

Remodeling Pulse

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

The ordinary man is involved in action, the hero acts. An immense difference.

— Henry Miller

by the numbers

Manufacturing Index
48.9 (July 09);
 Up from 44.8 in June 09

Leading Indicators
+0.6% (July 09);
 Up for 4th straight month

Housing Starts
1.0% (July 09);
 Down from June 09

Consumer Price Index
0.0% (July 09);
 Unchanged from June 09

30-Year Fixed
5.30% Up from
 5.20% in July 09

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

Remodeling Pulse

For editorial information, content suggestions or other feedback, email info@caseinstituteofremodeling.com or call 240-235-9737.



Existing Homes Selling at Record Pace

Sales of existing housing recorded record gains in July, marking the 4th straight month of month-to-month increases, with the July numbers posting the largest increase (7.2%) since the National Association of Realtors began keeping records in 1999. Lawrence Yun, chief economist for the NAR noted that “The housing market has decisively turned for the better”.

Source: CNNMoney.com

Home Foreclosure Peak Expected This Fall

Mortgage lenders report that approximately 4 million home loans are delinquent. Delinquencies due to subprime ARM loans have dropped while delinquencies due to job loss and financial hardship have increased – with prime fixed rate mortgages showing the largest rise, making up 1 in 3 new foreclosure starts. Loans in four states – California, Florida, Arizona and Nevada – represented 44% of all foreclosure starts in the second quarter of 2009.

Source: CNNMoney.com

NAHB Asks Congress To Extend First Time Homebuyer Credit

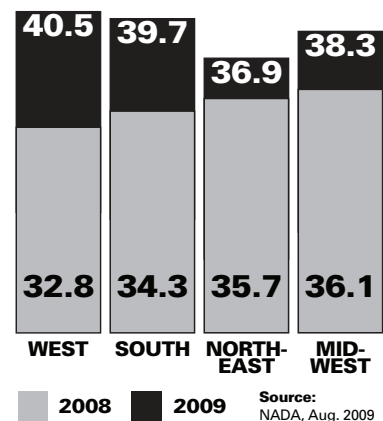
The National Association of Home Builders has asked Congress to extend the first time homebuyer credit – currently \$8,000 – until Nov. 30, 2010 and also to make the incentive available to all buyers of principal residences. NAHB Chairman Joe Robson predicts such a policy would generate 383,000 additional home sales and create approximately 350,000 jobs. The current first time homebuyer credit is set to expire Dec. 1, 2009.

Source: HGTVPro.com

Remodeling Expectations Show Improvement

The Remodeling Market Index, a measure of expectation developed by the National Association of Home Builders, offers good news in the latest numbers: all areas are showing improvement in demand for committed work, calls for bids, backlog of projects and appointments for proposals.

Remodeling Market Index



J.D. Power Reports Drop in Satisfaction with Replacement Windows/Doors

With customers scrutinizing every cost and aspect of home remodeling projects, customer satisfaction with replacement windows and doors has dropped, according to a 2009 J.D. Power survey. The survey looked at seven main areas of concern for homeowners:

- Operational performance
- Product quality/durability
- Appearance & design features
- Price
- Ordering and delivery
- Warranty
- Repair & replacement

Satisfaction decreased in all seven categories and the overall satisfaction score dropped from 781 (in 2008) to 769. Scores are based on a 1000 point scale.

Source: jdpower.com

trends

Owners adopting “Phased Remodeling”

Today’s homeowners are increasingly looking at projects and home improvements as gradual, one-at-a-time steps toward their ideal home, rather than large, all-at-once transformations of a property into an instant dream home. The reasons are multiple:

- Homebuyers today aren’t as likely to be in a financial position to indulge in large-scale home transformations.
- Many customers prefer not to have their entire home disrupted for long periods of time.
- Changing trends and homeowner needs dictate an evolution of what the homeowner needs and wants.

A Consumer Reports survey indicated that 36% of those who plan to remodel intend to do so in phases.

Source: HGTVPro.com

Survey Past Clients To Determine Direction of Market

While indications suggest that the remodeling industry is beginning to recover, the “new normal” threatens to leave some contractors in a difficult position. Large design/build projects are likely to become more scarce while smaller, need-based projects will be in higher demand. To position your company to get those jobs, Qualifiedremodeler.com suggests surveying your past clients to determine their needs.

- What projects are on their minds today, and why?
- What are their motivations for new projects; i.e. green remodeling, livability, re-sale, aging-in-place, etc.
- When do they anticipate starting these projects?
- With price being a major determining factor for today’s clients, what project sacrifices are they willing to make in order to move forward?

Source: qualifiedremodeler.com

Upcoming Events

Join Case Professionals at these Fall 2009 Seminars & Events:

Date	Event/Location	Seminar Topic	Presenter
Sept. 8	NARI Meeting (Dayton, OH)	Changes in Remodeling Strategies	Mark Richardson
Sept. 17	NARI Meeting (San Diego, CA)	Remodeling Outlook	Mark Richardson
Sept. 23	Pella Expo (Philadelphia, PA)	Remodeling Outlook	Mark Richardson
Oct. 15	NARI Meeting (Milwaukee, WI)	The Language of Sales	Mark Richardson
Oct. 23	Traditional Building Conf. (Balt, MD)	Remodeling Outlook	Mark Richardson
Oct. 23	Traditional Building Conf. (Balt, MD)	How Fit is Your Business	Mark Richardson
Oct. 27	Remodeling Show (Indianapolis, IN)	Remodeling Your Company to Last – Today & into the Future	Bruce Case
Oct. 27	Remodeling Show (Indianapolis, IN)	Writing the Easy Business Plan and Then Living By It	Bruce Case
Oct. 27	Remodeling Show (Indianapolis, IN)	Harnessing the Power of Search Engine Optimization	Joaquin Erazo
Oct. 27	Remodeling Show (Indianapolis, IN)	Perfecting the “Down Sell” to Book More Business	Bill Millholland
Oct. 27	Remodeling Show (Indianapolis, IN)	Creating and Implementing an Effective Marketing Plan	Joaquin Erazo
Oct. 28	Remodeling Show (Indianapolis, IN)	Sales and Marketing... Leveraging Historic Data	Mark Richardson
Oct. 28	Remodeling Show (Indianapolis, IN)	Applying Aging-in-Place Design Into the Kitchen	Bill Millholland
Oct. 28	Remodeling Show (Indianapolis, IN)	The Remodeling Outlook	Mark Richardson
Oct. 28	Remodeling Show (Indianapolis, IN)	Estimating and Job Costing	Bruce Case
Oct. 28	Remodeling Show (Indianapolis, IN)	Turning Clients into Raving Fans	Bill Millholland
Oct. 29	Remodeling Show (Indianapolis, IN)	2009 Fred Case Remodeling Entrepreneur of the Year Award winner announced	

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