

Intro

Residential remodelers perform approximately \$ 33.5 Million each year. They are also responsible for employing approximately 283,101 employees each year.

- Share of remodeling work subcontracted is roughly 53%.
- How often potential customers obtain multiple bids , 38% always, 38% frequently, 20% occasionally.
- Multiple bids now vs. two years ago 75% of customers are obtaining multiple bids.
- Energy efficiency tax credits.
- Wind, Solar, Geothermal and Fuel Cell tax credit 30% of the cost, through 2016.
http://www.nahb.org/fileUpload_details.aspx?contentID=152363&fromGSA=1

Structure

- Expenditures for remodeling projects tripled between 1970 and 1980, then jumped another 250% between 1980 and 1990. Homeowners contribute over 75% of all remodeling expenditures, with the vast majority devoted to “do it yourself” or “buy it yourself” projects and payments to professional contractors.
- A little over 45% of owners reported making major or significant upgrades that likely improve the overall quality of their homes.
- Los Angeles is the second fastest growing market due to remodeling at 34.5%.
- Almost 20 million homes were significantly upgraded over the past decade.
- Between 1993 and 2003, the number of homeowners increased by more than 10 million.
- Since 1995, house prices have jumped more than 70% thus lifting total home equity some 4 trillion today.
- Homeowners with incomes over \$120,000 spent more than 43 billion on remodeling in 2003 and 31% of the \$138.1 billion total spent on improvement projects.
- Households with incomes \$80,000 accounted for 41% of the growth in the number of new households.
- Homeowners undertake about 50 million home improvement projects a year and reported almost a half billion projects over the past decade.
- Much of the recent growth in remodeling has come from major upgrades such as kitchen and bath remodels as well as room additions.
- Homeowners completed almost 500 million improvement projects over the past decade.
- Baby boomers (born 1946-1964) still dominate the remodeling market.
- From about 17 percent in 1980, the minority share climbed to 26% in 2000 and is likely to reach 34% by 2020 and minorities are also projected to contribute at least two-thirds of household growth over the coming decades.

- Today minority households account for 35% of all first time buyers and 16% of trade up buyers.
- Hispanics are leading the surge in improvement expenditures.
- Over the coming decade minorities will account for nearly half of the increase in homeowners.
<http://www.jchs.harvard.edu/publications/remodeling/remodeling2005.pdf>
<http://www.nahb.org/generic.aspx?genericContentID=148743&channelID=311>
: this under special studies

Statistics

- Some homeowners delayed home remodeling or cut off their budget by 3.5 to 4.5% since they can still manage to live in the house comfortably.
- Immigrants paid more attention to remodeling their kitchen and bathroom in the period 2002 to 2007.

Questions to Consider:

1. Is your home meeting your family's current needs and is it a reflection of your lifestyle?
 2. Has your home kept up with comparable homes in your neighborhood?
 3. When was the last time you updated?
 4. If you need to update to sell, have you considered updating now for your own enjoyment?
- A 2009 study showed that homes with major updates sold on average in 6 days for approximately \$126 per Sq Ft. while homes with no updates sold in approximately 104 days for approximately \$111 per Sq Ft.
 - Small bathroom additions are the most popular.
 - Small bathroom additions make good economic sense because they can increase the home's value.
 - 82% of customers said the cost to remodel is the biggest concern.
 - 12% of customers plan to use economical materials when they remodel, while 12% plan to use expensive materials, and the remaining 76% will use standard priced materials.
 - 89% of customers are changing their remodeling plans because of the current economic recession.
 - Projects that improve a home's curb appeal tend to offer the highest payback. Such as siding replacement, windows, or roofing.
 - Never build a million dollar home in a 500,000 neighborhood.
<http://develop-your-home.com/?p=1343>
<http://www.freearticles.lk/articles/670/1/Home-Remodeling-Statistics/Page1.html>

<http://www.reliableremodeler.com/blog/index.php/2011/02/10/sad-news-on-remodeling-roi/>
<http://w3m3.com/home-remodeling-statistics/>
<http://designperspectives-interiors.com/Remodeling.aspx>

Growth

Growing concern over environmental sustainability and home energy costs expected to rise in the years ahead, spending on green remodeling projects in general- and energy-efficient retrofits in particular- We should see healthy gains.

http://enewschannels.com/2009/06/03/enc7404_140124.php

<http://www.remodeling.hw.net/economic-conditions/remodeling-industry-poised-for-growth.aspx>

<http://www.remodelingadvice.com/estimating-remodeling-costs/value-remodeling>

Cost vs. Value

- Despite home price drops in many cities, remodeling projects are holding their own as a way for owners to add value.
- Construction cost on the Pacific Coast are nearly 17% higher than national averages.
- When housing slows down, people tend to stay put and renovate their houses to make it more valuable.
- Studies expect homeowners to spend \$104 billion at an annualized rate in the first quarter of 2010 and spending to rise to \$110.9 billion by the third quarter of 2010.
- Many homeowners complete some improvement projects within the first six months of their occupying the home.
- Bathrooms are the hottest projects because houses tend to have more than 1 bath, so there are more available to be remodeled.

- People will continue to only complete the projects that need to be done, “Have to” instead of “want to” projects.
- Rather than taking out loans for renovation projects, homeowners are using cash for projects.
- Open floor plans help families to be more flexible with the square footage they already have.
- People are getting more energy efficiency upgrades such as, bamboo floors, grass thatched roofs, and bark siding.

<http://.remodel.hw.net/costvsvalue/projectdescriptions.html>

[http://www.realtor.org/rmohome and design/articles/2008/0812 costvsvalue 2008](http://www.realtor.org/rmohome%20and%20design/articles/2008/0812%20costvsvalue%202008)

[http://www.realtor.org/mohome and design/Articles/1001 costvsvalue 2009](http://www.realtor.org/mohome%20and%20design/Articles/1001%20costvsvalue%202009)

<http://www.remodeling.hw.net/2010/costvsvalue/division/pacific.aspx>

<http://www.tradingonlinemarkets.com/>

<http://moneywatch.bnet.com/saving-money/blog/home-equity/12-top-remodeling-trends-for-2011/3380/>

TIPS

- Buying a home is one of the smartest purchases you can ever make.
- 3 Most important sources of tax savings
 - Deductions for mortgage interest
 - Deductions for real estate taxes
 - Capital gain exclusion for the sale of a principal residence
- Tax Credit: 10% of cost up to \$500 or a specific amount from \$50- \$300
 - Expires: December 31, 2011
 - HVAC, Insulation, Roofs (metal & asphalt), Water Heaters(non-solar), Windows and Doors
- Tax Credit: 30% of cost with no upper limit
 - Expires: December 31, 2011 principals and second homes qualify NO rental properties
 - Geothermal Heat Pumps, Small Wind Turbines(residential), Solar Energy Systems
- Tax Credit: Credit Details: 30% of the cost, up to \$500 per .5 kW of power capacity

Expires: December 31, 2011

Existing homes & New homes qualify, MUST be principle residence, NO second homes or rental properties.

<http://www.nahb.org/generic.aspx?sectionID=1047&genericContentID=180>

http://www.energystar.gov/index.cfm?c=tax_credits.tx_index

Products

Most Trendy Factors for Kitchens

1. Green is the most trendy kitchen style 87.2%
2. Stainless steel is the most trendy cabinetry 80%
3. Reclaimed wood is the most trendy floor 80%
4. Engineered stone is the most trendy countertop 82%
5. Table as an island is the most trendy kitchen island 83%

- Kitchen remodel's are viewed by women consumers as the premier interior decorating project when it comes to "showing who I am" to friends relatives and other women.
- What is lead poisoning? Toxic condition that occurs when an individual is consistently exposed to levels of lead. It primarily affects red blood cell chemistry and the nervous system.
- Why is lead still a concern? Houses built before 1978 are more likely to have leaded soldered pipes.
- Even plumbing that has legally been termed "lead free" may consist of up to 8% lead.
- Ways to prevent lead poisoning.
 1. Flush your system before using water for drinking or cooking.
 2. As often as possible, use only cold water for cooking and drinking.
 3. Have an electrician check the wiring in your home.

<http://www.fixr.com/sc/surveys/kitchen-remodeling-trends/>

http://www.nkba.org/consumer_tools_statistics.aspx

http://www.aquasanastore.com/water-you_c04.html

Solar/Green

- Solar electric energy demand has grown by an average 30% per annum over the past 20 years against a backdrop of rapidly declining cost and prices.
- In 2009 the photovoltaic solar industry generated \$38.5 billion in revenues globally.
- Solar energy market is currently the fastest growing and the most popular renewable energy market on the global scale.
- The sun is the world's largest power plant. It provides more energy to the earth in one hour than that produced by all nations in a year.
- Green Homes sell faster!!!

<http://www.solarbuzz.com/facts-and-figures/markets-growth/market-growth>

<http://energy-statistics.blogspot.com/2011/02/solar-energy-market-continues-to-grow-html>

<http://www.solarpoweristhefuture.com/solar-power-statistics.shtml>