

All About the Remodeling Industry

Measuring the Industry

The Census Bureau discontinued a primary data source for tracking remodeling expenditures at the end of 2007. The Residential Improvements program provided information separately for owner-occupied units and rental units. Within these two categories expenditures were shown separately for major improvements versus maintenance and repairs. Of these four categories, owner-occupied improvements typically accounted for a little more than half of all expenditures. Fortunately, this portion of remodeling expenditures can be derived from a second source, the Census Bureau's Construction Spending program. NAHB has adopted this second data source as the basis for a remodeling forecast, while lobbying the Census Bureau for a replacement program to provide a fuller accounting of the remodeling industry. As a result, NAHB remodeling forecasts now cover roughly half of all expenditures previously tracked by the Census Bureau.

How is the remodeling market outlook?

Americans spent \$114 billion on improvements to owner-occupied units in 2009, down from a peak of \$146 billion in 2006. NAHB's remodeling forecast expects these expenditures to increase steadily as the broader housing market recovers through 2010 and 2011, reaching \$126 billion and \$132 billion, respectively. Beyond general recovery in the housing market, key factors driving increases in remodeling expenditures will include: the aging housing stock, needed aging in place remodeling work, and increasing interest in improving home efficiency and green remodeling.

Who remodels?

NAHB research has found that **91%** of remodelers report **Baby Boomers** (aged 41-64) as clients, compared to **26% for Gen X** (aged 30-40), **13% for Seniors** (aged 65+), and **2% for Gen Y** (under 30).

What are the most popular remodeling jobs?

According to NAHB surveys, the top jobs ordered by popularity are:

Kitchen remodeling

Bathroom remodeling

Room additions

Whole house remodeling

Windows/doors replacement

Bathroom additions

Finished basements

Siding

Decks

Roofing

What are the most popular features in remodeling?

The most popular major additions or alterations are **master bedroom suites** and **great rooms** (living room and kitchen combination), according to NAHB surveys. The most common high-end features appear in these areas.

In kitchens, you'll find **granite countertops, industrial-grade appliances, and walk-in pantries.**

Heated floors, multiple head/steam showers, and his and her lavatories/vanities are the most popular from the bathroom.