

New Report from NAHB Indicates that Natural Gas Homes Maintain a 6% Price Premium over Similar Homes That are Built with All Electric Appliances

In September 2016 The Economics and housing Policy Group of the NAHB (National Association of Home Builders) completed a Special Report on Gas vs. Electric Homes. NAHB surveyed the same group of builders that are used to generate the NAHB/Wells Fargo Housing market Index (HMI) which is a leading indicator of single family housing starts.

The survey found that on average, “gas homes” sold for higher prices than “electric homes” in all regions of the country and across categories of builder size.

Results below are from common respondents who answered both the gas home and electric home price questions for comparable homes.

**New Home with
Electric Appliances**



Average Price \$336,315

**New Home with
Natural Gas Appliances**



Average Price \$354,928

Homes built with Natural Gas heating & gas appliances sell for 6% more than electric homes.

These same questions were asked in December 2002 and gas homes had a 5% price premium and again in October 2010 where gas homes had a 6% premium over comparable electric homes.

Also, builders believed that it was highly likely that a prospective home buyer will request that the furnace/boiler, water heater, range, and fireplace be installed or plumbed for Natural Gas. These same builders had a 50/50 split on whether or not the buyer will want a gas dryer.

And finally, builders were asked to Rate the level of influence each of several reasons would have in their decision to install natural gas appliances (if gas is available) in new homes. The number one reason was “Customers prefer natural gas appliances”, followed closely by “Gas appliances offer the buyer lower operating costs compared to other energy options.”