowdown.

Lastly, as we learned more and more about green building, we discovered that much of it is simply the best building science

concepts and techniques. We always thought we built the best house in our market, but learning about green building has taught us how to build even a better house, as far as energy efficiency, air infiltration, and indoor environmental quality are concerned.

How did you become involved with the NAHB's green building program?

In learning about the various green programs available to residential home builders, it became readily apparent that the [NAHB National Green Building Standard](#) (NGBS) was the most flexible and adaptable to accomplish our goals. Since we build primarily to the first-time buyer and first-time move-up, coupled with the state of the housing market, we had to be very careful and deliberate in adding costs to the homes to achieve certification. The NAHB program allowed us to pick and choose what gives us the most bang for the buck to qualify for certification without adding excessive costs.

The cost of certifying each home varies, primarily due to the number of HVAC systems, but it is usually between just under \$3,000 to nearly \$4,000, including the inspections, fees, products, and labor. But with the energy savings provided, the home buyer quickly recoups this amount, and after that it's all savings.

The NAHB recently recognized their 500th home certified under the NGBS and Shugart Enterprises had the most certifications of any builder in the country, with 26 completed projects, 45 in progress, and 15 just getting under way. We were able to make these high numbers for a couple of reasons. First, the roll-out of our green program coincided with the NAHB's introduction of the NGBS, thus we were probably among the first builders to begin building to the standard. Also, we committed to building all of our Shugart 2nd Generation Homes to the standard, so the numbers added up rather quickly.

Why do you believe it's important to have your green homes third-party certified?

When we first began pursuing a green building program, we made the commitment that our homes would be third-party certified. We never wanted to be accused of greenwashing. Anyone can install a tankless water heater and bamboo flooring and label themselves a 'green' builder. Having an independent third-party come in and inspect, verify, and test the home to ensure your insulation and air-blocking is correctly installed, testing to ensure your HVAC ducts have minimal leakage, and certifying that the home meets the requirements of the nationally recognized EPA Energy Star program and the National Green Building Standard is absolutely critical to allow you to make a legitimate claim of being a green builder.

What types of high-performance homes do you offer?

Shugart Enterprises currently has two product lines. Our Shugart 2nd Generation home has all the amenities: brick and block stem wall foundation and Energy Star-rated water heaters, HVAC, and bath fans. Energy Star and NAHB Green certification is standard in all of these homes.

We also have a more price-oriented product line branded Simply Shugart. Priced between \$119,000 and \$125,000 depending on the lot, these homes are structurally identical to the Shugart 2nd Generation products, but without all the bells and whistles. This product uses a monoslab foundation and simpler floor plans but with all the structural quality the company is known for. For the Simply Shugart product, Energy Star and NAHB Green certification is a buyer-selected option.

How does your "sweat equity" program work?

Our sweat equity program was widely used in the '70's, '80's and early '90's. In recent years we had stopped offering it as most home buyers were not willing to do the work. But now that pretty much all of the down-payment assistance programs are gone and the lenders are requiring substantial down payments to qualify, we found that this was greatly affecting much of our core market of first-time buyers, so we re-introduced the program.

Basically the way it works is the home buyer provides the labor for interior painting and/or landscaping (Shugart provides all the materials, supplies, and guidance) in return for credits that can be applied to their down payment. This has allowed several first-time buyers to qualify who would not have been able to put together a sufficient down payment otherwise.

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