



# Ecologic

Spray Foam Insulation



## Return On Investment Analysis

- ▶ In new construction there are numerous upfront cost savings achieved by using Ecologic Spray Foam Insulation (SPF). Utilizing Spray Foam Insulation can reduce or eliminate various building materials that are required with use of fiber glass insulation. This includes framing the walls with 2"x4" instead of 2"x6", and reducing the size of your heating and air conditioning units by up to 30% and 50%. Additionally, the option of utilizing high density spray foam insulation can facilitate a sufficient air and vapor retardant making products such as tyvek rap unnecessary.

The greatest savings however will come from the decrease you will notice in your monthly heating and cooling costs. Consider the example below:

- ▶ The average single-family home constructed in 2007 was built with approximately 2,400 square feet of living area. A typical home of this size would cost roughly \$13,000 to insulate with spray foam, or approximately \$8,000 more than the cost of fiberglass.
- ▶ Assume that 80% of the additional \$8,000 investment will be financed, with a \$6,400 loan and a \$1600 down payment. With a typical 6.5% APR loan, the total monthly mortgage payment would increase by \$34.67 before taxes as a result of the addition of spray foam insulation to the construction project.

### Financing Estimate

• Original Investment	\$	8,000
• Less 20% Down Payment	\$	1,600
• Portion of Investment Financed	\$	6,400
• Monthly Loan Payments for SPF @ 6.5 % APR	\$	<b>34.67</b>

- ▶ **Early payments of a loan typically comprise of interest only which is tax deductible.** Since most purchasers will have a combined tax rate for federal, state and local taxes of at least 40%, the net cost after taxes for the spray foam insulation investment is only 60% of the \$34.67 monthly payment, or \$20.80 per month.

### Tax Deduction Estimate

Monthly Cost of Borrowing \$ 6400	\$	34.67
- Less 40% Tax Deductible Portion of Payment	\$	<b>(13.87)</b>
<b>= Actual Monthly Payments for Borrowing \$ 6400</b>	<b>\$</b>	<b>20.80</b>

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## Spray Foam Insulation

- ▶ The average home is forecasted to spend \$5,300 on utilities in 2007, with 50%, or \$2,650 of this spending related to heating and cooling costs. A house which has been insulated with spray foam in the walls and ceiling, and fitted with a properly sized HVAC system, can recognize average savings of 40% on monthly utility bills. This would result in a potential average savings per month of \$88.00 in “after tax” dollars on a net \$20.80 per month investment.

### Average Monthly Heating and Cooling Bill Savings

• Estimated Annual Utilities for Heating and Cooling in 2007 for the average US home	\$	2,650
Average Monthly Heating and Cooling Bill With Standard Insulation	\$	221
- 40% Monthly Estimated Savings by Using Ecologic Spray Foam Insulation	\$	(88)
<b>= Average Monthly Heating and Cooling Bill With Ecologic SPF</b>	<b>\$</b>	<b>133</b>

### Investment Advantages

Monthly Savings by Investing in Ecologic SPF	\$	88
- Monthly Cost of Investing in Ecologic SPF (w/ a \$ 1600 down payment)	\$	(22.80)
<b>= Monthly Positive Cash Flow Immediately Experienced by Investing in Ecologic SPF</b>	<b>\$</b>	<b>65.20</b>

- Monthly Margin for a \$ 20.80 Investment With an \$ 88 Return (savings)



**76%**

- ▶ With Ecologic Spray Foam Insulation, the volatile cost of heating and cooling your home will always be mitigated. Along with the 30 to 50% savings in heating and cooling bills, there are numerous other benefits that are experienced with SPF. Benefits such as:

- ▶ Increased Structural Integrity
- ▶ Improved Indoor Air Quality
- ▶ Eliminates Air Infiltration
- ▶ Organic Material Composition
- ▶ Superior Sound Dampening Capabilities
- ▶ Anti-Microbial and Will Not Harbor Mold Growth
- ▶ Tax Incentives
- ▶ Increased Resale Value of the Home

