

National Association of Home Builders

Remodeling Market Index: Special Questions on Labor Availability

3rd Quarter 2015

Based on 307 Responses

Economics and Housing Policy Group



Introduction:

Since 2001, the National Association of Home Builders (NAHB) has conducted a quarterly survey of its remodeler members. This survey is used to generate the NAHB Remodeling Market Index (RMI). The main section of the RMI survey asks remodelers to rate market demand for the remodeling market at the present time compared to 3 months earlier, as well as the volume of calls for bids, the amount of work committed for the next 3 months, the backlog of remodeling jobs and the number of proposals at this time compared to 3 months earlier. The results are combined into a single composite index that measures the overall strength of the remodeling market.

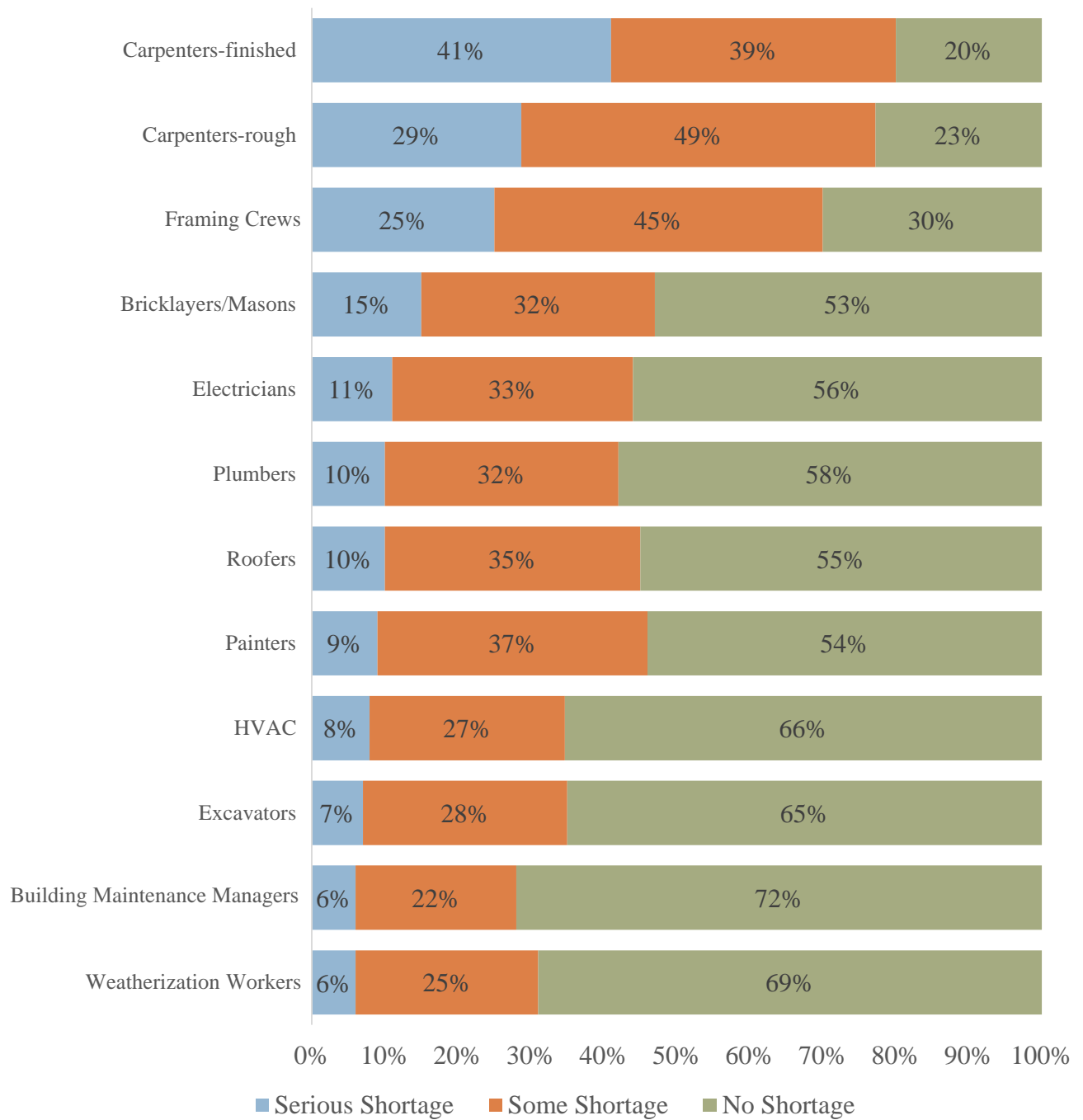
In addition to the questions that provide the data needed to compute the RMI, the survey often also includes a set of “special” questions on a topic of current interest to the housing industry. The third quarter 2015 special questions asked about the availability of labor and subcontractors for different trades e.g. carpenters, electricians, etc. The survey also asked if the cost of direct labor and subcontractors has changed over the past 12 months, and the effect labor shortage has had on business.

The third quarter 2015 survey was sent electronically to 1,812 remodelers and by mail to 58 remodelers. The results in this report are based on 307 responses, a response rate of about 16 percent. Results are broken down by the size of the remodeler as well as by the four Census regions (sample size makes it impossible to produce results with more granular levels of geographic detail).

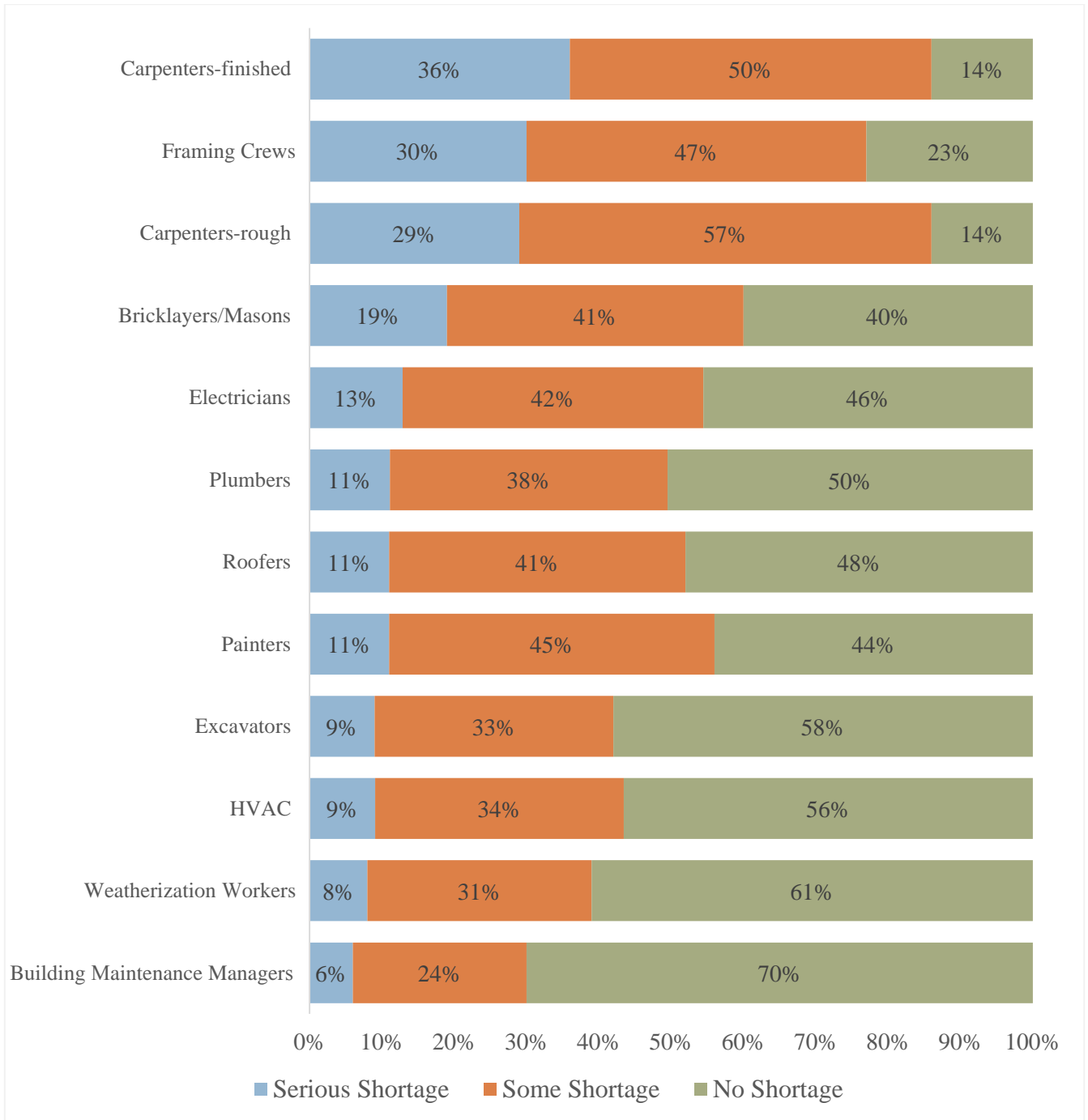
Q4. How would you rate the availability of the following trades in your area?

Type of Labor	<u>Labor Availability</u> Directly employed by your firm			<u>Subcontractors</u> Availability		
	Serious Shortage	Some Shortage	No Shortage	Serious Shortage	Some Shortage	No Shortage
Carpenters-rough	29	49	23	29	57	14
Carpenters-finished	41	39	20	36	50	14
Electricians	11	33	56	13	42	46
Excavators	7	28	65	9	33	58
Framing Crews	25	45	30	30	47	23
Roofers	10	35	55	11	41	48
Plumbers	10	32	58	11	38	50
Bricklayers/Masons	15	32	53	19	41	40
Painters	9	37	54	11	45	44
Weatherization Workers	6	25	69	8	31	61
HVAC	8	27	66	9	34	56
Building Maintenance Managers	6	22	72	6	24	70

**Q4. Availability of following types of labor - LABOR (Directly employed by your firm)
(Percent of Respondents)**



**Q4. Availability of following types of labor – SUBCONTRACTORS
(Percent of Respondents)**



**Exhibit 4. Availability of Labor – by Region
(Percent of Respondents)**

	Total	Region			
		Northeast	Midwest	South	West
CARPENTERS - FINISHED					
Serious Shortage	41	37	45	34	52
Some Shortage	39	34	37	41	38
No Shortage	20	29	17	24	10
CARPENTERS - ROUGH					
Serious Shortage	29	21	31	25	40
Some Shortage	49	50	49	49	46
No Shortage	23	29	20	26	14
FRAMING CREWS					
Serious Shortage	25	11	29	21	40
Some Shortage	45	47	53	42	38
No Shortage	30	42	18	37	22
BRICKLAYERS/MASONS					
Serious Shortage	15	12	12	17	20
Some Shortage	32	18	39	31	35
No Shortage	53	71	48	52	45
PAINTERS					
Serious Shortage	9	3	5	11	16
Some Shortage	37	29	42	34	43
No Shortage	54	68	54	55	41
ELECTRICIANS					
Serious Shortage	11	8	10	14	9
Some Shortage	33	22	34	33	40
No Shortage	56	69	56	54	51
ROOFERS					
Serious Shortage	10	3	9	11	16
Some Shortage	35	31	42	32	32
No Shortage	55	66	48	56	52
PLUMBERS					
Serious Shortage	10	6	3	12	18
Some Shortage	32	26	38	29	36
No Shortage	58	68	59	59	47
EXCAVATORS					
Serious Shortage	7		6	8	12
Some Shortage	28	18	34	25	33
No Shortage	65	82	60	67	55
HVAC					
Serious Shortage	8		3	11	12
Some Shortage	27	19	30	22	38
No Shortage	66	81	67	66	50
WEATHERIZATION WORKERS					
Serious Shortage	6			8	13
Some Shortage	25	18	27	30	18
No Shortage	69	82	73	62	68
BUILDING MAINTENANCE MANAGERS					
Serious Shortage	6		2	8	11
Some Shortage	22	17	29	20	26
No Shortage	72	83	69	73	63

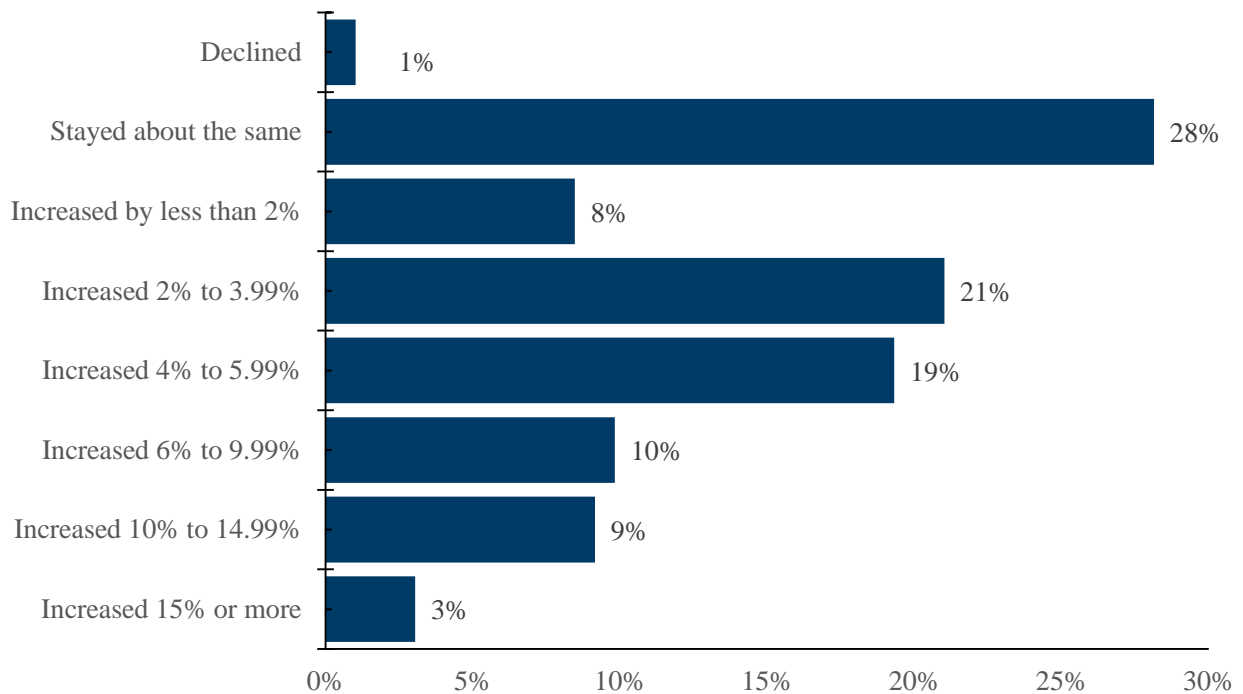
**Exhibit 4. Availability of Subcontractors– by Region
(Percent of Respondents)**

	Total	Region			
		Northeast	Midwest	South	West
CARPENTERS - FINISHED					
Serious Shortage	36	23	41	35	44
Some Shortage	50	51	53	52	40
No Shortage	14	26	6	13	16
CARPENTERS - ROUGH					
Serious Shortage	29	17	29	28	44
Some Shortage	57	64	61	59	40
No Shortage	14	19	10	14	16
FRAMING CREWS					
Serious Shortage	30	19	35	27	40
Some Shortage	47	48	48	48	42
No Shortage	23	33	17	25	19
BRICKLAYERS/MASONS					
Serious Shortage	19	19	17	21	16
Some Shortage	41	26	55	40	38
No Shortage	40	55	28	39	47
PAINTERS					
Serious Shortage	11	9	8	11	15
Some Shortage	45	37	46	44	55
No Shortage	44	53	45	46	30
ELECTRICIANS					
Serious Shortage	13	9	10	15	15
Some Shortage	42	26	49	42	46
No Shortage	46	65	41	43	40
ROOFERS					
Serious Shortage	11	12	11	10	14
Some Shortage	41	37	45	41	39
No Shortage	48	51	44	48	47
PLUMBERS					
Serious Shortage	11	10	4	14	18
Some Shortage	38	29	41	40	41
No Shortage	50	62	55	47	41
EXCAVATORS					
Serious Shortage	9	5	8	10	13
Some Shortage	33	13	38	33	43
No Shortage	58	82	54	57	45
HVAC					
Serious Shortage	9	10	4	11	13
Some Shortage	34	24	34	36	41
No Shortage	56	67	62	53	46
WEATHERIZATION WORKERS					
Serious Shortage	8	8	2	8	15
Some Shortage	31	33	31	33	25
No Shortage	61	58	67	59	60
BUILDING MAINTENANCE MANAGERS					
Serious Shortage	6		2	9	9
Some Shortage	24	12	28	26	27
No Shortage	70	88	70	66	64

**Exhibit 4. Availability of Labor and Subcontractors– HISTORY
(Percent of Respondents)**

	Labor			Subcontractors		
	1st Qtr 2013	3 rd Qtr 2014	3 rd Qtr 2015	1st Qtr 2013	3 rd Qtr 2014	3 rd Qtr 2015
CARPENTERS - FINISHED						
Serious Shortage	10	30	41	8	27	36
Some Shortage	34	42	39	35	47	50
No Shortage	56	29	20	57	25	14
CARPENTERS - ROUGH						
Serious Shortage	6	24	29	6	25	29
Some Shortage	34	46	49	35	49	57
No Shortage	60	30	23	59	26	14
FRAMING CREWS						
Serious Shortage	7	18	25	7	25	30
Some Shortage	28	45	45	32	47	47
No Shortage	64	36	30	60	28	23
BRICKLAYERS/MASONS						
Serious Shortage	4	10	15	5	15	19
Some Shortage	23	38	32	25	44	41
No Shortage	73	52	53	70	41	40
PAINTERS						
Serious Shortage	2	7	9	3	9	11
Some Shortage	16	31	37	19	37	45
No Shortage	82	62	54	78	54	44
ELECTRICIANS						
Serious Shortage	3	5	11	3	6	13
Some Shortage	13	32	33	16	40	42
No Shortage	84	63	56	81	54	46
ROOFERS						
Serious Shortage	4	8	10	3	9	11
Some Shortage	15	27	35	19	35	41
No Shortage	81	65	55	78	55	48
PLUMBERS						
Serious Shortage	3	6	10	2	8	11
Some Shortage	15	27	32	17	34	38
No Shortage	82	67	58	81	58	50
EXCAVATORS						
Serious Shortage	1	5	7	1	6	9
Some Shortage	13	28	28	13	35	33
No Shortage	85	67	65	86	59	58
HVAC						
Serious Shortage	1	3	8	2	5	9
Some Shortage	11	22	27	14	30	34
No Shortage	88	74	66	85	66	56
WEATHERIZATION WORKERS						
Serious Shortage	3	2	8	2	4	8
Some Shortage	17	23	27	15	26	31
No Shortage	80	75	66	83	70	61
BUILDING MAINTENANCE MANAGERS						
Serious Shortage	2	2	6	2	3	6
Some Shortage	13	15	22	10	19	24
No Shortage	84	83	72	88	78	70
ACROSS ALL 12 TRADES						
Serious Shortage	4	10	15	4	12	16
Some Shortage	19	31	34	21	37	41
No Shortage	77	59	51	75	51	43

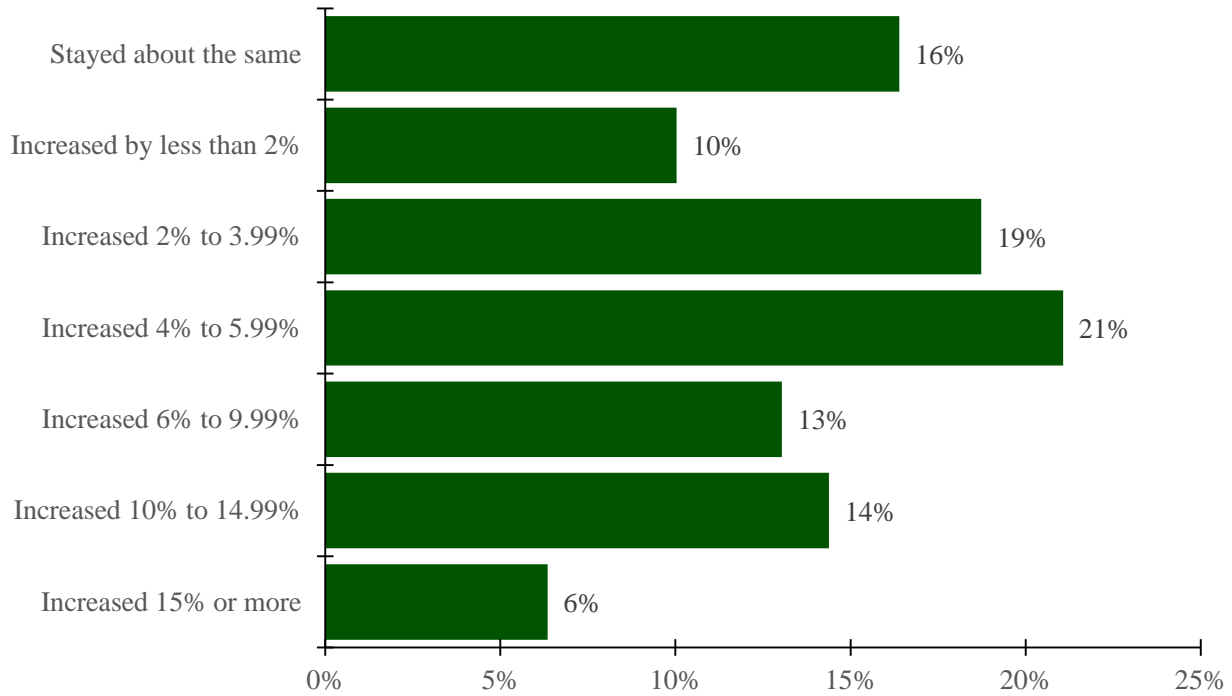
5. Overall, how have total costs of labor (directly employed by your firm) for the same project changed over the past 12 months?



	Total	Region			
		Northeast	Midwest	South	West
Declined	1	2		1	2
Stayed about the same	28	33	23	34	20
Increased by less than 2%	8	9	8	10	4
Increased 2% to 3.99%	21	22	24	19	21
Increased 4% to 5.99%	19	20	24	14	25
Increased 6% to 9.99%	10	9	7	12	11
Increased 10% to 14.99%	9	4	11	8	13
Increased 15% or more	3	2	3	3	5
Average*	4.0%	2.9%	4.3%	3.7%	5.0%
Responses	295	46	74	118	56

** Average is calculated assuming the midpoint of the ranges, with the values bounded at the 6th and 94th percentile of the distribution to eliminate the open-ended ranges (a technique usually called “Winsorising”)*

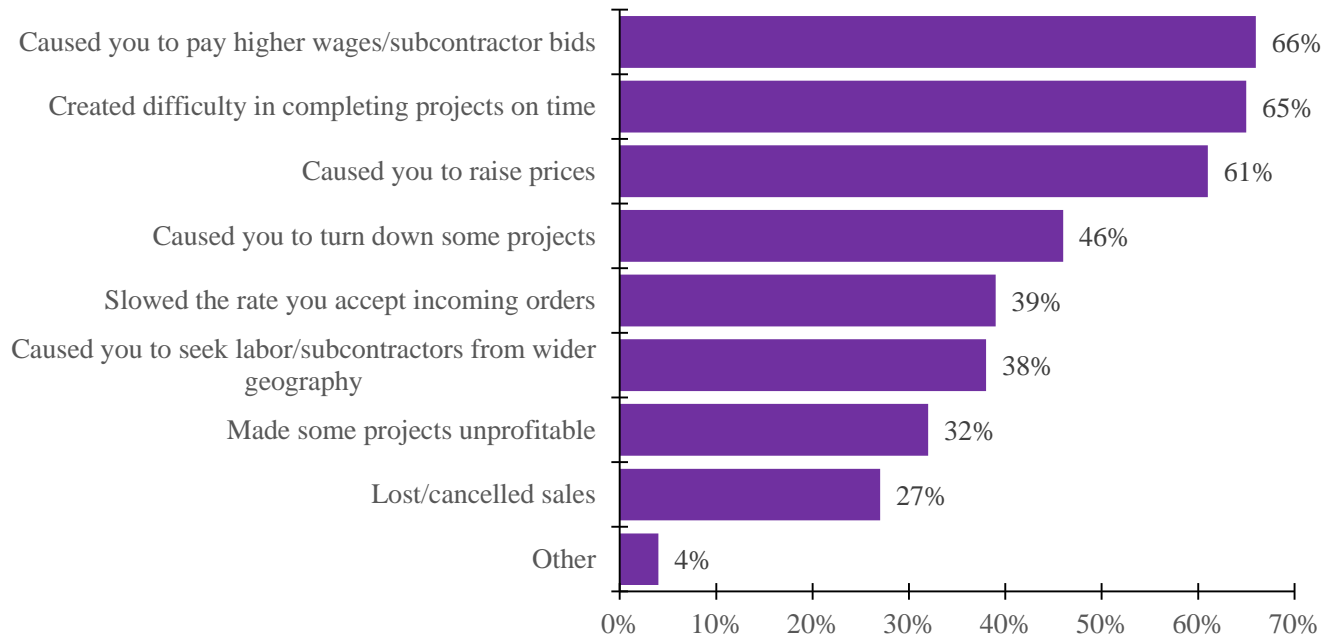
**Q6. How have total costs of subcontractors for the same house changed over the past 12 months?
(Percent of Respondents)**



	Total	Region			
		Northeast	Midwest	South	West
Declined					
Stayed about the same	16	17	15	20	9
Increased by less than 2%	10	15	11	10	5
Increased 2% to 3.99%	19	15	24	16	18
Increased 4% to 5.99%	21	28	17	19	25
Increased 6% to 9.99%	13	13	15	11	15
Increased 10% to 14.99%	14	9	16	16	15
Increased 15% or more	6	2	3	7	13
Average*	5.4%	3.9%	5.3%	5.3%	6.8%
Responses	299	46	75	122	55

* Average is calculated assuming the midpoint of the ranges, with the values bounded at the 15th and 85th percentile of the distribution to eliminate the open-ended ranges (a technique usually called “Winsorising”)

Q7. Please indicate if labor shortages over the past 12 months have had any of the following effects on your business.



	Total	Regions			
		Northeast	Midwest	South	West
Created difficulty in completing projects on time	65	63	73	59	69
Caused you to pay higher wages/subcontractor bids	66	63	73	66	61
Caused you to raise prices	61	58	57	61	67
Caused you to turn down some projects	46	53	51	38	50
Caused you to seek labor/subcontractors from wider geography	38	23	47	42	30
Made some projects unprofitable	32	33	32	35	26
Slowed the rate you accept incoming orders	39	33	49	34	39
Lost/cancelled sales	27	19	39	22	28
Other	4	12	1	3	6
Responses	289	43	75	116	54

Third Quarter 2015 – Special Questions

ID:RMI102

Q4. How would you rate the availability of the following trades in your area?

Type of labor	Labor Availability Directly employed by your firm			Subcontractors Availability		
	Serious Shortage	Some shortage	No shortage	Serious Shortage	Some shortage	No shortage
Carpenters-rough	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carpenters-finished	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Electricians	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Excavators	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Framing crews	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Roofers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Plumbers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bricklayers/Masons	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Painters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Weatherization workers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
HVAC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Building maintenance Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5. Overall, how have total costs of labor (directly employed by your firm) for the same project changed over the past 12 months?

- | | |
|--|--|
| <input type="checkbox"/> Declined | <input type="checkbox"/> Increased 4% to 5.99% |
| <input type="checkbox"/> Stayed about the same | <input type="checkbox"/> Increased 6% to 9.99% |
| <input type="checkbox"/> Increased by less than 2% | <input type="checkbox"/> Increased 10% to 14.99% |
| <input type="checkbox"/> Increased 2% to 3.99% | <input type="checkbox"/> Increased 15% or more |

6. How have total costs of subcontractors for the same project changed over the past 12 months?

- | | |
|--|--|
| <input type="checkbox"/> Declined | <input type="checkbox"/> Increased 4% to 5.99% |
| <input type="checkbox"/> Stayed about the same | <input type="checkbox"/> Increased 6% to 9.99% |
| <input type="checkbox"/> Increased by less than 2% | <input type="checkbox"/> Increased 10% to 14.99% |
| <input type="checkbox"/> Increased 2% to 3.99% | <input type="checkbox"/> Increased 15% or more |

7. Please indicate if labor shortages over the past 12 months have had any of the following effects on your business. (Check all that apply).

- Caused you to pay higher wages/subcontractor bids
- Caused you to seek labor/subcontractors from wider geography
- Caused you to raise prices
- Created difficulty in completing projects on time
- Slowed the rate you accept incoming orders
- Lost/cancelled sales
- Made some projects unprofitable
- Caused you to turn down some projects
- Other: (Please specify)_____

THANK YOU