

# Remodeling Pulse

Trends, Forecasts, and Industry Perspectives from The Case Institute of Remodeling

The three great essentials to achieve anything worthwhile are, first, hard work; second, stick-to-itiveness; third, common sense.

– Thomas Edison

## by the numbers

**Industrial Production**  
**+0.7** (Sept 09);  
 Output up 5.2% for Q3

**Leading Indicators**  
**+1.0%** (Sept 09);  
 Up for 6th straight month

**Housing Starts**  
**+0.5%** (Sept 09);  
 Up from Aug 09

**Consumer Price Index**  
**0.2%** (Sept 09);  
 Up from Aug 09

**30-Year Fixed**  
**5.25%** (Oct 09);  
 Up from 5.16% in Sept 09

Sources: hgtvpro.com, money.cnn.com, Oct. 2009

## Remodeling Pulse

For editorial information, content suggestions or other feedback, email [info@caseinstituteofremodeling.com](mailto:info@caseinstituteofremodeling.com) or call 240-235-9737.



### Architects See Entry-Level Projects Increase

According to the American Institute of Architect's Q2 2009 Design Trends Survey, work for entry-level home projects is experiencing strong growth toward a recovery. Townhouse, condo, custom/luxury and vacation home work remains soft. The survey reports that home improvement activity is "relatively healthy". *Source: AIArchitect*

### Home Prices See 4th Straight Monthly Increase

The S&P Case-Shiller Home Price Index showed that home prices in 20 cities rose 1.2% in August, the 4th consecutive monthly increase (see chart on reverse). Prices were down an average of 11.9% from August 2008, though the decline was less than originally forecast.

*Source: money.cnn.com*

### NAHB Appeals to White House For 1st Time Buyer Extension

Having already urged Congress to extend the \$8,000 first-time home buyer credit, the National Association of Home Builders has pledged its support for an extension to the White House. The NAHB estimates that approximately 200,000 home sales and 187,000 jobs can be attributed to the incentive, set to expire on Nov. 30. *Source: nahb.org*

### Contractor Trust a Factor for 3 in 5 Homeowners

A nationwide survey of 1000 people reveals that 40% of respondents are concerned with the trustworthiness of household contractors. The survey was sponsored by the Chubb Group of Insurance Companies, which also notes that 80% of all crimes perpetrated against the affluent are committed by persons with whom they have relationships. *Source: qualifiedremodeler.com*

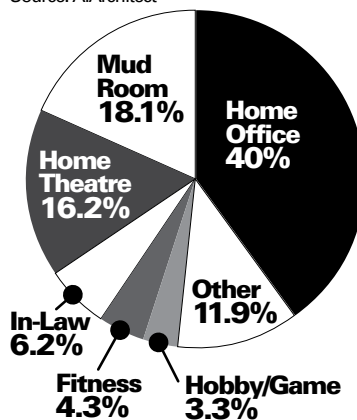
### Buyers/Remodelers Still Seek Efficiency But Shun Frills

The challenging economic times have greatly lessened demand for special projects such as home theatres and three-car garages, but homeowners are still seeking certain energy-efficient upgrades and low-maintenance projects.

*Source: HGTVpro.com*

### Most Popular Special Function Rooms

*Source: AIArchitect*



### HUD Peeling Off \$10.1M for Lead Cleanup

The U.S. Department of Housing and Urban Development has pledged \$10.1M in grants to fund programs for lead-based paint removal/mitigation in lower-income homes. An application for grant consideration can be found at HUD's Funds Available Website.

*Source: HGTVpro.com*

### Remodeling Recovery May Have Begun in Q2

Reviews of remodeling permits surveyed by RemodelerMove.com show the first increase in remodeling activity in some areas in over a year. According to the report, the average expenditure of new projects was 20% greater than in the same quarters of 2007 and 2008.

*Source: QualifiedRemodeler.com*

# trends

## Windows Are A Clear Choice For Energy Savings/Home Improvement

Favorable tax benefits and the appeal of reduced energy costs continue to make window replacements a popular upgrade for homeowners, despite the significant costs and uncertainty of the economy, according to Qualified Remodeler.

In addition to the expected energy savings, replacement windows are appealing due

to the added comfort and appearance qualities that they offer. Most homeowners see replacement windows as a sound investment that adds value to their home.

*Source: Qualifiedremodeler.com*

### Market Factors Generally Improving For 2010...

A pickup in home sales and attractive finance rates are factors that may create an increase in remodeling spending in 2010, according to the Joint Center for Housing Studies of Harvard University. Annual spending levels are expected to increase, slowing the year-over-year decline to 8.9 percent by Q2 2010.

*Source: Qualifiedremodeler.com*

### ...But Builder Confidence Slips As Tax Credit Deadline Looms

With the \$8,000 first-time home-buyer tax credit set to expire Nov. 30th, builder confidence for the market for newly-built single-family homes declined 1 point in October. Builders remain optimistic that an expansion of the credit will maintain the momentum of improvement in the industry.

*Source: NAHB.org*

### Existing Homes Sales Rate Jumps 9.4% in September

The National Association of Realtors reported a strong increase in existing home sales in September, establishing a

level of sales activity not seen since July 2007. Existing home sales are on pace to hit 5.57 million in 2009.

*Source: ahma.org*

### Credit Woes Seen As Greatest Threat to Housing Recovery

According to a survey conducted by the NAHB, approximately 2/3rds of home builders report that credit remains difficult to come by and pressure is increasing on borrowers with outstanding loans. 63% of builders noted that credit has become less available in the second quarter of 2009, 75% reported that lenders are reducing the amount they are willing to lend, and 62% said lenders are requiring personal guarantees or collateral not directly related to the project. *Source: www.nahb.org*

### Consumer Confidence Drops Unexpectedly In October

Rising unemployment continues to be a factor in consumer's fears about the economy, according to the Conference Board's October 2009 report on consumer confidence. The closely-watched index slipped from 53.4 in September to 47.7 in October. *Source: BBC.com*

### Changes in Home Prices

(From July to Oct. 09)

Atlanta	1.0%
Boston	0.9%
Charlotte	-0.4%
Chicago	1.7%
Cleveland	-0.5%
Dallas	0.2%
Denver	1.0%
Detroit	1.9%
Las Vegas	-0.3%
Los Angeles	1.6%
Miami	1.1%
Minneapolis	3.2%
New York	0.5%
Phoenix	1.6%
Portland	0.3%
San Diego	1.6%
San Francisco	2.8%
Seattle	0.1%
Tampa	0.4%
Washington	1.4%

*Source: money.cnn.com*

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