

## Luxury Homebuilder Shares Green Perspectives

In an exclusive interview Frank Dalene, chief financial officer of [Hamptons Luxury Homes Inc.](#) (HLXH) shared his insights regarding green building. Dalene was building green long before green was fashionable and in fact was incorporating alternative energy into residential construction in the 1970s and 1980s.

Hamptons Luxury Homes just reported first quarter revenue growth of 182 percent so just as aside I asked him to share his number one tip on construction company survival in challenging economic times.

A former member on both the New York State Builders Association and the National Association of Homebuilders boards of directors Dalene has a long history of industry involvement including writing and teaching. *This in-depth interview will span a few posts.*

As a builder of very expensive homes, just how green can these homes be?

Well the great thing about doing it in a luxury market means they can be as green as you can build them. In a lot of markets you are limited by the budgets but especially in the Hamptons you sometimes have unlimited budgets. So it gives us great opportunities and for the Hamptons Green Alliance we have this goal to build them to zero energy use and to have a carbon neutral footprint.

Where do you find the greatest push is coming from for green in these types of properties?

I think the greatest push today is renewable energy, reducing the energy costs to operate these homes, and the incorporation of energy conservation. We also have another push relating to alternative building materials. In this area of the country where we have to deal with a lot of wood frame buildings and a lot of wood in exterior details the high summertime humidity causes problems. In the recent past when they started taking VOCs out of the paint it was not protecting the wood. The situation got worse as more and more wood began coming from second growth forests and so it wasn't holding up to the weather as well as the wood from the old growth forests. So for example we had ongoing issues with columns and as soon as permacast columns came out we adopted them very quickly. Today, we're using a lot of Ipe from Brazil. Many people don't think of it as green because it comes from so far away, but Ipe that is exported from Brazil follows sustainable forestry and selective harvesting standards specified by the Brazilian government. It is a very dense material that resists rot and it is primarily used for decking but we have also used it in curtain wall systems, exterior cladding systems and for interior case work.

So you also cut down on maintenance costs?

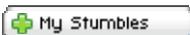
Right. That's part of being green. On one project where we were using a lot of Ipe the client asked that I go to Brazil and photo document the sustainable yield forestry and selective harvesting techniques. That was in 1990 so it was pretty progressive for then.

There are many assessments of how much green building should cost. Some say it is a minimal percentage over traditional building, others say it is about the same, and then there are those who say it should cost less. What has your experience shown?

You are going to have to define green building for me because it has a large up-front cost especially when you are going into photovoltaic arrays and using geothermal. However, you do have a relatively quick payback period today. Many times people also don't take into account long term costs. Like we were talking earlier about the maintenance issues, a lot of the alternative building materials last longer and don't require as much maintenance. So there is always that up-front cost but I don't think that should be the main issue. It is something we are doing that is also very positive over the long term.

*Stop by next week to read more of this interview with Frank Dalene.*

Technorati Tags: [construction interview](#), [Frank Dalene](#), [Hamptons Luxury Homes Inc](#), [green building](#)



Posted by Duane Craig at [5/23/2008](#) | [Add Comment](#)

## **[Building Green Luxury: Part 2](#)**

In this second in a series of posts featuring an interview with Frank Dalene, chief financial officer of Hamptons Luxury Homes Inc., we begin with a description of two different approaches to geothermal systems the company has installed.

We have been doing geothermal since the late 80s and in this area we have a lot of sand and gravel and we have a water table that is very high, so most of ours are open loop geothermal. So we are taking water out of a well and then putting it into a dispersion well. We did a 17,000 square foot house on the ocean in the early 90s and we were going to put in a well until we found that we had salt water intrusion. Since we had a four-inch public water main that ended right there at the property we did all the calculations and it turned out it did pay to use public water as a water source for cooling that house. It also made a lot of sense because with salt water there would be some impact to the equipment.

In your estimation what should be a builder's overriding reason for building with green practices?

I think number one it should be about the builder being an environmentalist and having a positive impact on the environment. The second reason would be that it does increase the quality of the home.

When you talk about the green building movement coming like an "out-of-control freight train" what are the out-of-control aspects?

As products come to the market it takes time for those products to be proven. We are right now adopting means and methods and we are accepting products very quickly before they have the benefit of being tested over time. I believe there are going to be some product liability issues.

Anyone who has been building long enough has seen products come and go and maybe has been stung by certain products and had to go back and replace them. I think we have all been there. In this green movement everybody is putting green labels on everything and not everything is good. It is coming on us very quickly. This is that freight train. I saw your web site and you are doing a great job informing people and that is what our purpose is with the Hamptons Green Alliance. To educate and inform people so we can get this train under control.

I also believe there are going to be side effects. For example, we are building thermos bottles for homes today. They are really air-tight. Here in the Northeast we are building homes out of wood frame construction. Wood needs to breathe and depending on what the climate is, based upon where it is located in the country, there are going to be different effects.

We have a program on Long Island called the Energy Star program and it was being supported by the local power authority. I went to their training and they explained to us how we could use the bathroom fans on timers for the air exchange. That's leaving a lot to chance. What if homeowners don't maintain their homes? Who is making sure that these systems are continuing to operate? What if a homeowner doesn't like the sound and disconnects it? When it breaks are they going to fix it? Now you have a thermos bottle with no air exchange. I don't think that is wise. There is nothing wrong with having a controlled indoor environment, however ventilation has got to be part of the permanent system.

The things we went through with the mold issues are another example. We have been dealing with mold since we were in the cave and all of a sudden it became a toxic killer. But really for most people it is an allergen. So a lot of that was blown out of proportion and it affected a lot of builders. and a big part of the issue was that we were building the houses too tight. Now without the proper ventilation there are all of these potential liability issues.

*Stop by tomorrow to read more of this interview with Frank Dalene.*

Technorati Tags: [building green](#), [luxury homes](#), [Hamptons Luxury Homes Inc](#), [Frank Dalene](#), [interview](#)



Posted by Duane Craig at [5/26/2008](#) | [Add Comment](#)

### **[Building Green Luxury: Part 3](#)**

This is the third in a series of posts featuring an interview with Frank Dalene, chief financial officer of Hamptons Luxury Homes Inc.

Besides the two web sites that are planned to be launched by Hamptons Green Alliance what other initiatives will the group undertake to help reveal to the general public what building green really means?

We are already building cooperative and collaborative relationships with other groups, and we are not a competing group. We also want to be politically active. So for example in New York state we can currently only do 10kw photovoltaics and so we want to work on increasing that. I sat on the committee in East Hampton to develop the East Hampton energy savings program which passed unanimously. That was really neat because I got the Long Island Builders Institute to come out and support it. The East Hamptons have always been very environmentally conscious and we have had some radical environmental groups. So it was really refreshing to see the environmental activists stand up in the public hearings to praise the builders for supporting an environmental issue.

Do you see the Hamptons Green Alliance becoming a model for other communities? Is there a possibility Hamptons Green Alliance might license/franchise itself to other locations?

We don't see ourselves licensing or franchising this since we are a non-profit organization. We can see us forming chapters in other communities. That is a very good possibility along with simply collaborating with groups in other communities. We are going to be an open educational forum with the purpose to educate the public and what we would love to see is collaboration with other communities around the country.

There have been some builder groups struggling with the growing tendency for regulatory bodies to mandate green. From a builder's perspective what is it about mandated green building requirements that doesn't sit well with you?

We have several townships that have mandated it and that's the reason we developed the East Hampton energy savings program. One of the issues was that Energy Star and the green building requirements are voluntary programs

and they were designed as voluntary programs. When you mandate them you are making them mandatory in order to get a certificate of occupancy and so you will most likely have an outside third-party inspector inspecting the same house that a municipal building inspector also inspected. I believe this is a conflict of interest. Here is an example. I went to a trade show and an insulation contractor said to me that if I used his sealing system that since he was a [Home Energy Rating System](#) (HERS) inspector he could guarantee the home would pass the floor and door tests. So if the HERS rater is also the installing contractor, then there is a potential conflict of interest.

What would be great is if the building inspectors would get certified. They are already inspecting for license and safety issues, so they are already taking that responsibility. This is just some additional training and I think it would be a much smarter way to proceed. Especially if it is going to become mandated and I believe it eventually will.

*Stop by tomorrow for the final installment of this interview with Frank Dalene.*

Technorati Tags: [building green](#), [luxury homes](#), [Hamptons Luxury Homes Inc](#), [Frank Dalene](#), [interview](#), [HERS inspections](#), [building inspector](#)



Posted by Duane Craig at [5/27/2008](#) | [Add Comment](#)

### **[Building Green Luxury: Part 4](#)**

This is the final in a series of posts featuring an interview with Frank Dalene, chief financial officer of Hamptons Luxury Homes Inc.

In your editorial in Builder/Architect you mentioned manufacturers using deceptive marketing practices to represent their products for improper uses. Can you share any specifics about that so people can get an idea of the ways this sort of thing happens?

On a certain house wrap if you look at the manufacturer's specifications it says bulk water hold out. What does that mean? Does it mean that some of the water is let through, but the bulk is not? I don't know and that is part of the problem. I went to a trade show and a distributor of that same house wrap had a sign on an easel that said the Western Red Cedar Bureau endorsed that particular house wrap. But in reality that house wrap has been known to have problems with extractives from wood breaking it down and a University of Massachusetts study pointed to cedar products being the biggest culprits. So even though the sign said the Western Red Cedar Bureau endorsed this product what they failed to mention to you is that the

Western Red Cedar Bureau said you could use cedar with this product as long as you seal it on all sides. And if you go to the manufacturer's specifications it also says that in the small print. That is deceptive in my mind. But that is just one example. There are plenty of products out there with green labels and you know they're not green, and so I think the movement has to start policing itself.

After an owner makes a conscious choice to build green how can they know their builder is using truly green materials and practices without having to spend a lot of time overseeing and checking on things?

They have to hire a builder with integrity and honesty. We build homes for the vacation home market so there are times we are building homes for people in England or Switzerland. They sign a contract with us and they have a date set when they are coming back and the house will be done. Nobody needs to oversee us or check on us. We are all self motivated and when we make a commitment we keep it. So they should try to hire that kind of builder. There are also more and more green building verifiers and certifiers being trained so that is another way to do it. I think it is also good to bring a consultant in for a home owner.

On a side topic, do you have any advice for builders in weathering challenging economic times?

We have been out in the Hamptons for 30 years we have been through three economic down cycles and the best advice I have is to cut the fat out. We as builders during the good times tend to get fat. A lot of times as we build our companies we have a tendency to delegate more and not work as hard as we should. It is remembering where we came from and being willing to go back.

Technorati Tags: [building green](#),[luxury homes](#),[Hamptons Luxury Homes Inc](#),[Frank Dalene](#),[interview](#),[product specifications](#),[misleading labels](#)

## **[Hamptons CFO Frank Dalene Says Luxury and Green Go Hand in Hand](#)**

[Email To Friend](#) | [share this article](#) | Posted on May 20th in [Green Remodeling](#) by [Renee](#).

Located in Long Island's East End, one of the nation's wealthiest zip codes, [Hamptons Luxury Homes](#) is recognized worldwide for creating homes that redefine luxury. According to Builder/Architect magazine, the "Hamptons" construction and renovation projects are valued at an impressive \$3 million to \$65 million, putting the word "ultra" in ultra luxury.

You may not think that dollars this big equate with green building, but that's far from the case. I recently spoke with the Hamptons CFO Frank Dalene, who's also the president of [Telemark, Inc.](#), the Hampton's primary operating subsidiary. *According to Dalene, the luxury market is poised to lead the green building movement.*

The Hamptons and Telemark have together formed the Hamptons Green Alliance to help find and distribute information required to build zero-energy and carbon-neutral homes. Dalene stresses that his company was involved in green building long before anyone called it "green." *It wasn't trendy 2 decades ago, but it was nonetheless a better way to construct a home.* Here's more information from my interview with Dalene.

## **Luxury and Green Mesh**

The nation's wealthiest consumers consider the Hamptons one of the nation's most prestigious and sought for markets. But are green building qualities part of what makes these homes so desirable? According to Dalene, wealthy consumers not only have the means to be responsible, they also want to be responsible.

"In the luxury market, you have clients who can afford to go green and be leaders in green building," Dalene says.

This is because investing in green building elements with high up-front costs poses less of a problem for the luxury market than it does in middle or low-income housing. Examples include purchasing a renewable energy or geothermal system that costs a lot up front and has a payback period of over five years.

*There are, however, numerous green building materials that are considered high end but can be used by homeowners of every income bracket.* Dalene cites bamboo products and engineered lumber as two examples. At the same time, the word "green" can have numerous connotations. For instance, Dalene used Brazilian hardwood in one project, but traveled to Brazil in the process to photodocument sustainable harvestry. "I would consider that being responsible," he says.

## **Hamptons Green Alliance**

Defining "green" is part of what the Hamptons Green Alliance is all about.

"We put this together because we found that people want to build green, but the information out there is too confusing. Everything has a green label, not everything is green. What we are doing through our industry and through the trades is we are sifting through the information and weeding out the products that may not be green or have potential problems down the road."

For instance, the Hamptons adopted the use of engineered lumber way back in the 80's because it took the pressure off of the old growth forest. Almost everything today is built with engineered lumber, and Dalene considers this a great accomplishment. However,

the Hamptons Green Alliance works to remedy one of the unfortunate side effects of the material. Currently, fire departments refuse to enter a burning home built with engineered lumber because the floor gives way very quickly without warning signs, collapsing catastrophically. “These are the kind of things that we don’t find out until after a period of time. There are risks in adopting new materials and this is part of what the Hamptons Green Alliance researches.”

Dalene also sits on a committee for the town of East Hampton. The committee is attempting to limit the size of homes through zoning.

“It’s been very controversial because nobody wants to put limitations on how big they can build. We think it’s responsible to look at the size of a home along with the different elements. I live in a small house yet I build very big houses.”

One solution, along with building smaller, is to put as many green elements in a home as possible. Evidently, even in the luxury market, bigger does not mean better.

### **Green is Practical at Every Income Bracket**

As a luxury home builder, Dalene considers himself very pragmatic and practical. He says 30 years ago, the Hamptons was already involved in active and passive [solar](#), the concept of the envelope house, and the use of alternative building materials.

“It made a lot of sense. A lot of alternative building materials lasted longer. In the Hamptons, we have issues with exterior products not performing over time due to the humidity in this region. We were embracing alternative wood materials to solve the problems of wood rotting. It was other reasons than having a green consciousness. It’s better to [construct a home](#) that way.”

As far as the luxury clientele goes, Dalene says they’re responding very well. It’s not just to obtain certification that homeowners choose to [go green](#), it’s to promote renewable and sustainable products that are practical and good for the future, too.



Frank Dalene, President & CEO  
P. O. Box 1260, Wainscott, New York 11975  
Office: 631-537-1600 ext. 105  
Cell: 631-553-0969  
[www.telemarkinc.com](http://www.telemarkinc.com)