



BURNS

Qualified
Remodeler

US Remodeler Index

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*Photo credit: Qualified Remodeler's
Master Design Awards 2022*



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About John Burns Real Estate Consulting

Who we are

John Burns Real Estate Consulting, LLC, provides independent research and consulting services related to the US housing industry. John Burns founded the company in 2001 because he saw a need for better analysis of the housing market. The company has grown into a highly passionate team of research analysts and consultants in offices across the country. We work together to provide the most trusted source of US housing analysis.



Research Subscriptions

An ongoing, retainer-based relationship, in which we provide clients with our published research, client services, and exclusive events. Clients find immense value in our research and services for:

- Superior insight on housing and remodeling trends
- Regional intelligence
- Internal reporting and business planning
- Investor relations support



Custom Market Consulting

A contracted engagement, in which we help clients with a specific strategic decision or question.

- Demand forecasting
- Market analysis
- Growth strategy
- Voice of customer analysis

We are pleased to release the 3Q22 Qualified Remodeler / John Burns US Remodeler Index (USRI).



Overview of the US Remodeler Index

The US Remodeler Index (USRI) is a diffusion index reflecting weighted responses of remodeling companies. **A rating above 50 indicates industry growth; a rating below 50 indicates slowing activity**

Current Growth

Project Activity Gauge

Gauges project volume in the most recent quarter vs. prior year

Future Growth

Near-Term Activity Gauge

Indicates project volume growth in the upcoming quarter

Demand Rating

Remodeling Demand Meter

Reflects the overall sentiment of how strong consumer demand is for professionally completed home repairs, remodels, and improvements relative to the past three years



US Remodeler Index Rating:

62.0 out of 100

The US Remodeler Index rates a *Strong* 62.0 out of 100, indicating the professional remodeling industry **expanded in 3Q22**.

JOHN BURNS
REAL ESTATE CONSULTING

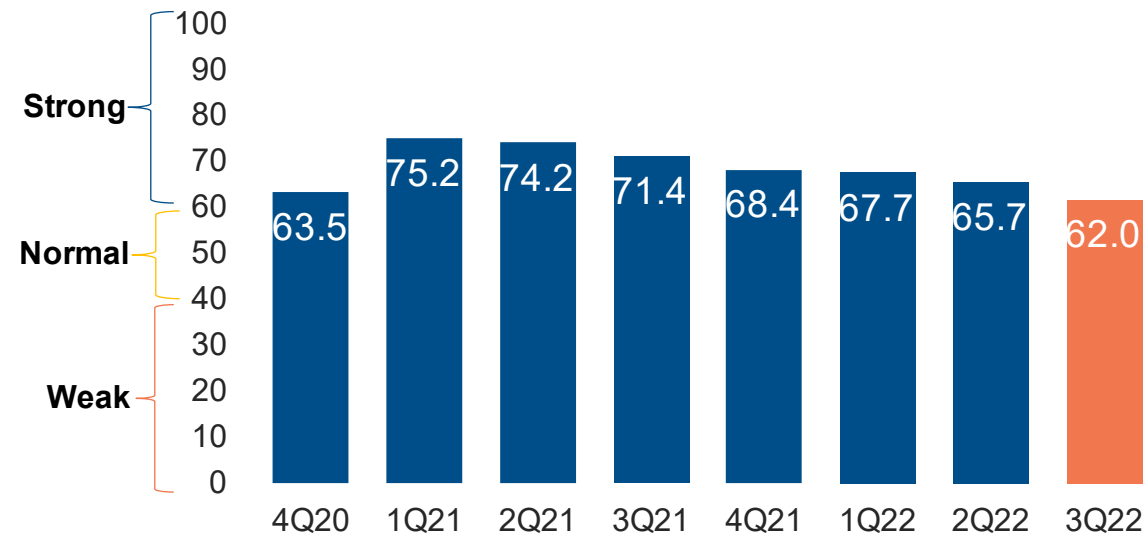
Qualified
Remodeler

This quarterly index is the result of a unique partnership between one of the industry's leading authorities on professional remodeling trends, *Qualified Remodeler*, and one of the industry's leading market research firms, John Burns Real Estate Consulting. The following report highlights findings from our survey of professional remodeling activity and market conditions.

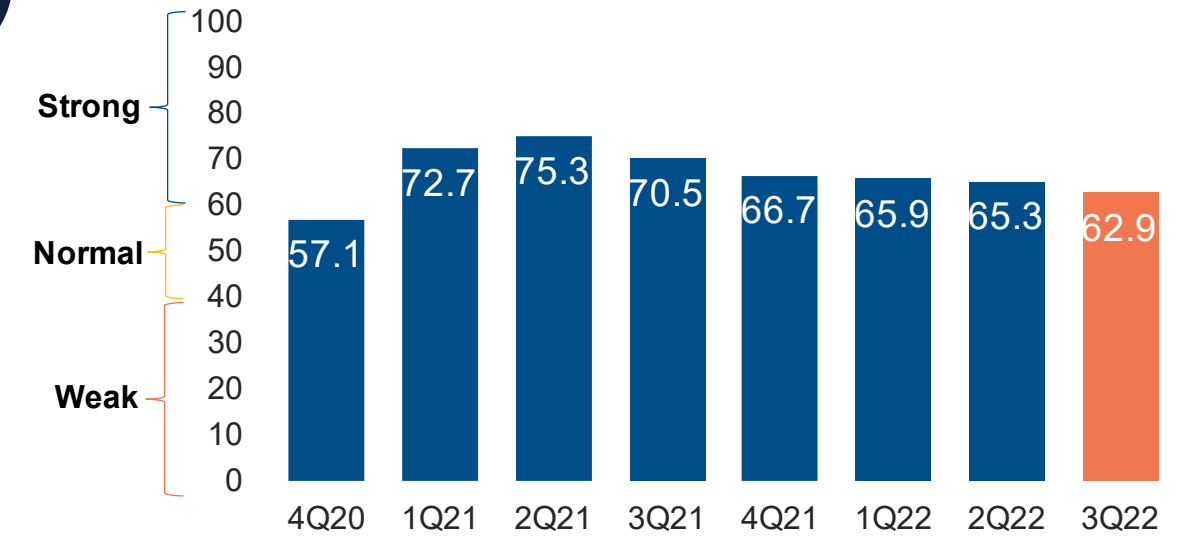
Sources: Qualified Remodeler, John Burns Real Estate Consulting, LLC (Data: 3Q22, Pub: Oct-22)



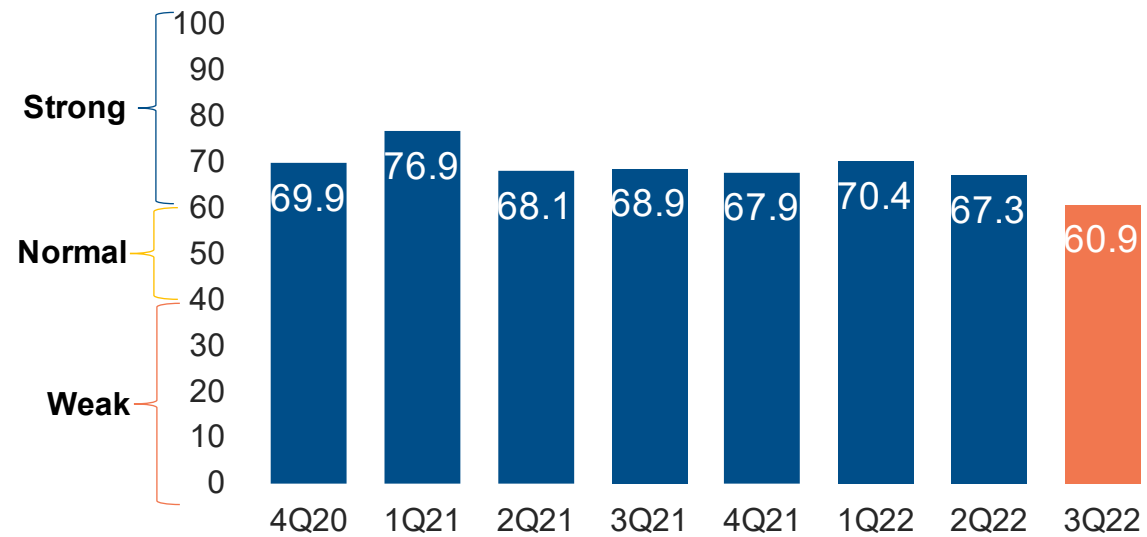
US Remodeler Index



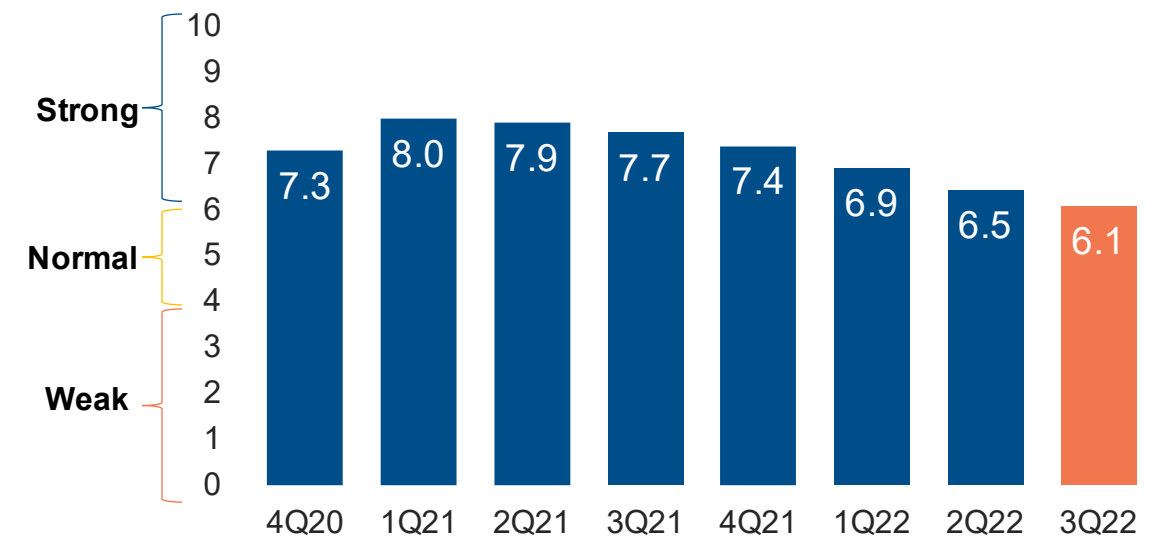
Remodeling Project Activity Gauge



Near-Term Remodeling Activity Gauge (Next 3 Mos.)



Remodeling Demand Meter



Sources: Qualified Remodeler, John Burns Real Estate Consulting, LLC (Data: 3Q22, Pub: Oct-22)

Professional remodelers confirm project activity is slowing. Further cooling is expected.

The latest US Remodeler Index confirms the post-pandemic remodeling boom has passed, as the professional remodeling industry adapts to a slower-demand environment caused by higher interest rates, less pricing power, and an increasingly cautious homeowner.

- Surging interest rates and weakening home values are causing prospective customers to scale down project plans or hit pause on new projects altogether.
- After two years of aggressive price increases, and now with interest rates higher, the average remodeling customer is prioritizing more budget-friendly products and options, instead of paying up for products that can be delivered quickest.
- A months-long backlog of remodeling projects (most of which started when the economy and housing market were still roaring) continues to support remodeling activity and spending levels.

The 3Q22 survey ran September 28–October 12, so responses, commentary, and sentiment reflect the very latest shifts in the professional remodeling industry.



Professional remodelers highlighted the following themes in their commentary this quarter:

- Top-of-funnel leads for future remodeling projects are slowing down and remodelers are gearing up for a slowdown in 2023.
- Surging interest rates have effectively cut off sources of project financing, such as cash-out refinancing. In the longer run, higher interest rates mean fewer people will move and will upgrade their current homes.
- Higher costs mixed with shrinking nest eggs and falling home values have made remodeling customers more price sensitive.
- Remodelers see a wealth of opportunity in the coming years, especially around updating homes to current design trends, serving wealthy baby boomers, and completing smaller projects where there's less competition.

Sources: Qualified Remodeler, John Burns Real Estate Consulting, LLC (Data: 3Q22, Pub: Oct-22)

Four big remodeling takeaways from the latest US Remodeler Index survey

1 A 4.9-month project backlog continues to support remodeling activity and spending levels.

The average remodeler has a project backlog of 4.9 months. 56% of remodelers report at least 4 months worth of projects in-progress or planned. With project cancellations still relatively rare, the project backlog will sustain remodeling activity through 2022.

More remodelers now indicate interest from prospective customers slowing. It remains to be seen exactly how slowing demand will impact project backlogs and overall remodeling activity.



2 Pricing power is shifting away from remodelers (and building product companies) as remodeling customers have less room to flex in their budgets.



After two years of aggressive price increases and the largest interest-rate increases in a generation, more remodeling customers are scaling back project plans and downgrading to lower-cost products.

“Will this product fit my budget?” is quickly replacing “Which product will arrive first?” during the remodeling planning process.

- 55% of remodelers say customers are downgrading to stay within budget, a sign that remodelers and building product companies are losing pricing power.



Sources: Qualified Remodeler, John Burns Real Estate Consulting, LLC (Data: 3Q22, Pub: Oct-22)

Four big remodeling takeaways from the latest US Remodeler Index survey

3 The supply chain continues to gradually improve for remodelers.



A slowdown in new-home production is benefitting remodelers by reducing stress on the building products/materials supply chain.

- 67% of remodelers now see some improvement on product lead times.
- This is welcome news because product lead times remain the number one reason for project delays.
- 70% of remodelers say remodeling project timelines are stable or decreasing.

We expect additional improvements on product lead times and remodeling project timelines in the year ahead.



4 Remodelers expect revenue growth of 5%–8% in 2022. Slowdown coming in 2023.



Remodelers expect sustained revenue growth through year-end in the range of 5% to 8% annually. We expect a slowdown to materialize in 2023 driven by 3 primary factors:

- 1) Higher mortgage rates have closed the window on cash-out refis, in effect preventing many homeowners from accessing near record-high levels of home equity. Fewer prospective borrowers will qualify for project financing at higher rates as well.
- 2) Home values are now falling in every major housing market, a historical precedent to a decline in remodeling.
- 3) The economy is set to contract in 2023, complete with job losses and higher unemployment. (This is another impact of higher interest rates.)

Some remodelers are pivoting to repair and maintenance services to ride out the weak economy.

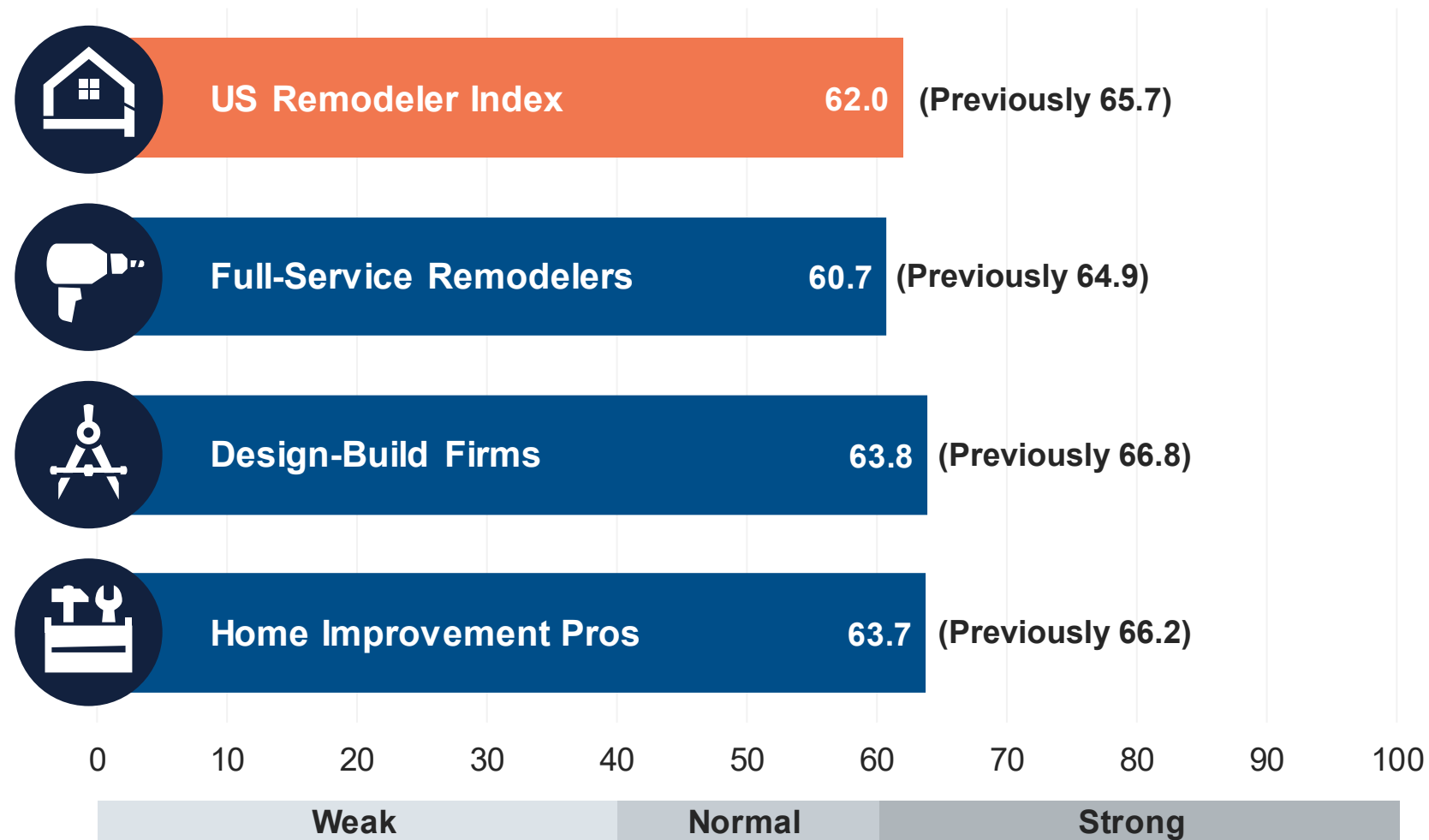


Sources: Qualified Remodeler, John Burns Real Estate Consulting, LLC (Data: 3Q22, Pub: Oct-22)

3Q22 US Remodeler Index

The background image is a blurred photograph of a person's hand holding a pen, pointing at a line graph on a document. The graph shows multiple data series over time, with the x-axis labeled with months from January to June. The overall tone is professional and analytical.

US Remodeler Index 3Q22



The US Remodeler Index (USRI) rated 62.0 in 3Q22, indicating the industry expanded.

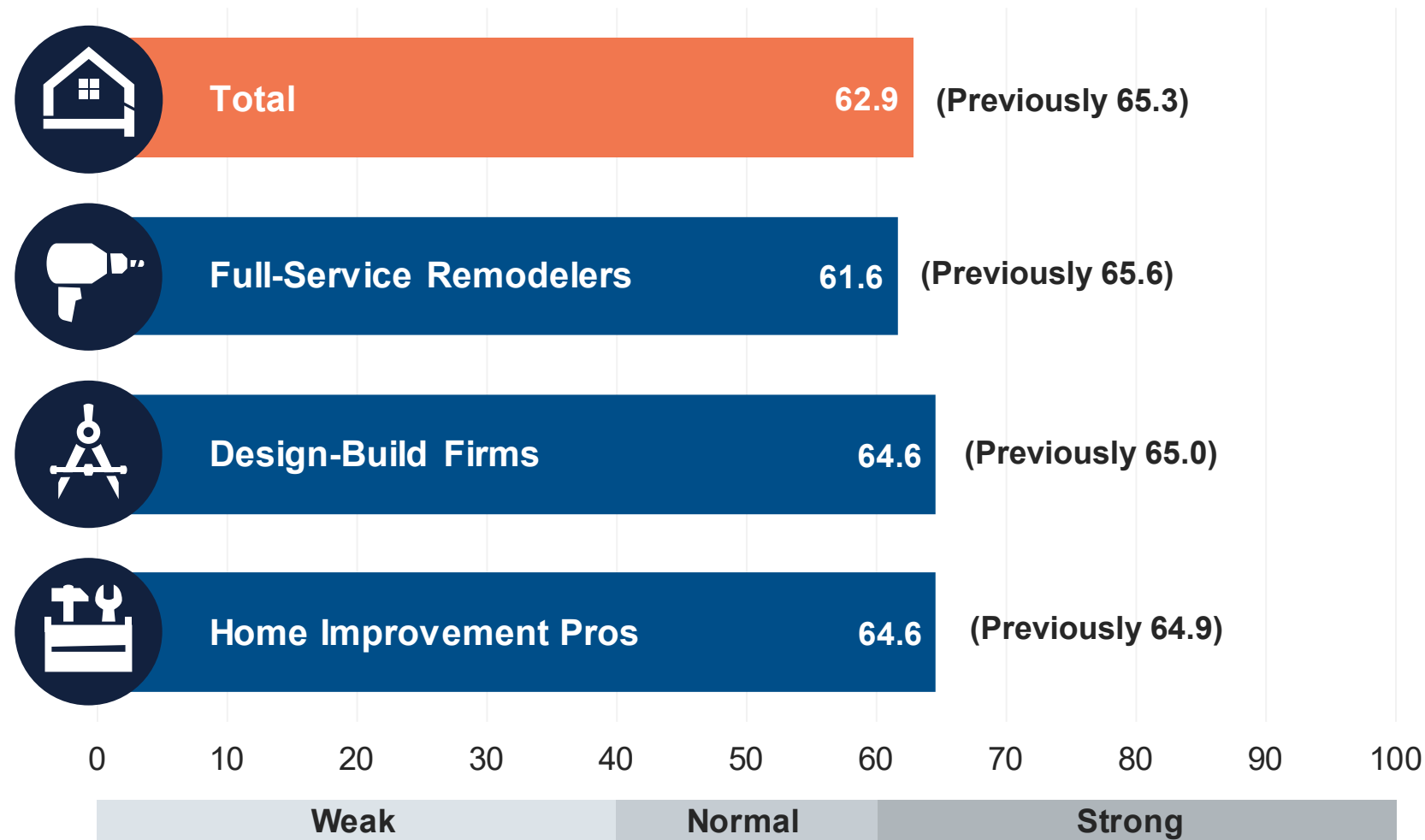
The US Remodeler Index dropped 3.7 points in 3Q22, indicating a broad deceleration in growth.

More remodelers have raised concern about the effects of higher interest rates, weakening home values, and falling stock portfolios on future demand for remodeling services.

A rating above 50 indicates industry growth; a rating below 50 indicates slowing activity.

Sources: Qualified Remodeler, John Burns Real Estate Consulting, LLC (Data: 3Q22, Pub: Oct-22)

Current Remodeling Project Activity Gauge 3Q22



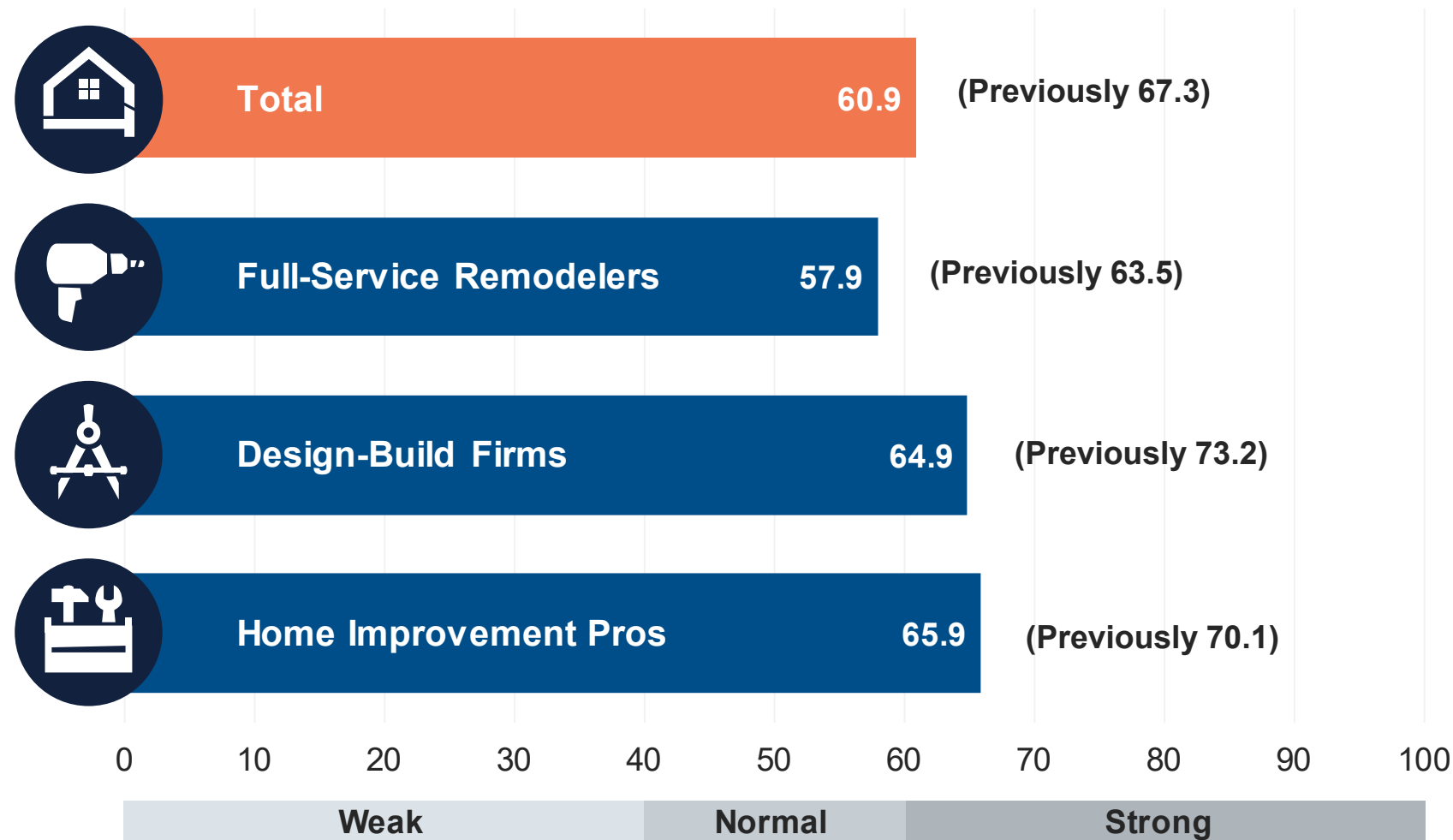
The current Remodeling Project Activity Gauge rates a 62.9 out of 100, indicating remodelers completed more projects in 3Q22 vs. 3Q21.

Months-long project backlogs are sustaining remodeling activity even as interest in new projects has begun to wane.

Labor challenges, long lead times for many products, and other unpredictable delays have prevented remodelers from completing projects faster.

Sources: Qualified Remodeler, John Burns Real Estate Consulting, LLC (Data: 3Q22, Pub: Oct-22)

Near-Term Remodeling Activity Gauge (Next 3 Months)



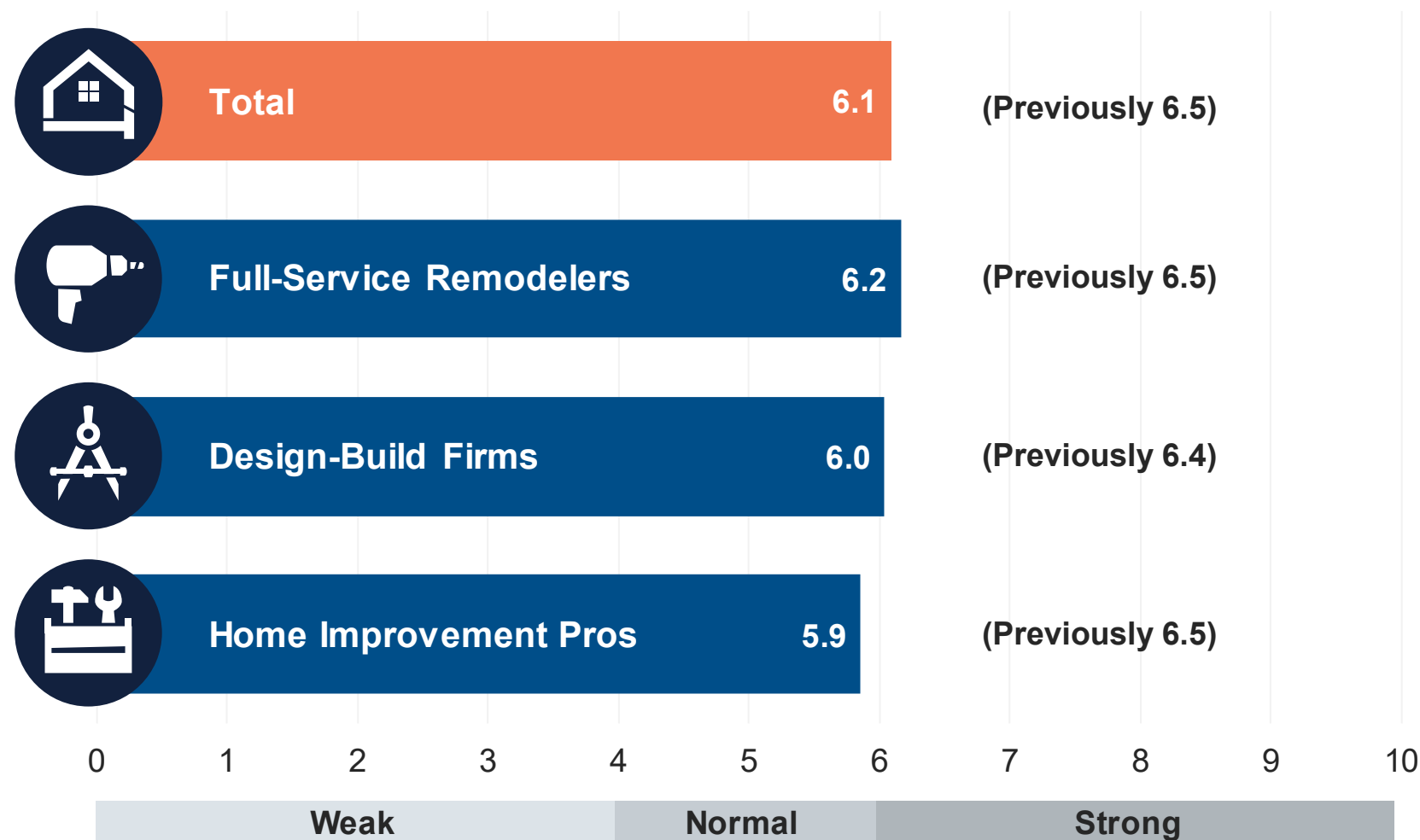
Professional remodelers tempered growth expectations for 4Q22 vs. 3Q22, rating near-term activity a 60.9 out of 100.

The Near-Term Remodeling Activity Gauge has dropped 10 points since 1Q22, illustrating that remodelers increasingly expect activity to revert to more “normal” levels last seen before the pandemic.

Fewer customers are committing to large new investments in the home, due to economic uncertainty and a slowing housing market. This has not yet translated into outright declines in project activity.

Sources: Qualified Remodeler, John Burns Real Estate Consulting, LLC (Data: 3Q22, Pub: Oct-22)

Remodeling Demand Meter 3Q22



The Remodeling Demand Meter rates a 6.1 out of 10, signaling demand for remodeling is “normalizing” after a two-year boom.

At 6.1 in 3Q22, the Remodeling Demand Meter is on the cusp of returning to “normal” territory following the post-pandemic remodeling boom. Demand conditions are clearly slowing, yet for most remodelers, the bigger present concerns are ongoing labor challenges and unpredictable delays in product shipments.

Sources: Qualified Remodeler, John Burns Real Estate Consulting, LLC (Data: 3Q22, Pub: Oct-22)



Remodeling project volume

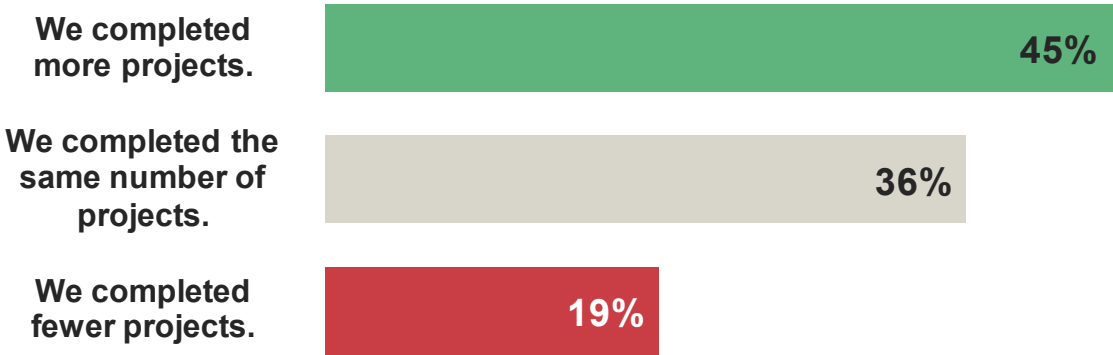
Remodelers completed **+4% more projects in 3Q22 versus 3Q21**. The share of remodelers completing *fewer* projects crept up to nearly one-in-five (19%), compared with 15% last quarter.

Remodeling project completions grew by +4% YOY in 3Q22, a slight deceleration from +5% YOY in 2Q22.

In addition to the ongoing labor shortages and product delays limiting project completions, some remodelers report completing fewer but larger remodeling projects.

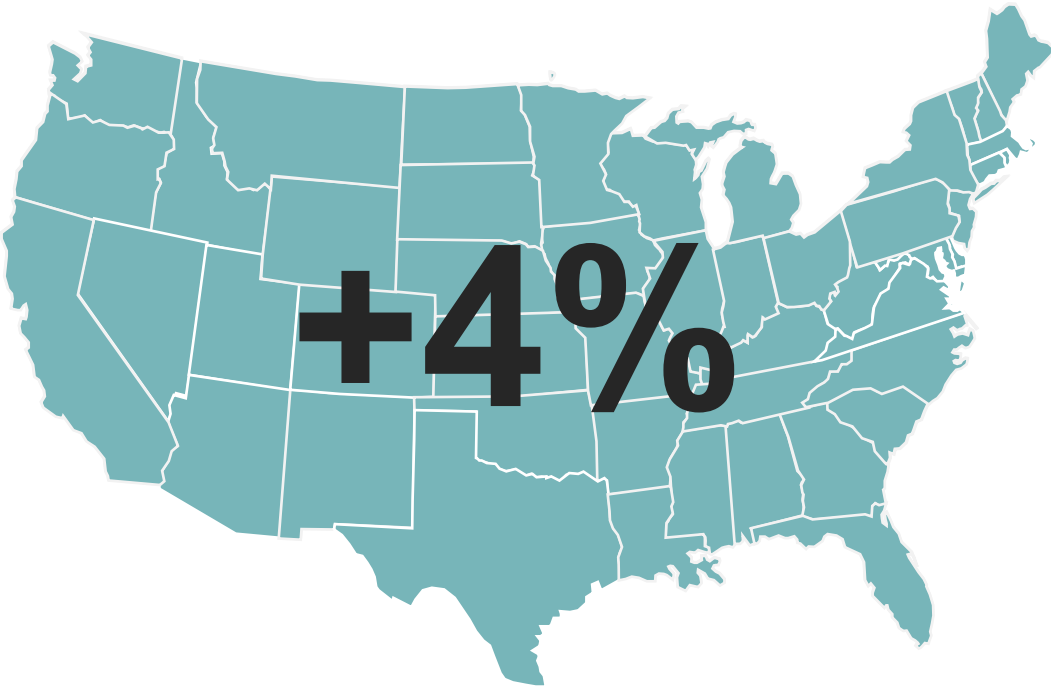
3Q22 Remodeling Project Completions vs. 3Q21

As a percentage of all remodelers



Growth in Remodeling Project Completions (3Q22 YOY)

YOY change in the number of completed remodeling projects across all remodelers



Sources: Qualified Remodeler, John Burns Real Estate Consulting, LLC (Data: 3Q22, Pub: Oct-22)



Remodeling market trends

Across the three remodeling industry segments, revenue growth averaged 5% to 8% YOY in 3Q22.

3Q22 Remodeler Revenues Compared to 3Q21

■ Higher than 3Q21 ■ About the same as 3Q21 ■ Lower than 3Q21

Home Improvement Pros



Design-Build Firms



Full-Service Remodelers



Remodelers report that revenue has grown faster than project completions, suggesting price increases have been a key driver for growing sales volume over the past year. (See slide 38 for additional details on price increases.)

Design-build firms reported the highest rate of YOY revenue growth in 3Q22 at 8%, with home improvement pros nearly matching at 7%. The average full-service remodeler reported 5% YOY revenue growth in 3Q22.

Remodeler Revenue Growth (3Q22 YOY)

Average 3Q22 revenue growth on a year-over-year basis

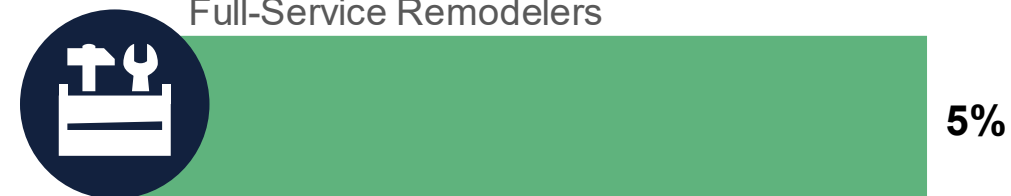
Home Improvement Pros



Design-Build Firms



Full-Service Remodelers



Sources: Qualified Remodeler, John Burns Real Estate Consulting, LLC (Data: 3Q22, Pub: Oct-22)

After a two-year remodeling boom, professional remodelers are gearing up for a slowdown in 2023.

“Leads for future business have dropped dramatically since June. I see a slowdown coming in 2023. When the stock market took a hit, our leads took a hit. **2022 is going to be a very profitable year but hang on to your hat in 2023!”**

- Windows and doors contractor in Pennsylvania

“Client urgency is down. They are **skeptical of spending their cash** and **concerned about their budget.** We are having to adapt our sales process and expect that **getting a yes may take more than one visit.”**

- Windows, siding, roofing contractor in Georgia

“We are working hard on improving our sales model so the we can maintain our volume on what we are thinking might **be a 10-20% drop in leads.”**

- Design-building firm in Minnesota

“We are utilizing this time to update our showrooms, search for new talent, and reduce our lead times to a more palatable level.”

- Kitchen and bath remodeler in Arizona

“Referrals will start to slow down. We are putting **more time and energy into marketing,** social media, and getting our name out there.”

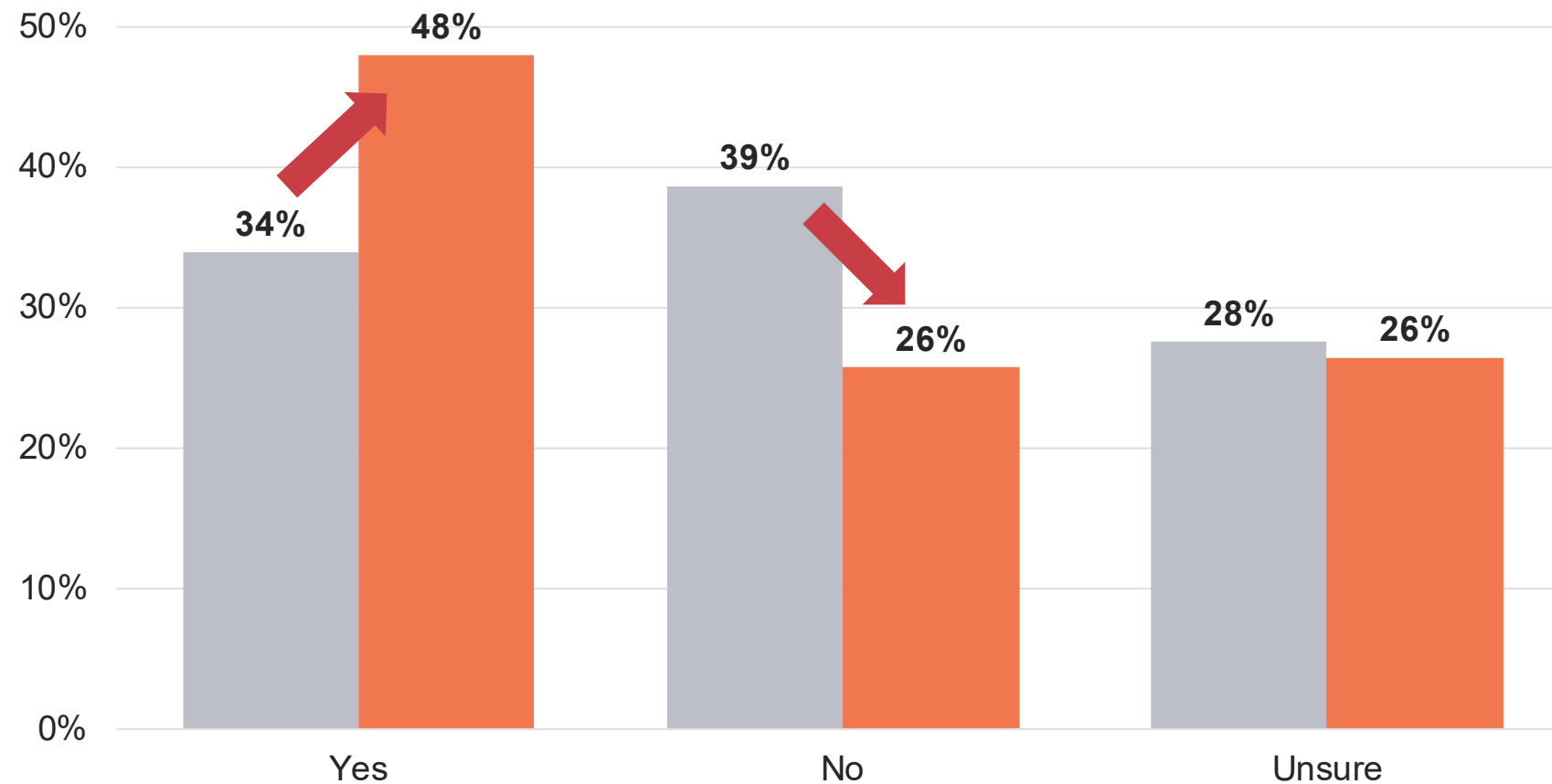
- Kitchen and bath remodeler in Colorado

Sources: Qualified Remodeler, John Burns Real Estate Consulting, LLC (Data: 3Q22, Pub: Oct-22)

48% of professional remodelers now report that rising interest rates have affected their business and/or customers, up from 34% last quarter.

Have rising interest rates or mortgage rates affected your remodeling business and/or customers?

■ 2Q22 ■ 3Q22



Remodelers report higher interest rates are hurting home values, shutting off traditional sources of project financing, and reducing customers' disposable income.

Homeowners are concerned about recouping their investment as home prices soften and nest eggs shrink.

Over the long term, higher rates could fuel the next remodeling boom. If mortgage rates stay high, fewer people will move and more will choose to remodel instead.

Sources: Qualified Remodeler, John Burns Real Estate Consulting, LLC (Data: 3Q22, Pub: Oct-22)

Higher interest rates and surging mortgage rates immediately reduce demand for new remodeling projects.

“Customers are postponing some extensive home remodels due to increased cost of financing.”

- Design-build firm in Utah

“Customers are not refinancing to remodel their current properties, specially in California where the housing market is at an all-time high. Customers can’t afford to move and now cannot refinance due to high interest rates.”

- Kitchen and bath remodeler in California

“Clients were taking equity from their homes to do major renovations That is now harder and more costly to do.”

- Kitchen remodeler in the Northeast US

In the long run, more homeowners will invest in their current homes, rather than buy new (and give up their low-rate mortgage).

“Most people are struggling to afford a new home. Many have shifted to remodeling their spaces with the intent of staying where they are.”

- Kitchen and bath remodeler in Utah

“Customers decided to remodel instead of buy new due to the interest rate increase.”

- Bathroom remodeler in Mississippi

“People investing money into their home in new ways: staycation amenities, gyms, offices, teen suites, and less open plans. They are tired of looking at their home from being in it so much during the worst of the pandemic.”

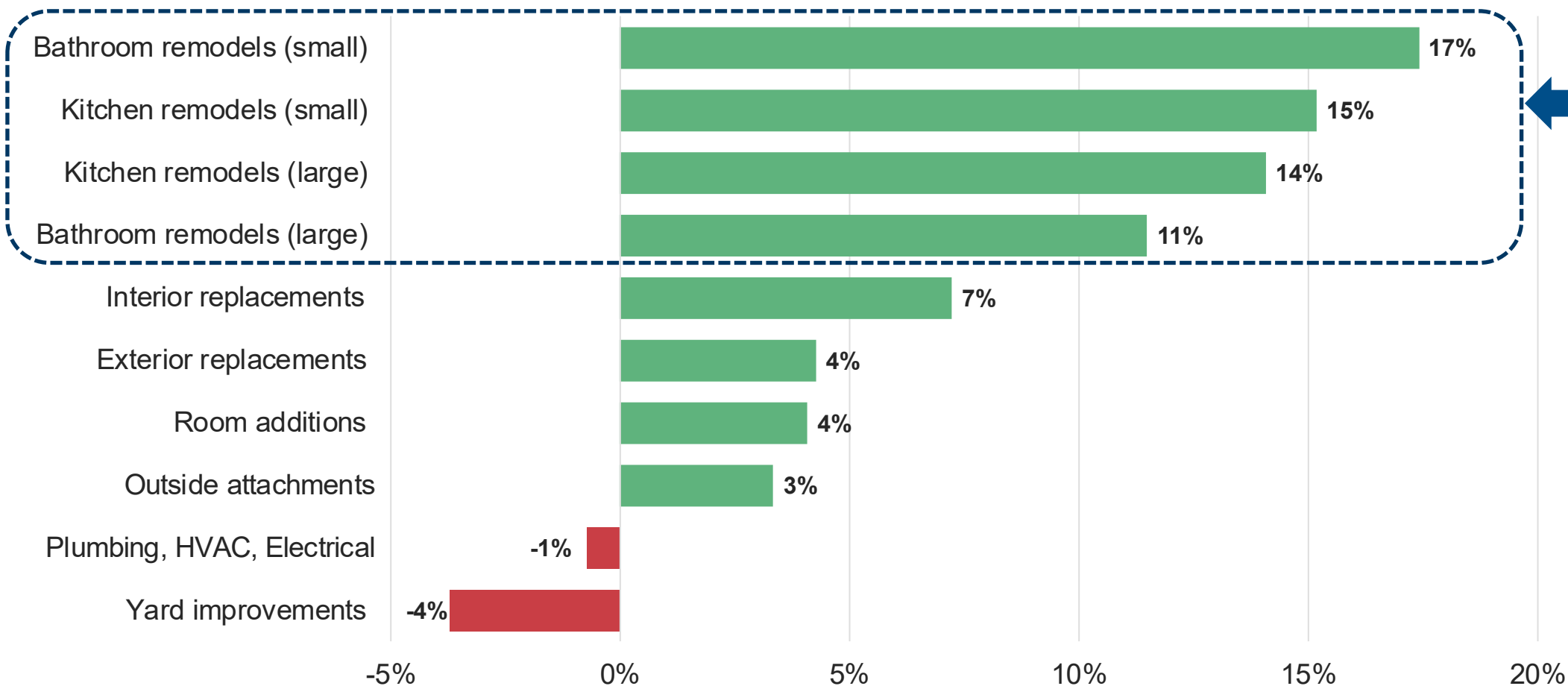
- Kitchen and bath remodeler in California

Sources: Qualified Remodeler, John Burns Real Estate Consulting, LLC (Data: 3Q22, Pub: Oct-22)

Over the past year, professional remodelers have seen much greater interest in bathroom and kitchen remodels. Demand for these “nice-to-have” projects is most at risk as the economy slows and home values decline.

In the last year, how has customer interest changed for various remodeling projects?

Share of remodelers reporting more/less interest in each project type



“I believe the largest market opportunity is kitchen and bath remodeling. The best target is clients that purchased entry level new homes 10 years ago. They upgrade from the builder grade to more of what they like following the current design trends and higher quality products.”

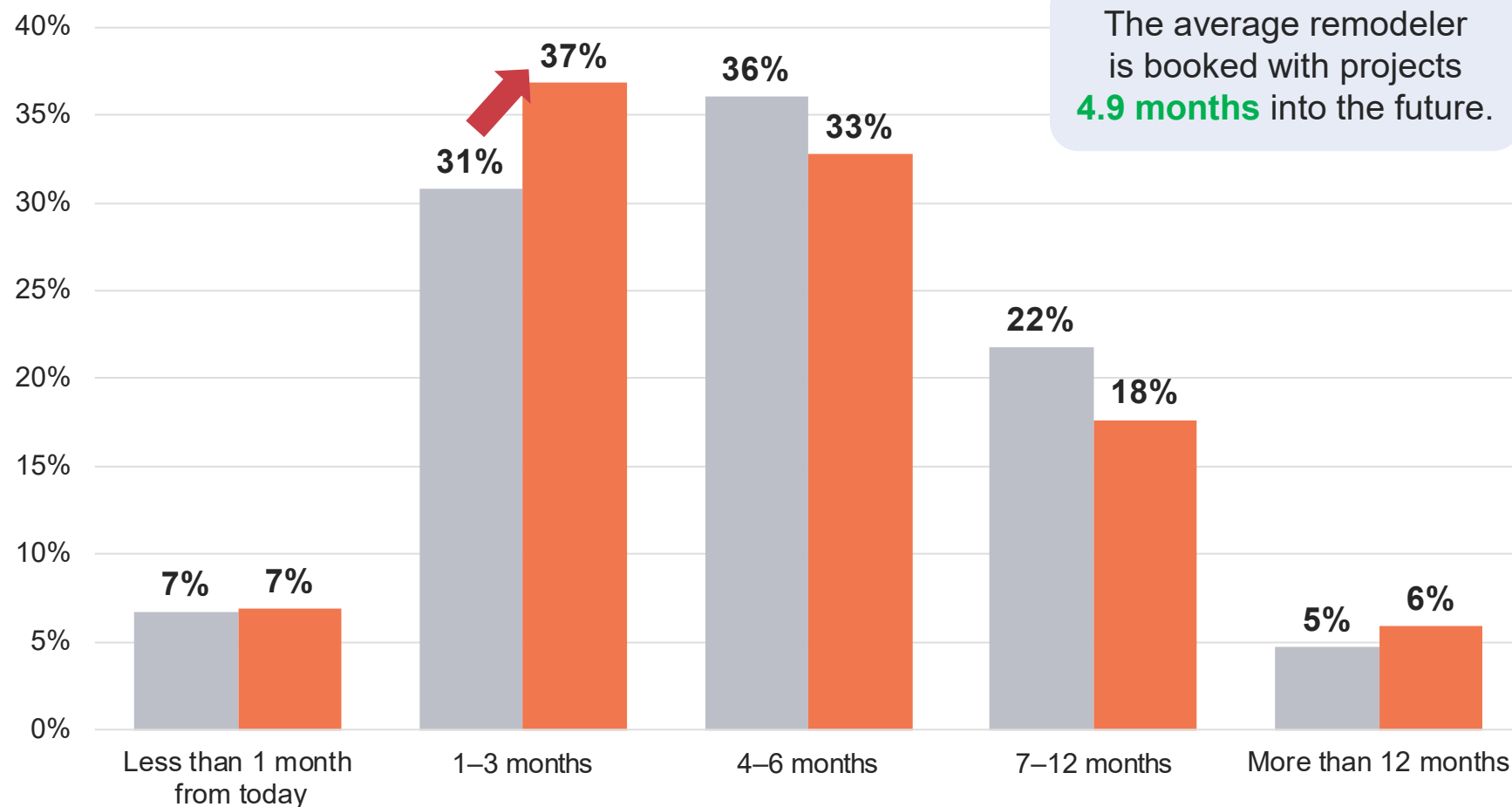
-Nationwide kitchen and bath remodeler

Sources: Qualified Remodeler, John Burns Real Estate Consulting, LLC (Data: 3Q22, Pub: Oct-22)

Remodeling project backlogs average 4.9 months, suggesting a slowdown in remodeling will most likely materialize during 2023.

Remodeling Project Completion Timeline for Planned or In-Progress Projects

■ 2Q22 ■ 3Q22



We are seeing early signs that remodeling demand is slowing, albeit gradually. The share of remodelers reporting at least 4 months worth of projects booked dropped by six percentage points from last quarter to 56%.

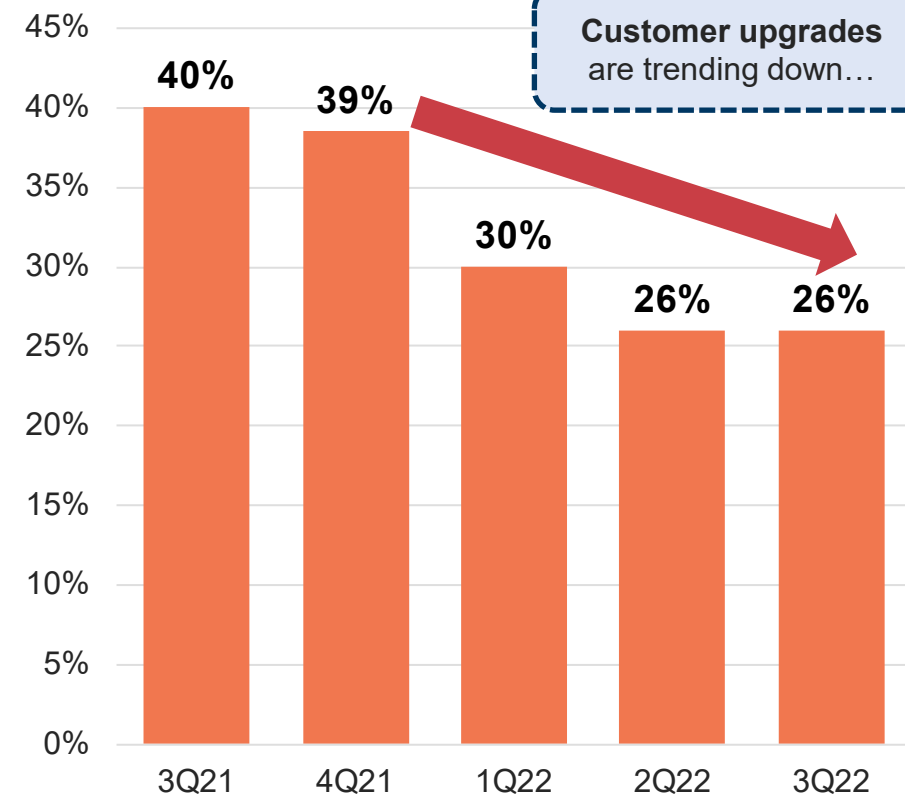
The backlog of remodeling projects either in-progress or planned will sustain remodeling activity, building products spending, and labor demand over the next several months.

Sources: Qualified Remodeler, John Burns Real Estate Consulting, LLC (Data: 3Q22, Pub: Oct-22)

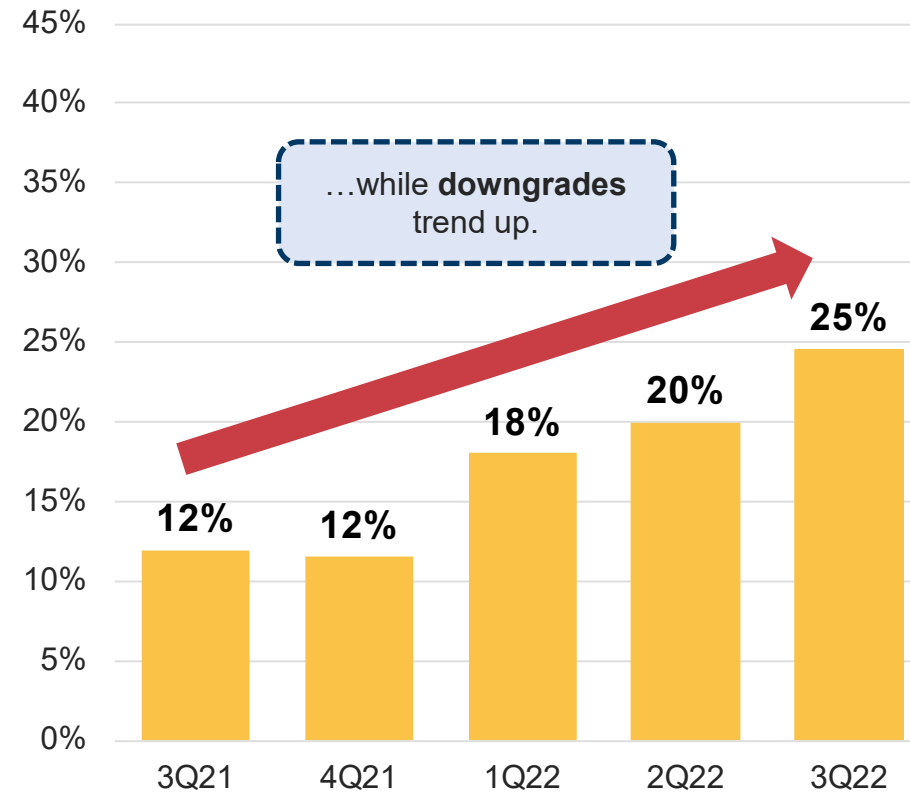
Remodelers see *fewer customers upgrading* to higher-priced options and *more customers downgrading* into lower-priced products and project options.

Are remodelers seeing a shift in product grades / price points demanded from customers?

■ Shifting higher



■ Shifting lower



Customers are becoming more budget conscious in the face of runaway inflation.

The share of remodelers seeing customers mostly downgrade into lower-priced options has doubled this year to 25% in 3Q22. Conversely, the share of remodelers seeing customers mostly upgrade has dropped from 40% to 26%.

“Customers have had to cut back on the materials and expectations on their projects because of hikes in material costs.”

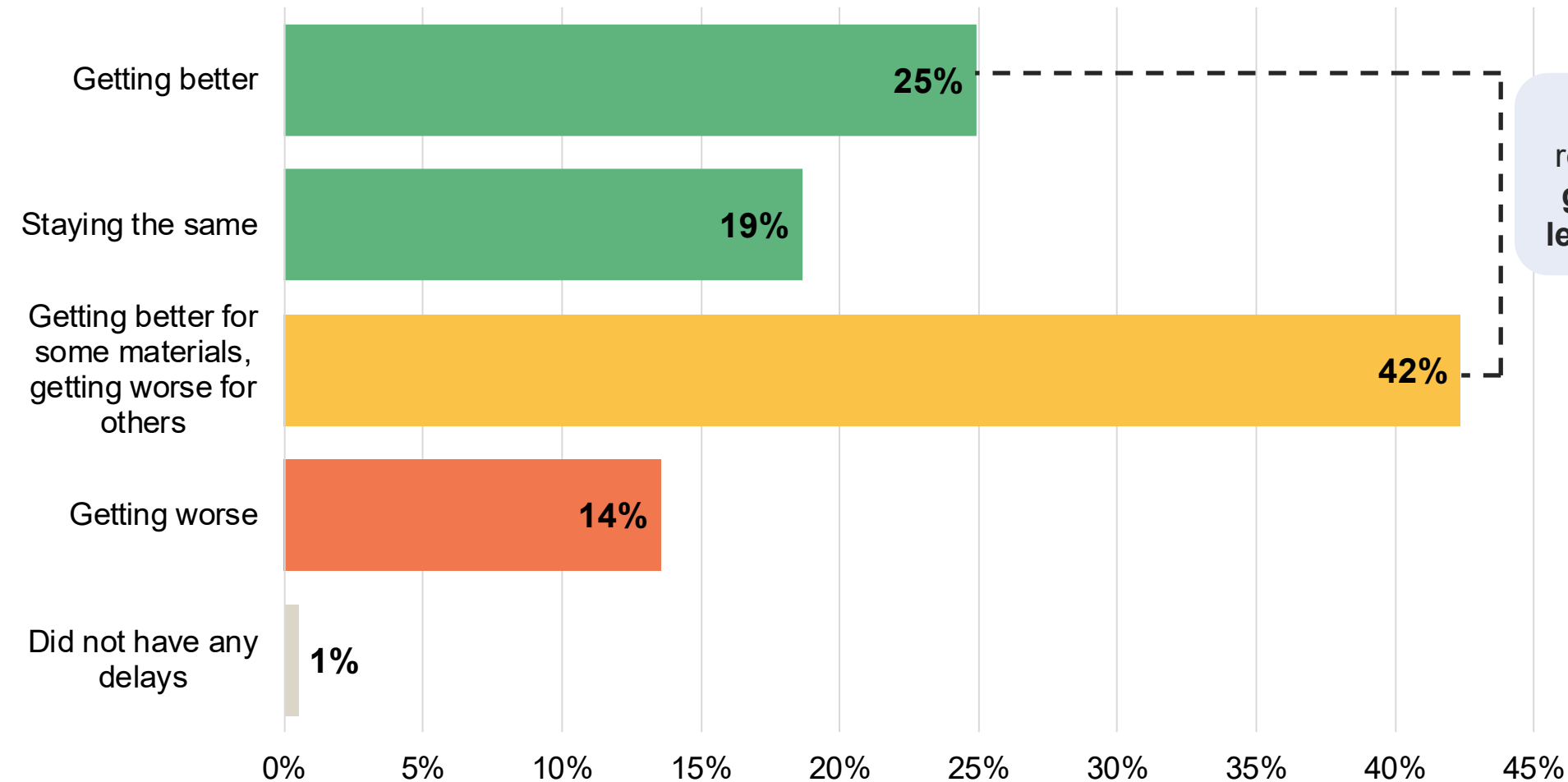
- Full-service remodeler in the Midwest US

Note: Percentages may not add up to 100% due to rounding.

Sources: Qualified Remodeler, John Burns Real Estate Consulting, LLC (Data: 3Q22, Pub: Oct-22)

67% of professional remodelers are seeing improvements in building product and material lead times. This will translate to shorter project timelines.

Product/material lead times for remodelers: better or worse?



67% of remodelers report **lead times are getting better** for at least some materials.

Professional remodelers confirm results from our other surveys that touch the building materials supply chain: product lead times are getting better overall.

Two-thirds (67%) of remodelers report seeing improvement with at least some product lead times in 3Q22, up substantially from 50% in 1Q22.

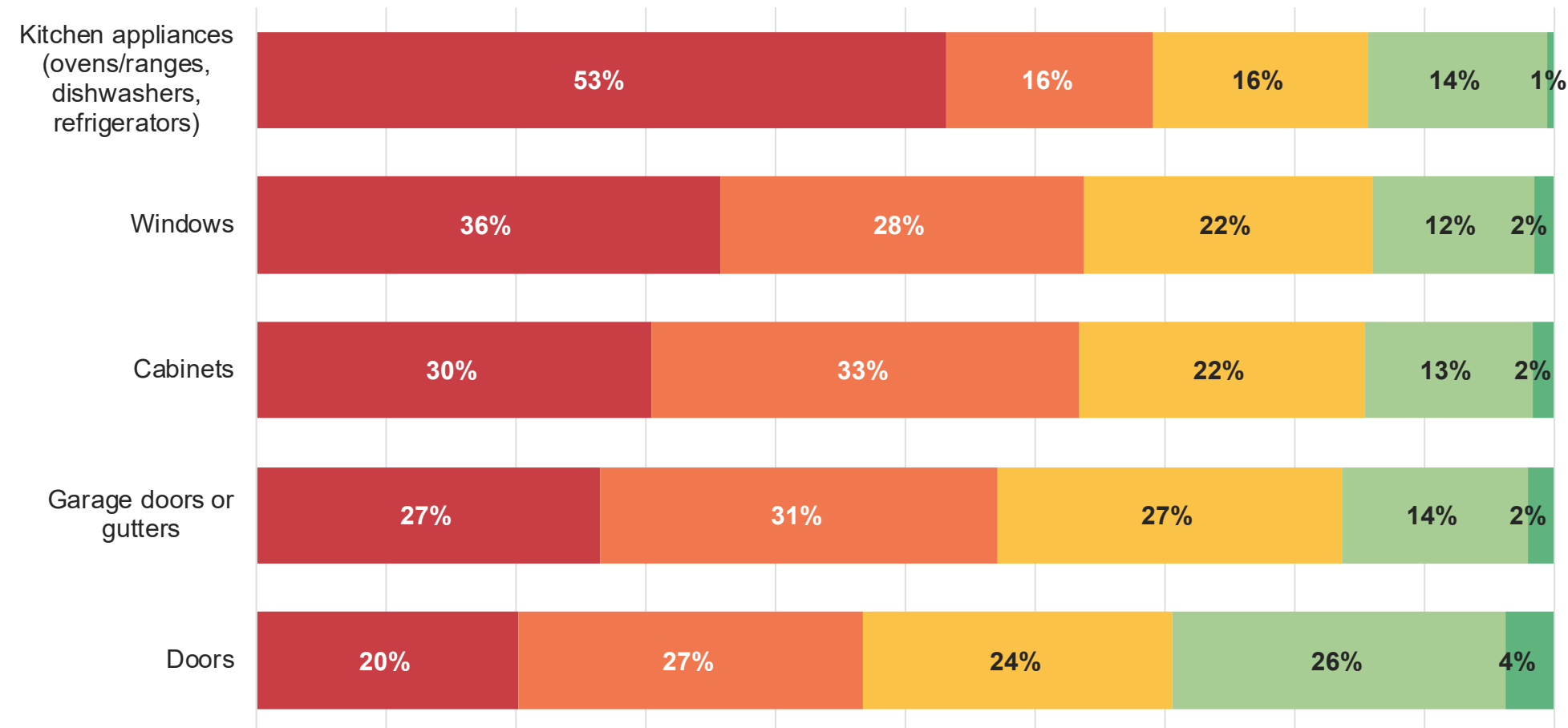
The share of remodelers saying lead times are getting worse has shrunk by half over the past two quarters from 29% to 14%.

Sources: Qualified Remodeler, John Burns Real Estate Consulting, LLC (Data: 3Q22, Pub: Oct-22)

Despite some improvement on remodeling product lead times, delays are still common across product categories. Electrical component shortages from Asia are delaying appliances, while resin and glass shortages delay windows.

Longest Lead Time for Remodelers: 5 Most Delayed Products

■ 16+ weeks ■ 12–16 weeks ■ 8–11 weeks ■ 4–7 weeks ■ 1–3 weeks



Remodelers have become accustomed to months-long delays for many product categories.

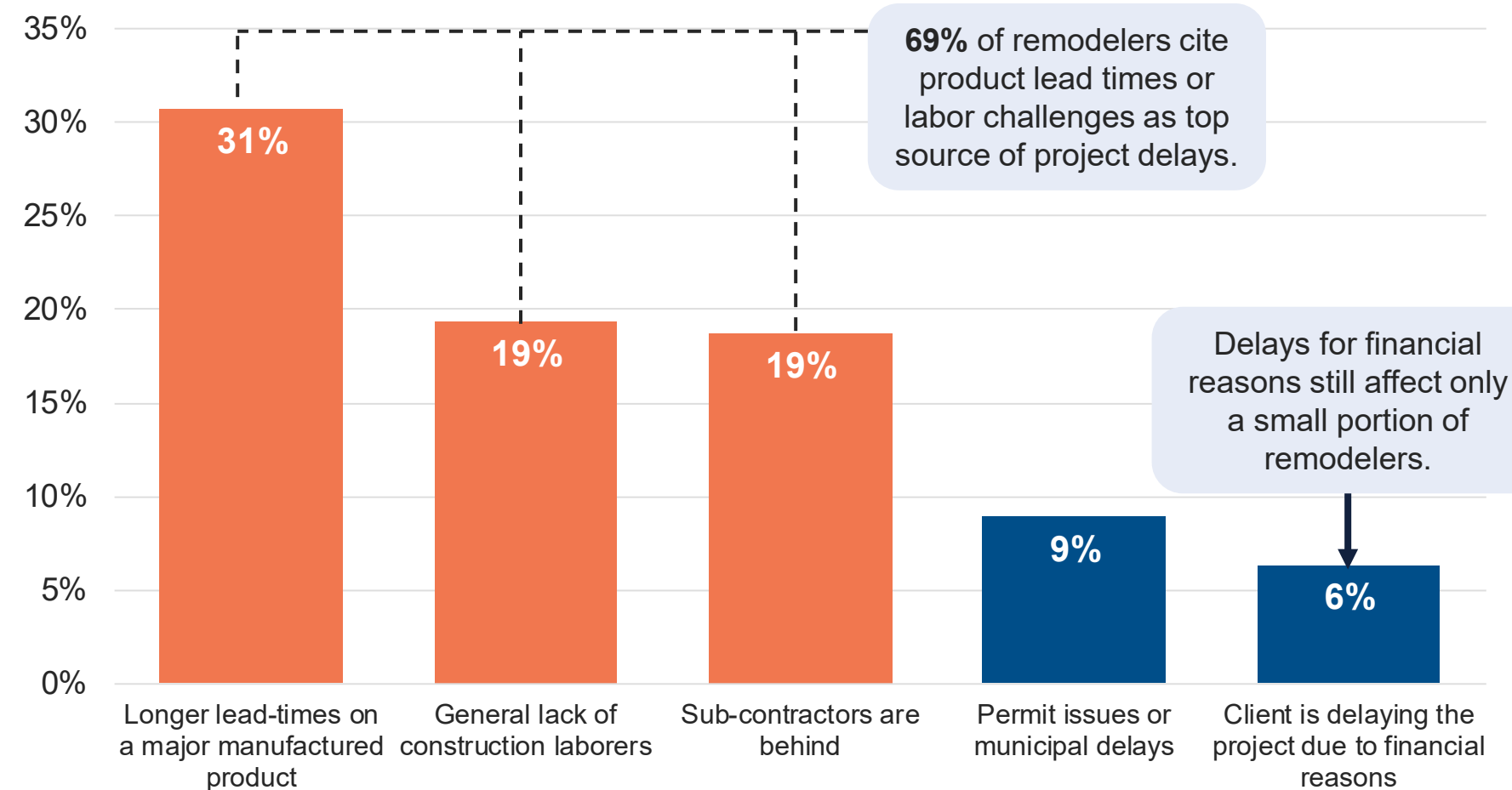
Approximately half of the remodelers surveyed report kitchen appliances, windows, cabinets, and garage doors are delayed at least three months.

Sources: Qualified Remodeler, John Burns Real Estate Consulting, LLC (Data: 3Q22, Pub: Oct-22)

Longer product lead times remains the top-ranked reasons for remodeling project delays. Recent improvements in lead times are likely to translate into shorter project timelines.

Top 5 Sources of Remodeling Project Delays

% of remodelers reporting as a top reason more than half of their projects are delayed



The top sources of remodeling project delays have been consistent over time: longer lead times on manufactured products and labor challenges.

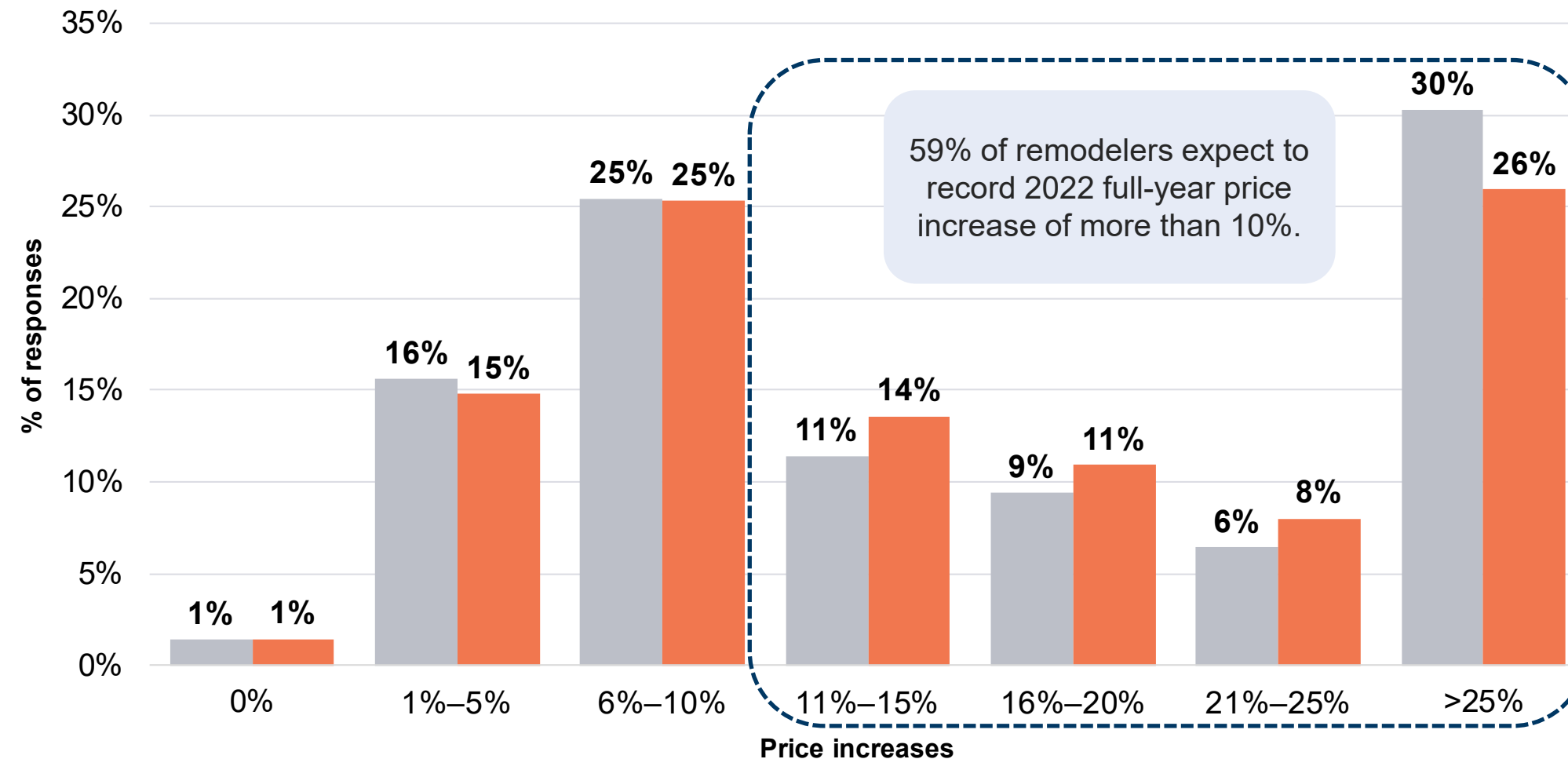
Alongside early signs of improving product lead times, slowing home building activity may free up labor availability for remodelers. Both of these developments have the potential to reduce remodeling project timelines over the next year.

Sources: Qualified Remodeler, John Burns Real Estate Consulting, LLC (Data: 3Q22, Pub: Oct-22)

The average remodeler raised their price +15% year over year and expects to maintain that pace through year-end 2022.

How much are remodelers raising prices for their customers?

■ Over the past year ■ Planned for 2022



Sources: Qualified Remodeler, John Burns Real Estate Consulting, LLC (Data: 3Q22, Pub: Oct-22)

3Q22 remodeling guidance



All three professional remodeling industry segments expect positive full-year revenue growth in 2022, ranging from 5% to 8%.

Remodelers expected continued revenue growth for 2022 against a strong pricing backdrop and ongoing challenges with growing project volume.

Design-build firms are once again the most optimistic for full-year 2022 revenue growth, with average respondent expecting 9% growth on the year. Home improvement pros expect 7% revenue growth and full-service remodelers expect 5% revenue growth.

2022 Remodeler Revenue Growth Outlook

■ Higher than 2021 ■ About the same ■ Lower than 2021

Home Improvement Pros

62%

21%

18%

Design-Build Firms

64%

25%

12%

Full-Service Remodelers

56%

25%

19%

Average Full-Year Remodeler Revenue Growth Outlook (2022 YOY)

Home Improvement Pros



7%

Design-Build Firms



8%

Full-Service Remodelers



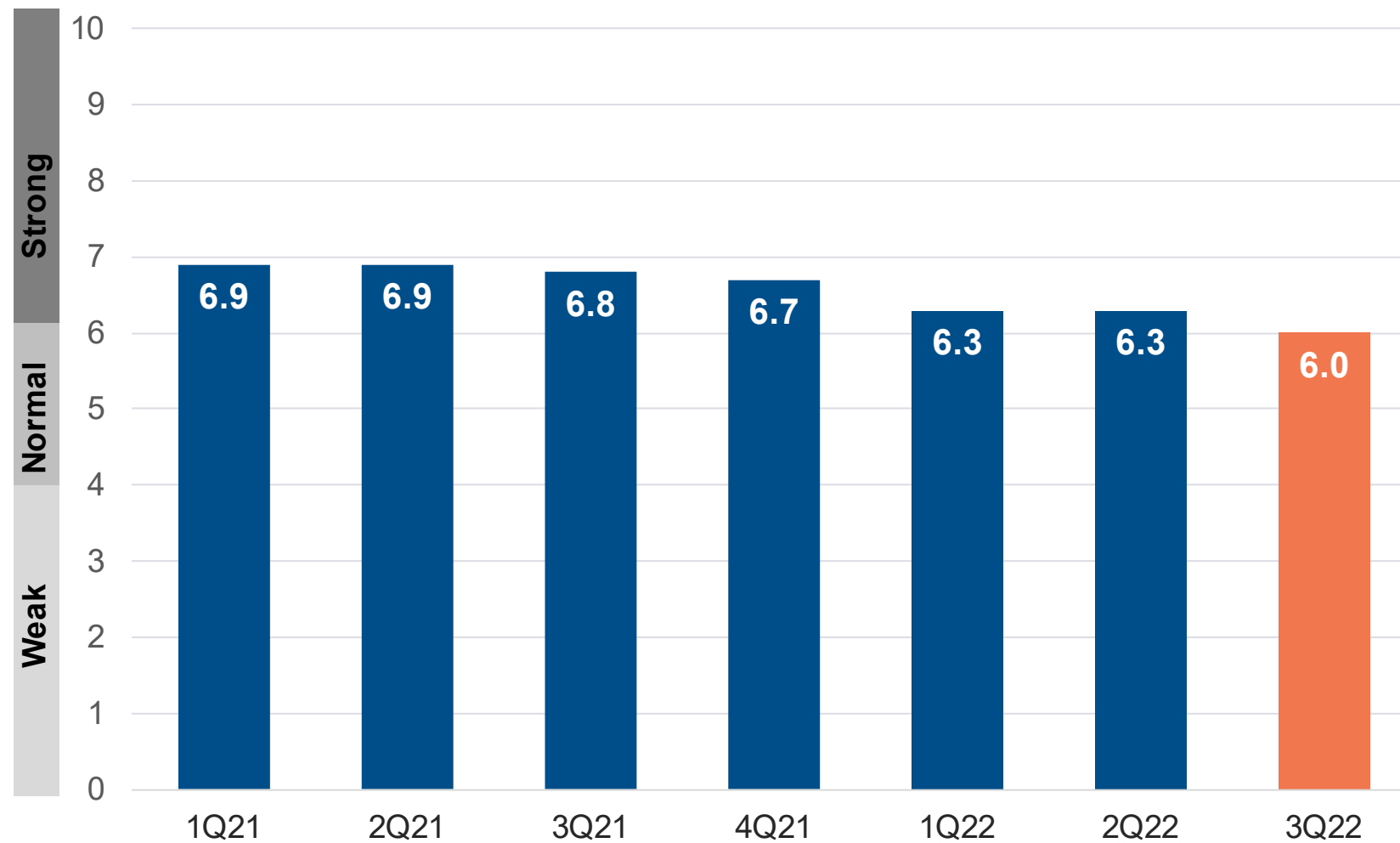
5%

Sources: Qualified Remodeler, John Burns Real Estate Consulting, LLC (Data: 3Q22, Pub: Oct-22)

Remodeling Business Investment Gauge 3Q22

Remodeling Business Investment Gauge

Weighted Average



Remodelers rate the industry a 6.0 out of 10, indicating an outlook that is approaching the “normal” range.

Although remodelers are as busy as ever, the peak post-pandemic remodeling boom is in the rearview.

Remodelers now face historic levels of inflation, surging interest rates, weaker home values, and the strong possibility of a recession starting in the next several months.

Sources: Qualified Remodeler, John Burns Real Estate Consulting, LLC (Data: 3Q22, Pub: Oct-22)

Remodeling market commentary

The background of the slide features a detailed architectural blueprint for a home remodeling project. The blueprint includes floor plans for a 'KITCHEN', 'PANTRY', 'GOOD MORNING ROOM', and 'BATH'. Various dimensions are marked throughout the plans, such as '9'-0"', '3'-4"', '3'-8"', '4'-0"', '5'-4"', '7'-0"', and '4'-8"'. Symbols for doors (DN), windows (UP), and stairs are also present. Overlaid on the blueprint are several construction-related items: a blue pen, a braided metal hose with metal fittings, and a section of copper pipe. The entire scene is set against a dark blue gradient background.

We asked: *What is the single largest market opportunity in the remodeling industry today?*

Homes in prime remodeling years: “The best target is clients that purchased entry level new homes 10 years ago. They upgrade from the builder grade to current design trends and higher quality products. Another opportunity is the experienced buyer that is older and has the money to spend more for higher quality products.”

-Nationwide kitchen and bath remodeler

The “missing middle” of home improvement: “Handyman services, cheaper renovations between Home Depot offerings and the \$100K above offerings. These folks can't find people to do quality work for a reasonable price.”

- Design-build firm in North Carolina

Small repair and maintenance services: “Small-scale products and handyman services. There is no one to do this work as everyone is so busy. The demand for small jobs is through the roof.”

- Design-build firm in South Carolina

Multigenerational housing: “Aging in place from the perspective of wealthier baby boomers. More renovations for things like elevators in existing homes, and bunk room/guest rooms for family gatherings.”

- Design-build firm in Utah

Outdoor living and yard improvements: “Designing and creating more outdoor living areas (outdoor kitchens, etc.). Our customers prefer to invest in their homes to create the perfect outdoor or indoor oasis rather than spend a fortune on a luxury vacation.”

- Kitchen and bath remodeler in the Northeast US

Sources: Qualified Remodeler, John Burns Real Estate Consulting, LLC (Data: 3Q22, Pub: Oct-22)

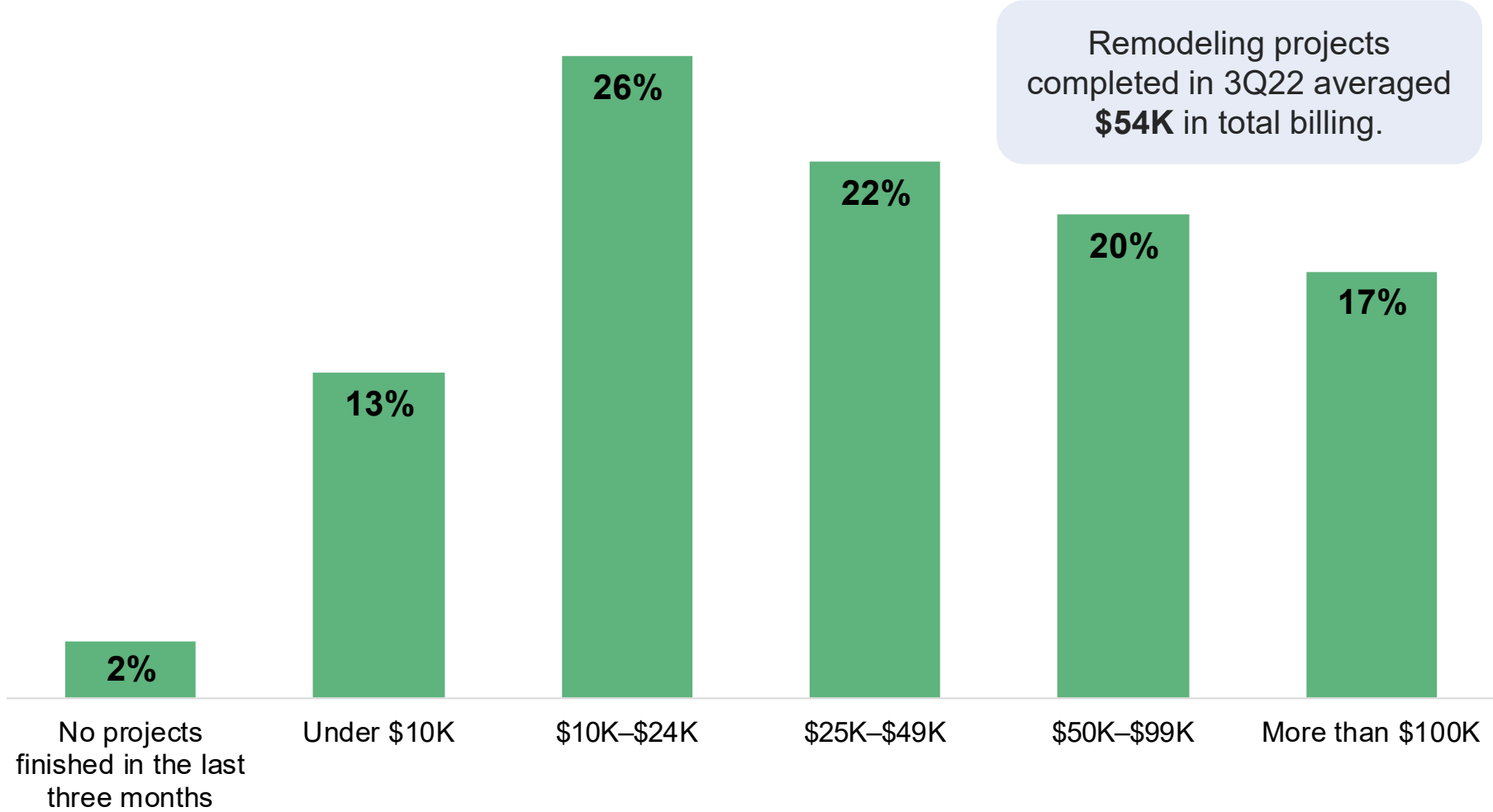
The background of the page is a photograph of a wooden floor. In the foreground, there are several long, light-colored wooden planks laid out diagonally. A hammer with a black handle and a metal head is positioned on the right side of the planks. A chisel with a black and yellow handle is positioned on the left side of the planks. The text "US Remodeler Index methodology" is overlaid in the center of the image in a large, white, serif font.

US Remodeler Index methodology

Professional remodelers in our survey focus largely on high-ticket renovation and improvement projects, including whole-home remodels, multi-room upgrades, and additions onto the home.

Average Total Cost Billed to Customer

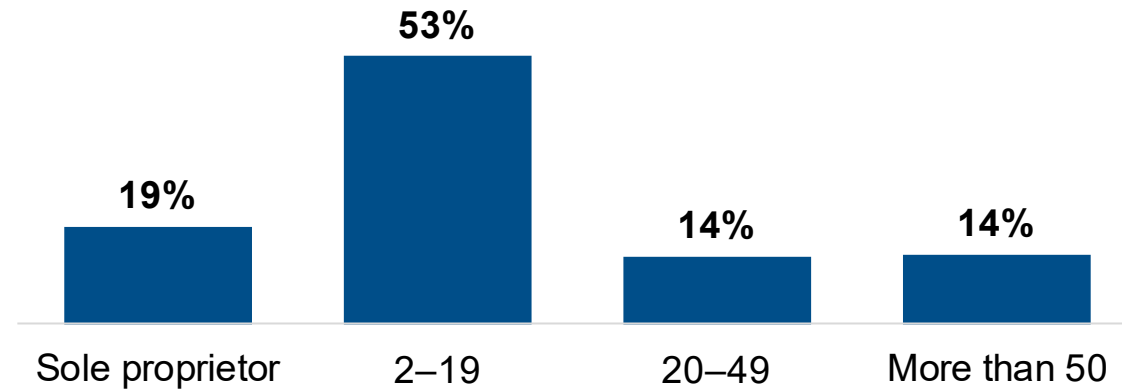
Remodeling projects in the last 3 months



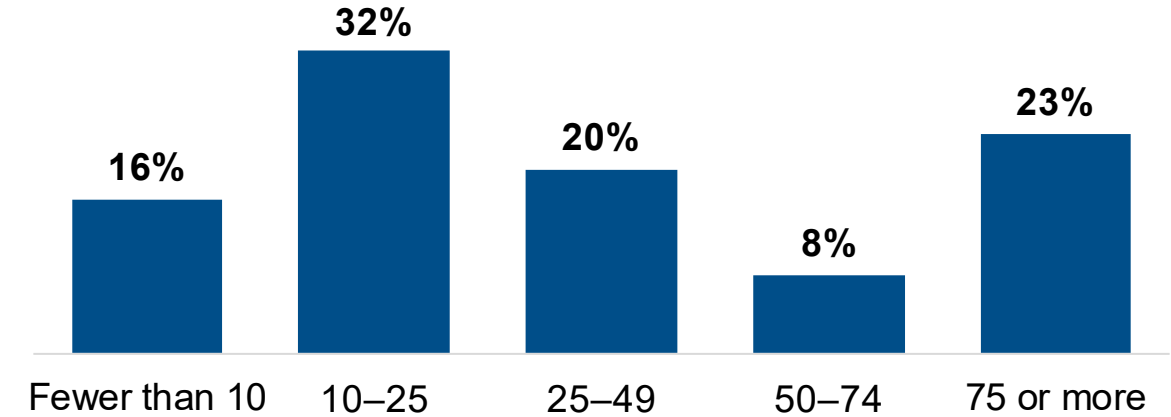
Sources: Qualified Remodeler, John Burns Real Estate Consulting, LLC (Data: 3Q22, Pub: Oct-22)

Remodeling survey sample demographics

% of Remodeling Companies by Employee Count

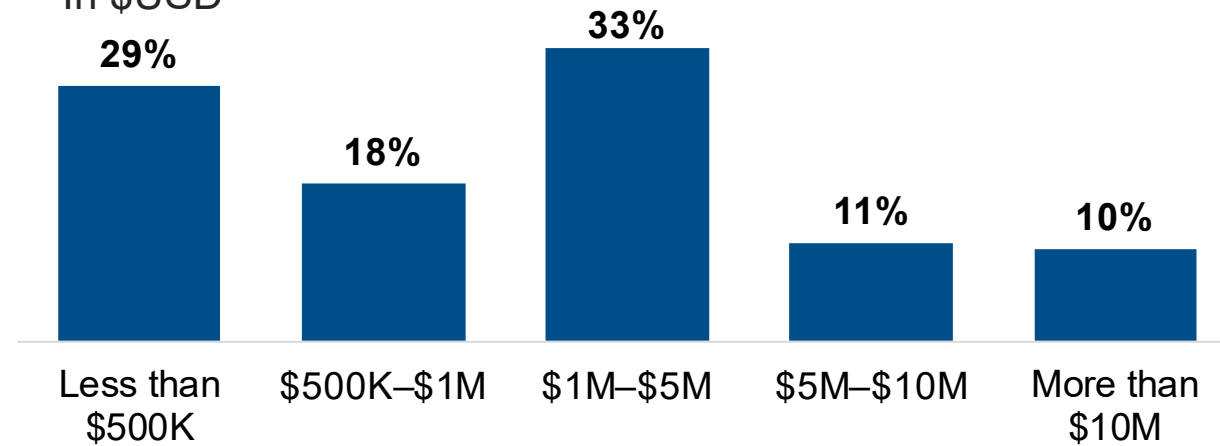


% of Remodeling Companies by 2021 Project Volume



% of Remodeling Companies Surveyed by Annual Revenue

In \$USD



Sources: Qualified Remodeler, John Burns Real Estate Consulting, LLC (Data: 3Q22, Pub: Oct-22)

USRI methodology



The Qualified Remodeler / John Burns Real Estate Consulting US Remodeler Index (USRI) measures the health of the professional remodeling segment of the residential repair and remodeling industry in the United States. The USRI is based on a quarterly survey of Qualified Remodeler’s 83,000 professional remodeler subscribers conducted jointly by SOLA Group Inc. (owner of Qualified Remodeler Magazine) and John Burns Real Estate Consulting. The 3Q22 survey had 534 participants from the professional remodeling industry.

Qualified Remodeler’s professional remodeler network consists of thousands of industry professionals, including design-build remodelers, full-service remodelers, kitchen remodelers, bathroom remodelers, and a wide range of home improvement professionals who concentrate on specialty repair, replacement, and/or renovation projects.

The US Remodeler Index (USRI) is a diffusion index reflecting weighted responses of remodeling companies on three key aspects of their business: growth in project volume in the most recent quarter, expectations about future growth in project volume, and an overall measure of “demand hotness” for professionally completed home repairs, remodels, and improvements.

Our survey asks remodeling companies to rate recent project volume (current activity) and next quarter project volume expectations (near-term activity) as “higher,” “the same,” or “lower” than the same period in the prior year. Remodelers are also asked to rate the “hotness of the remodeling industry” relative to the trailing-three-year period on a scale of 0–10, with 0 being “extremely weak” and 10 being “extremely strong.” We ask remodelers to consider if “professionally completed discretionary remodels” have “taken share of wallet from other discretionary expenditures” as a measure of hotness

Survey responses

Segment	Responses	% of Total
Full-service remodelers	313	59%
Design-build firms	152	28%
Home improvement professionals	69	13%
Total responses	534	100%

Index weighting

Metric	Weight
Current Project Activity (Most Recent Quarter)	55%
Near-Term Activity (Leading Indicator)	25%
Remodeling Industry Hotness	20%
US Remodeling Index	100%

Limiting conditions

The conclusions and recommendations presented in this report are based on our analysis of the information available to us from our research as of the date of this report. We assume that the information is correct and reliable and that we have been informed about any issues that would affect project marketability or success potential.

Our conclusions are based on current and expected performance of the national and/or local economy and real estate market. Given that economic conditions can change, and real estate markets are cyclical, it is critical to monitor the economy and real estate market continuously and to revisit key project assumptions periodically to ensure that they are still justified.

The future is difficult to predict, particularly given that the economy and housing markets can be cyclical, as well as subject to changing consumer and market psychology. There will usually be differences between projected and actual results because events and circumstances frequently do not occur as expected, and the differences may be material. We do not express any form of assurance on the achievability of any pricing or absorption estimates or reasonableness of the underlying assumptions.

In general, for projects out in the future, we are assuming “normal” real estate market conditions and not a condition of either prolonged “boom” or “bust” market conditions. We do assume that economic, employment, and household growth will occur more or less in accordance with current expectations. We are not taking into account major shifts in: the level of consumer confidence; the ability of developers to secure needed project entitlements; the cost of development or construction; tax laws that favor or disfavor real estate markets; or the availability and/or cost of capital and mortgage financing for real estate developers, owners, and buyers. Should there be such major shifts affecting real estate markets, this analysis should be updated, with the conclusions and recommendations summarized herein reviewed and reevaluated under a potential range of build-out scenarios reflecting changed market conditions.

We have no responsibility to update our report analysis for events and circumstances occurring after the date of our report. This analysis represents just one resource that should be considered when assessing a market opportunity.

US Remodeler Index

Please contact any of us with questions, feedback, or requests for more information.



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