

National Association of Home Builders

Remodeling Market Index: *Special Question on Reasons for Remodeling*

1st Quarter 2018

Based on 266 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.

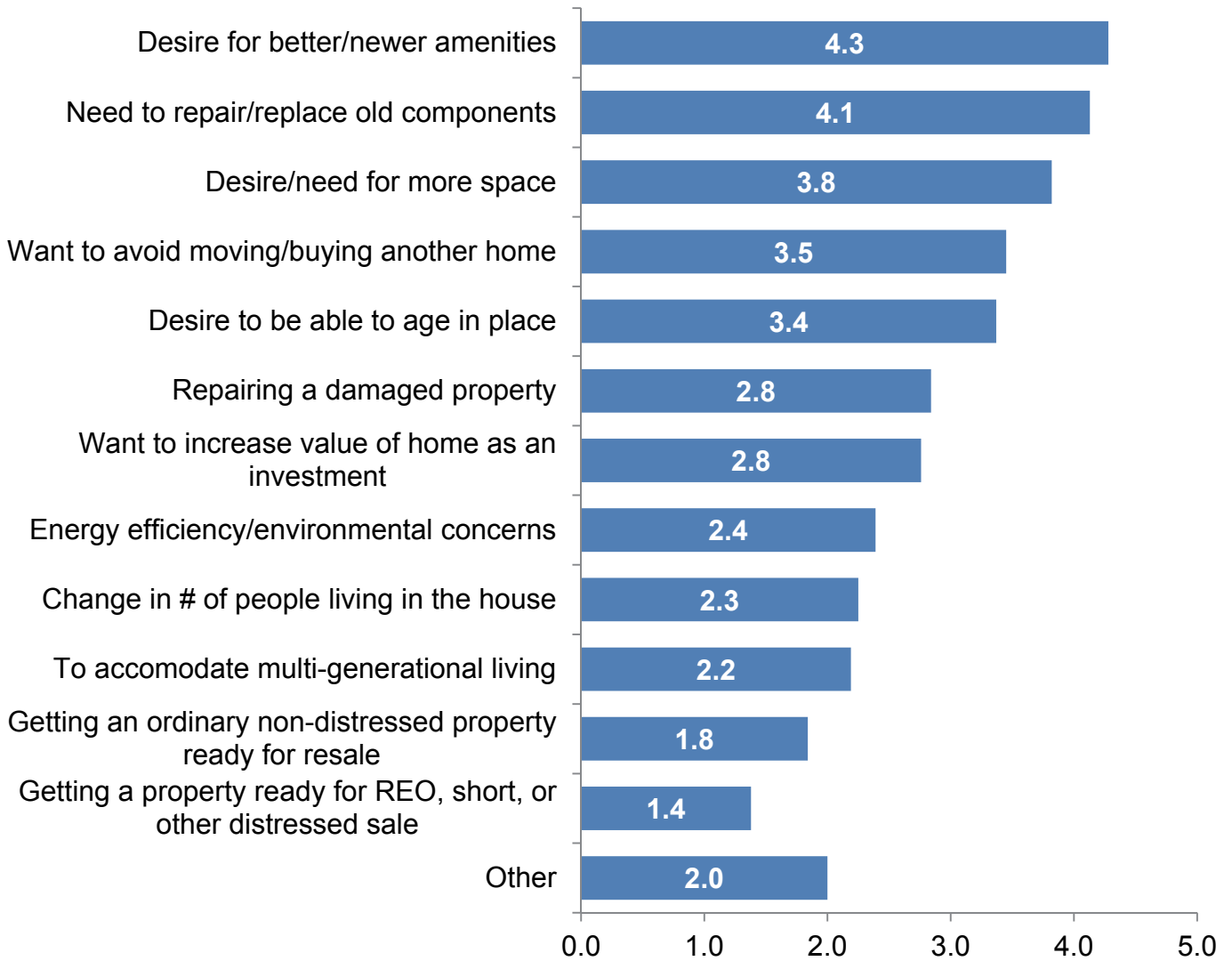
In addition to the questions that provide the data needed to compute the RMI, the survey often also includes a set of “special” questions on a topic of current interest to the housing industry. The first quarter 2018 included a special question asking remodelers to rate their customer’s reasons such as desire/need for more space, energy efficiency/environmental concerns etc., as a motivation for remodeling their home.

The first quarter 2018 survey was sent electronically to 1,971 remodelers and by mail to 17 remodelers. The results in this report are based on 246 responses, a response rate of about 12 percent. In addition to overall results, answers are broken down by the four Census Regions: the Northeast, Midwest, South, and West.

Please rate how often your customers cite the reasons below as a motivation for remodeling their homes.

AVERAGE RATING

On a scale of 1 to 5 (1=never or almost never; 5=very often)



Please rate how often your customers cite the reasons below as a motivation for remodeling their homes.
 Use a scale of 1 to 5 (1=never or almost never; 5=very often)
 (Percent of Respondents)

	Total	NE	MW	S	W
Change in number of people living in the house					
(1) Never or Almost Never	37	41	35	35	39
2	26	30	26	25	24
3	20	19	26	21	10
4	13	11	9	14	18
(5) Very Often	5		3	5	10
Average	2.3	2	2.2	2.3	2.4
Responses	235	27	65	92	51
Need to repair/replace old components					
(1) Never or Almost Never	2		2	3	2
2	7	11	9	4	8
3	15	14	12	16	17
4	27	43	24	26	25
(5) Very Often	49	32	53	51	49
Average	4.1	4.0	4.2	4.2	4.1
Responses	240	28	66	93	53
Desire for better/newer amenities					
(1) Never or Almost Never	1	3	2	1	
2	3	7	2	2	6
3	15	17	15	14	13
4	28	41	21	29	26
(5) Very Often	53	31	61	54	55
Average	4.3	3.9	4.4	4.3	4.3
Responses	241	29	66	93	53
Desire/need for more space					
(1) Never or Almost Never	5	4	3	4	8
2	8	14	11	5	6
3	22	18	24	26	13
4	33	46	32	28	36
(5) Very Often	33	18	30	37	38
Average	3.8	3.6	3.8	3.9	3.9
Responses	240	28	66	93	53

**Q5. Please rate how often your customers cite the reasons below as a motivation for remodeling their homes. Use a scale of 1 to 5 (1=never or almost never; 5=very often)
(Percent of Respondents) - *continued***

	Total	NE	MW	S	W
Desire to be able to age in place					
(1) Never or Almost Never	7	7	3	9	10
2	18	14	26	17	12
3	22	25	24	21	22
4	34	29	32	38	34
(5) Very Often	18	25	15	15	22
Average	3.4	3.5	3.3	3.3	3.5
Responses	236	28	66	92	50
Want to avoid moving/buying another home					
(1) Never or Almost Never	10	7	6	13	12
2	13	21	14	12	10
3	19	18	21	19	17
4	37	32	45	38	27
(5) Very Often	21	21	14	18	35
Average	3.5	3.4	3.5	3.4	3.6
Responses	237	28	66	91	52
Want to increase value of home as an investment					
(1) Never or Almost Never	17	14	23	12	22
2	29	36	35	22	29
3	26	25	14	34	27
4	17	11	20	19	12
(5) Very Often	11	14	9	13	10
Average	2.8	2.8	2.6	3.0	2.6
Responses	236	28	66	91	51
Energy efficiency/environmental concerns					
(1) Never or Almost Never	24	25	20	25	25
2	36	29	38	33	41
3	23	25	21	24	22
4	13	21	14	12	10
(5) Very Often	5		8	5	2
Average	2.4	2.4	2.5	2.4	2.2
Responses	236	28	66	91	51

**Q5. Please rate how often your customers cite the reasons below as a motivation for remodeling their homes. Use a scale of 1 to 5 (1=never or almost never; 5=very often)
(Percent of Respondents) - *continued***

	Total	NE	MW	S	W
Repairing a damaged property					
(1) Never or Almost Never	19	12	20	20	20
2	26	23	35	23	24
3	22	15	17	27	24
4	18	27	15	17	18
(5) Very Often	15	23	14	13	16
Average	2.8	3.3	2.7	2.8	2.7
Responses	235	26	66	92	51
Getting a property ready for reo short or other distressed sale					
(1) Never or Almost Never	75	81	67	74	84
2	17	11	24	17	8
3	6	7	8	7	
4	2		2	1	4
(5) Very Often	1			1	4
Average	1.4	1.3	1.4	1.4	1.4
Responses	235	27	66	92	50
Getting an ordinary non-distressed property ready for resale					
(1) Never or Almost Never	49	56	47	45	54
2	29	30	38	29	18
3	13	7	9	16	16
4	7	7	6	8	8
(5) Very Often	2			2	4
Average	1.8	1.7	1.7	1.9	1.9
Responses	234	27	66	91	50
To accommodate multi-generational living					
(1) Never or Almost Never	35	37	33	42	26
2	28	41	26	24	30
3	23	11	30	20	26
4	9	11	6	9	14
(5) Very Often	4		5	5	4
Average	2.2	2.0	2.2	2.1	2.4
Responses	234	27	66	91	50

**Q5. Please rate how often your customers cite the reasons below as a motivation for remodeling their homes. Use a scale of 1 to 5 (1=never or almost never; 5=very often)
(Percent of Respondents) - *continued***

Other	Total	NE	MW	S	W
(1) Never or Almost Never	59	75	55	53	71
2	8		9	7	14
3	16		9	27	14
4	5		9	7	
(5) Very Often	11	25	18	7	
Average	2.0	2.0	2.3	2.1	1.4
Responses	37	4	11	15	7

**Q5. How often customer cite the reasons below as a motivation for remodeling their homes: HISTORY
(Percent of Respondents)**

	1ST Qtr. 2018	1ST Qtr. 2017	1st Qtr. 2016	4th Qtr. 2014	4th Qtr. 2013	1st Qtr. 2012
Change in number of people living in the house						
(1) Never or Almost Never	37	30	35	38	41	41
2	26	31	26	28	26	25
3	20	26	22	21	19	20
4	13	8	12	9	10	9
(5) Very Often	5	4	6	4	5	4
Average	2.3	2.3	2.3	2.1	2.1	2.1
Responses	235	257	266	376	388	367
Need to repair/replace old components						
(1) Never or Almost Never	2	1	1	1	1	2
2	7	3	6	6	6	6
3	15	15	15	13	15	19
4	27	28	33	33	28	32
(5) Very Often	49	53	46	47	50	41
Average	4.1	4.3	4.2	4.2	4.2	4.1
Responses	240	261	267	386	395	374

Q5. How often customer cite the reasons below as a motivation for remodeling their homes: HISTORY
(Percent of Respondents) – continued

	1st Qtr. 2018	1st Qtr. 2017	1st Qtr. 2016	4th Qtr. 2014	4th Qtr. 2013	1st Qtr. 2012
Desire for better/newer amenities						
(1) Never or Almost Never	1	1	1	0	1	2
2	3	3	4	3	4	4
3	15	9	12	10	11	21
4	28	34	30	31	34	37
(5) Very Often	53	53	53	55	49	37
Average	4.3	4.4	4.3	4.4	4.3	4.0
Responses	241	260	269	385	392	372
Desire/need for more space						
(1) Never or Almost Never	5	4	4	2	4	6
2	8	11	8	11	8	14
3	22	20	24	21	27	29
4	33	31	32	33	33	29
(5) Very Often	33	33	31	32	28	21
Average	3.8	3.8	3.8	3.8	3.7	3.5
Responses	240	258	267	379	386	370
Desire to be able to age in place						
(1) Never or Almost Never	7	11	11	12	12	18
2	18	22	20	22	25	21
3	22	25	30	30	28	28
4	34	29	24	25	25	25
(5) Very Often	18	13	15	12	10	7
Average	3.4	3.1	3.1	3.0	3.0	2.8
Responses	236	257	269	379	387	364
Want to avoid moving/buying another home						
(1) Never or Almost Never	10	8	11	11	11	10
2	13	13	16	13	21	16
3	19	25	25	30	26	29
4	37	34	30	29	28	26
(5) Very Often	21	21	17	16	15	19
Average	3.5	3.5	3.3	3.3	3.2	3.3
Responses	237	260	267	382	389	369

Q5. How often customer cite the reasons below as a motivation for remodeling their homes: HISTORY
(Percent of Respondents) – continued

	1st Qtr. 2018	1st Qtr. 2017	1st Qtr. 2016	4th Qtr. 2014	4th Qtr. 2013	1st Qtr. 2012
Want to increase value of home as an investment						
(1) Never or Almost Never	17	14	17	17	20	19
2	29	31	26	24	31	32
3	26	23	27	30	24	28
4	17	20	16	20	17	15
(5) Very Often	11	13	15	9	8	6
Average	2.8	2.9	2.9	2.8	2.6	2.6
Responses	236	259	266	379	389	369
Energy efficiency/environmental concerns						
(1) Never or Almost Never	24	21	25	18	16	14
2	36	34	32	31	32	33
3	23	25	25	29	26	32
4	13	13	11	14	22	17
(5) Very Often	5	7	7	7	4	4
Average	2.4	2.5	2.4	2.6	2.7	2.7
Responses	236	257	268	381	386	370
Repairing a damaged property						
(1) Never or Almost Never	19	14	16	13	13	12
2	26	28	28	26	24	22
3	22	26	26	25	27	27
4	18	20	17	20	21	20
(5) Very Often	15	12	13	16	15	19
Average	2.8	2.9	2.8	3.0	3.0	3.1
Responses	235	256	265	380	392	367
Getting a property ready for reo short or other distressed sale						
(1) Never or Almost Never	75	78	77	78	76	77
2	17	12	17	13	16	15
3	6	6	3	5	6	4
4	2	3	3	3	1	2
(5) Very Often	1	1		1	1	1
Average	1.4	1.4	1.3	1.4	1.3	1.4
Responses	235	257	265	379	384	366

Q5. How often customer cite the reasons below as a motivation for remodeling their homes: HISTORY
(Percent of Respondents) – continued

	1 st Qtr. 2018	1 st Qtr. 2017	1 st Qtr. 2016	4 th Qtr. 2014	4 th Qtr. 2013	1 st Qtr. 2012
Getting an ordinary non-distressed property ready for resale						
(1) Never or Almost Never	49	52	50	51	47	52
2	29	27	30	30	31	27
3	13	12	13	12	15	14
4	7	7	6	5	5	5
(5) Very Often	2	2	1	3	2	2
Average	1.8	1.8	1.8	1.8	1.8	1.8
Responses	234	255	269	379	388	363
To accommodate multi-generational living						
(1) Never or Almost Never	35	28	na	na	na	na
2	28	36	na	na	na	na
3	23	22	na	na	na	na
4	9	11	na	na	na	na
(5) Very Often	4	2	na	na	na	na
Average	2.2	2.2	na	na	na	na
Responses	234	254	na	na	na	na
Other						
(1) Never or Almost Never	59	60	64	75	73	74
2	8	10	16	6	9	6
3	16	10	11	15	10	10
4	5	7	9	1	3	5
(5) Very Often	11	14		2	3	5
Average	2.0	2.1	1.7	1.5	1.6	1.6
Responses	37	42	45	84	86	86

Remodeling Market Index

First Quarter 2018– Special Questions

Please rate how often your customers cite the reasons below as a motivation for remodeling their homes. Use a scale of 1 to 5 (1=never or almost never; 5=very often)

	Never or Almost Never				Very Often
	(1)	(2)	(3)	(4)	(5)
Change in # of people living in the house	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Need to repair/replace old components	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Desire for better/newer amenities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Desire/need for more space	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Desire to be able to age in place	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Want to avoid moving/buying another home	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Want to increase value of home as an investment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Energy efficiency/environmental concerns	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Repairing a damaged property	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Getting a property ready for REO, short, or other distressed sale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Getting an ordinary, non-distressed property ready for resale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
To accommodate multi-generational living	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other: (specify) _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

THANK YOU