

KEY FINDING

1. People buy new homes to avoid maintenance, existing homes for the neighborhood

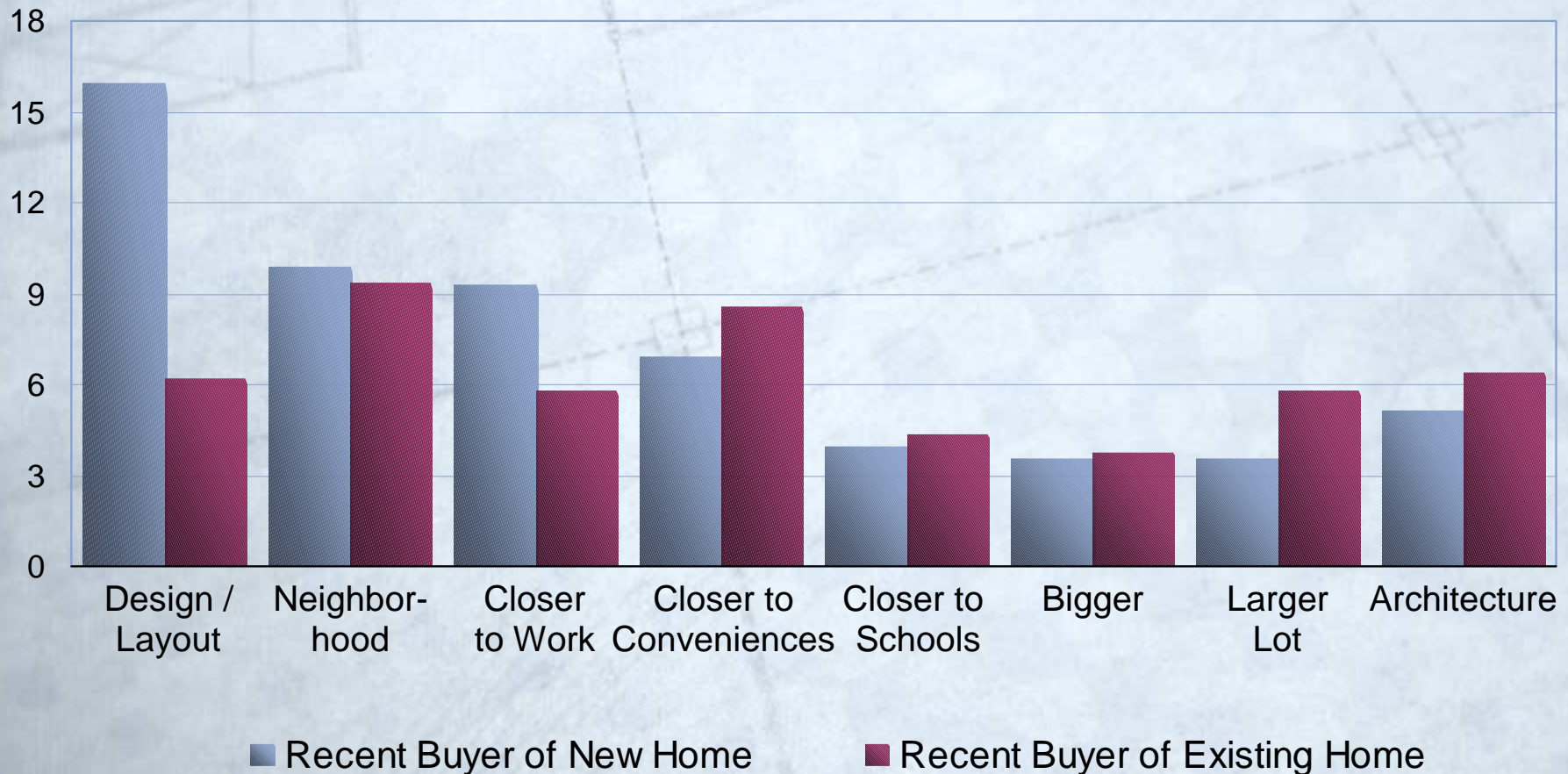


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MANY IMPORTANT FACTORS GO INTO A HOME-BUYING DECISION

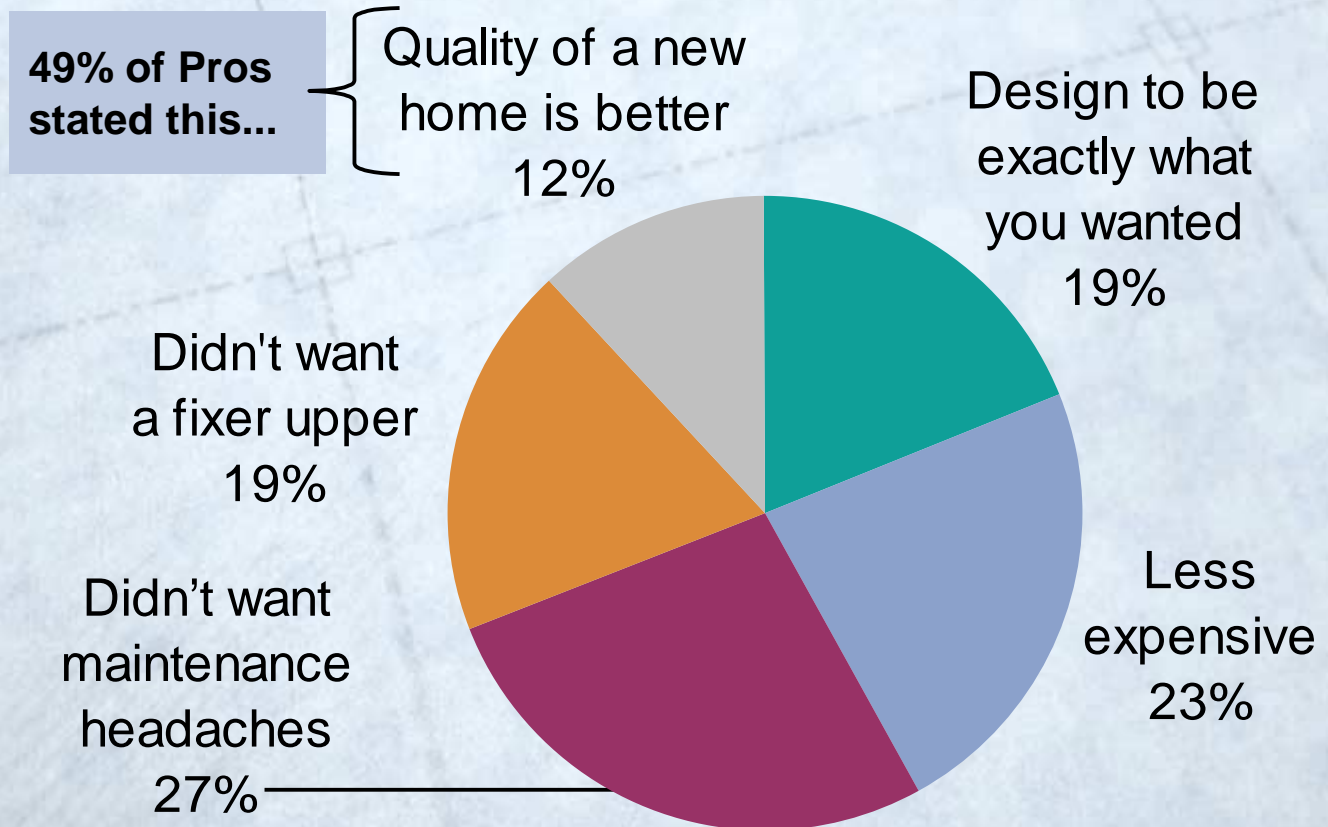
Q: EXCLUSIVE OF PRICE, WHAT WAS THE MAIN REASON FOR BUYING THIS HOME?



WHAT LEADS PEOPLE TO BUY A NEW HOME?

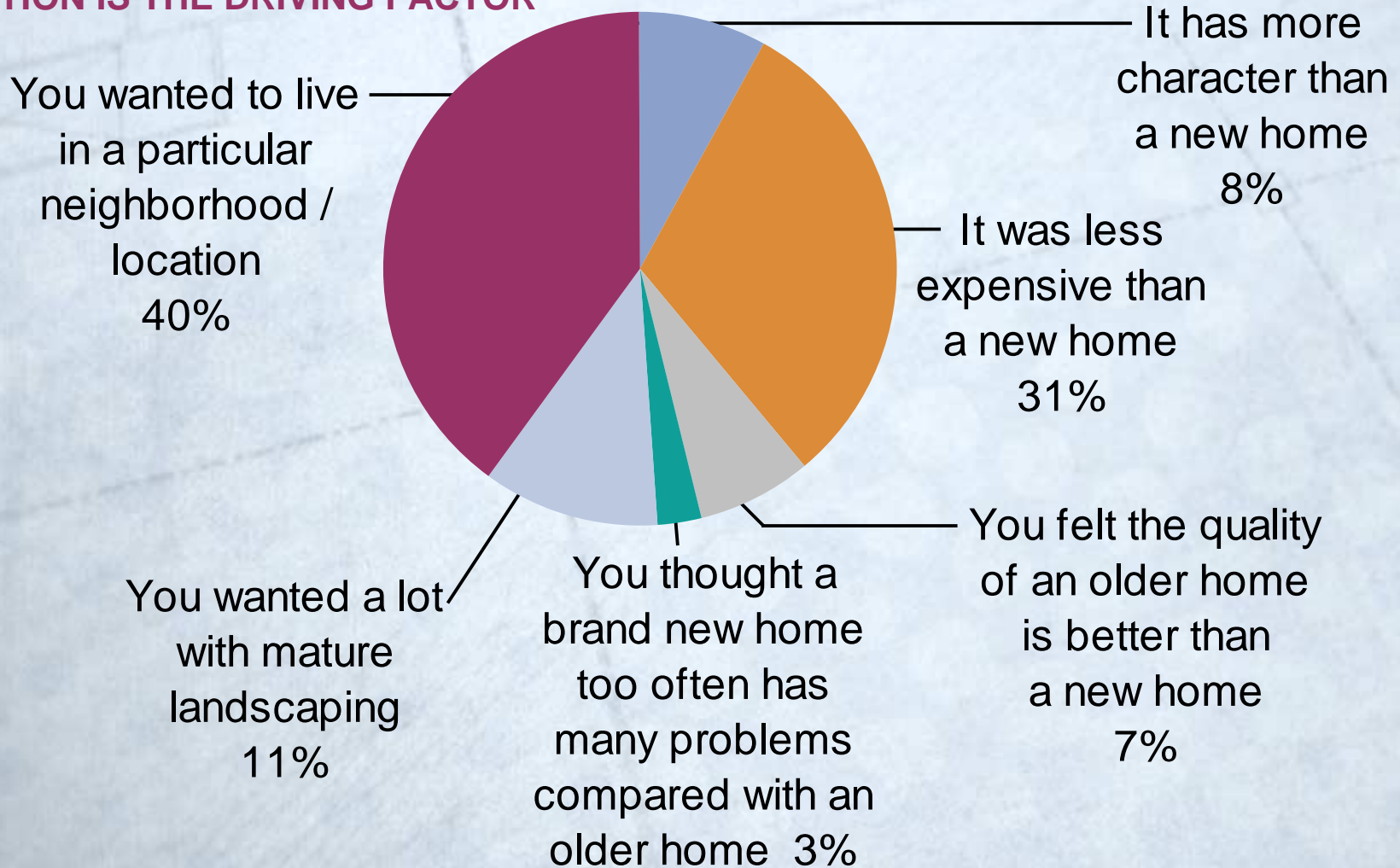
- Nearly half cite low maintenance

Q: WHAT WAS THE MAIN FACTOR IN YOUR DECISION TO PURCHASE A NEW HOME INSTEAD OF AN EXISTING HOME?



WHY DO PEOPLE WANT AN EXISTING HOME?

LOCATION IS THE DRIVING FACTOR



KEY FINDING

2. Buyers are restless
and want more space



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MOST BUYERS EXPECT TO MOVE AGAIN

Q: WHAT BEST DESCRIBES YOUR ATTITUDE TOWARDS YOUR HOME?	1st TIME BUYER OF NEW HOME	REPEAT BUYER OF NEW HOME	1st TIME BUYER OF EXISTING HOME	REPEAT BUYER OF EXISTING HOME
I consider it my dream house and want to live in it forever	11%	25%	14%	18%
It's not the house of my dreams, but I'm contented to stay here for an extended period	27%	34%	31%	40%
I am happy with my home for now, but will probably move to another house in the future	54%	33%	50%	35%
Other	8%	9%	5%	7%
Total	100%	100%	100%	100%

EVERYONE WANTS MORE SPACE

Q: HOW IS THIS HOUSE DIFFERENT FROM YOUR LAST HOME?	BUYER OF NEW HOME	BUYER OF EXISTING HOME
Larger living space	22%	15%
Smaller living space	6%	10%
Larger lot / yard	6%	5%
Number of stories / levels	5%	5%
Different type of housing	4%	4%
Better neighborhood / community	3%	4%
Different architectural style	4%	3%
Location	2%	2%

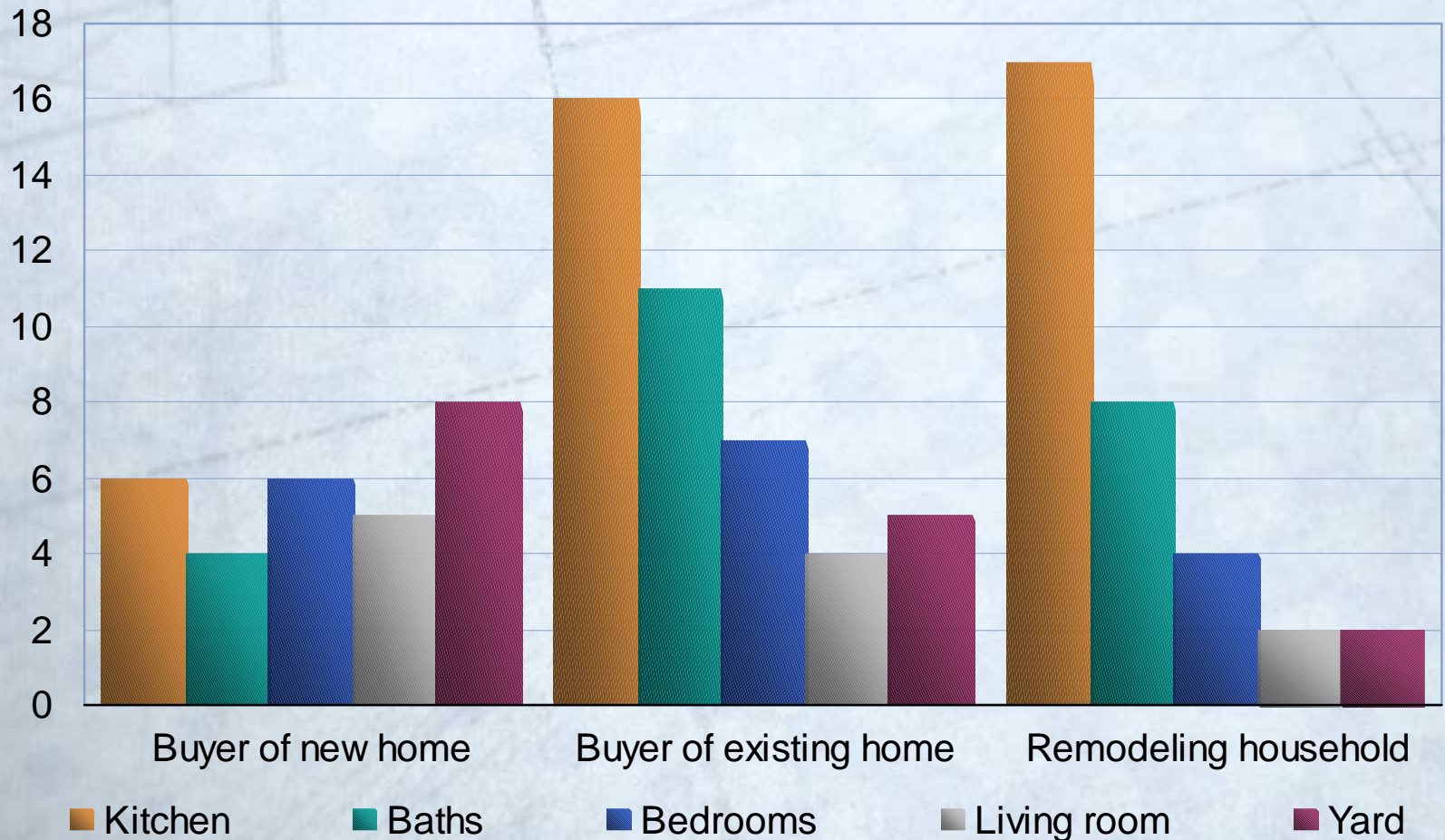
ADDITIONAL SPACE NEEDS SIMILAR

Q: WHERE WOULD YOU PUT ADDITIONAL SPACE?	NEW HOMES	EXISTING HOMES
Kitchen	11%	18%
Master bedroom	7%	11%
Living room	10%	10%
Master bath	6%	9%
Family room	11%	9%
More bedrooms	9%	8%
Porches / deck	5%	5%
Other bath	4%	6%
Add / add to garage	4%	4%
Dining room	3%	3%
Storage	2%	3%
Other *	28%	16%

Pros generally agree...

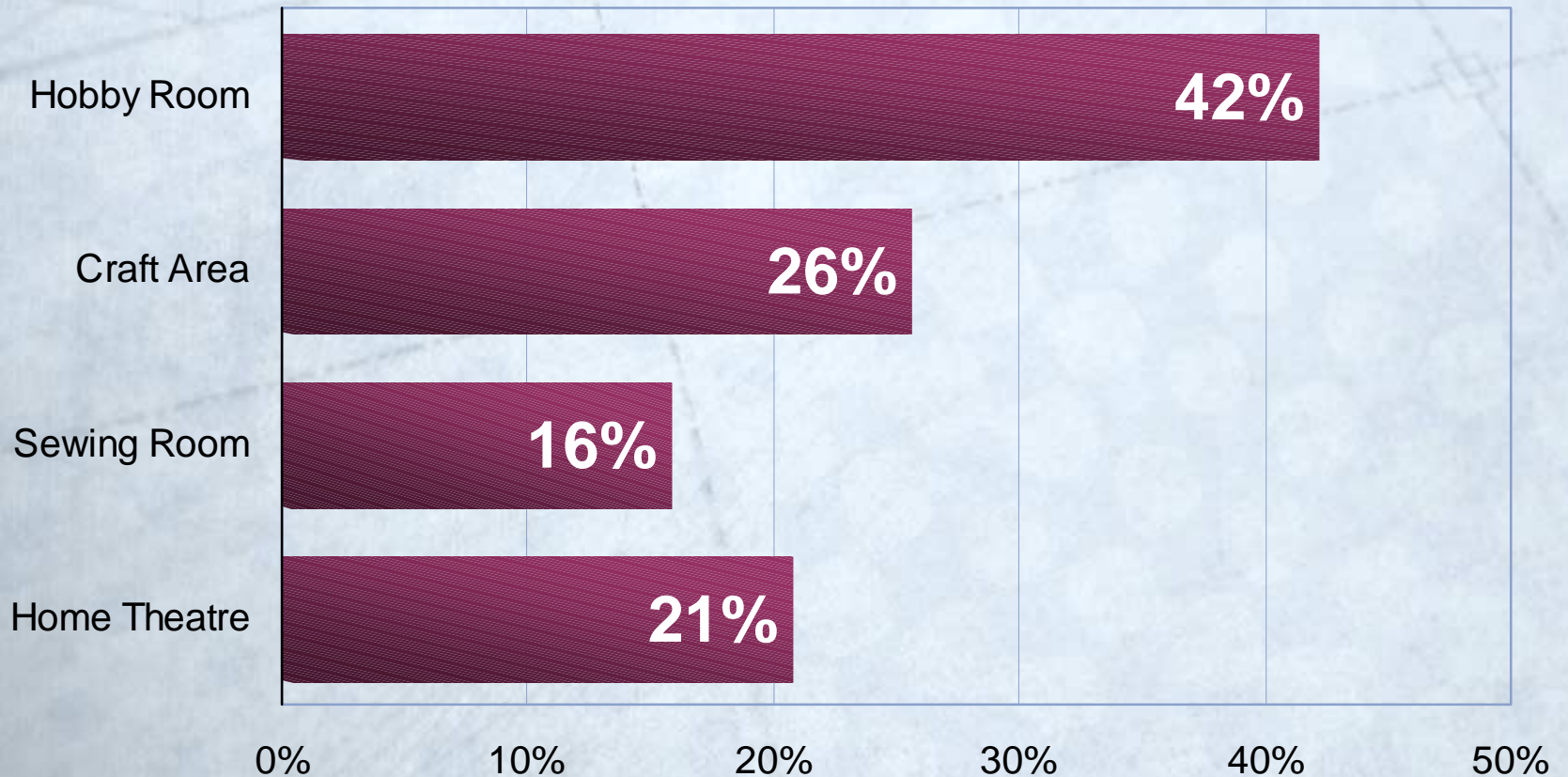
*Hot tub, yard, game room, sunroom, office, etc.

WHAT PART OF THE HOME ARE YOU LEAST HAPPY WITH?



CONSUMERS USE SPACE FOR SPECIALIZED PURPOSES

Q: WHICH SPECIALIZED ROOMS DO YOU HAVE IN YOUR HOME?



KEY FINDING

3. A huge amount of remodeling activity takes place soon after a home is purchased



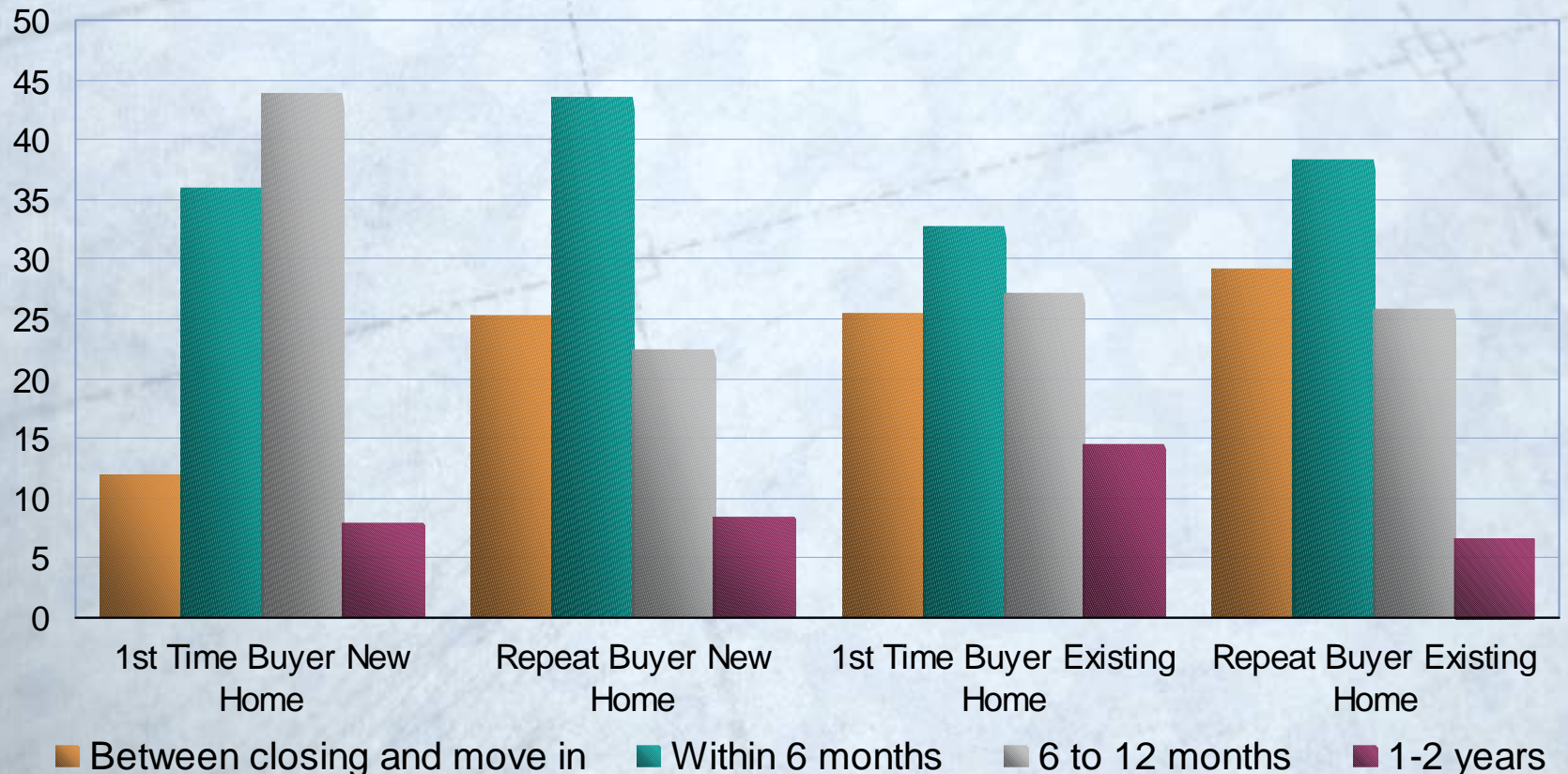
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IMPROVEMENTS HAPPEN SOON AFTER A HOME PURCHASE

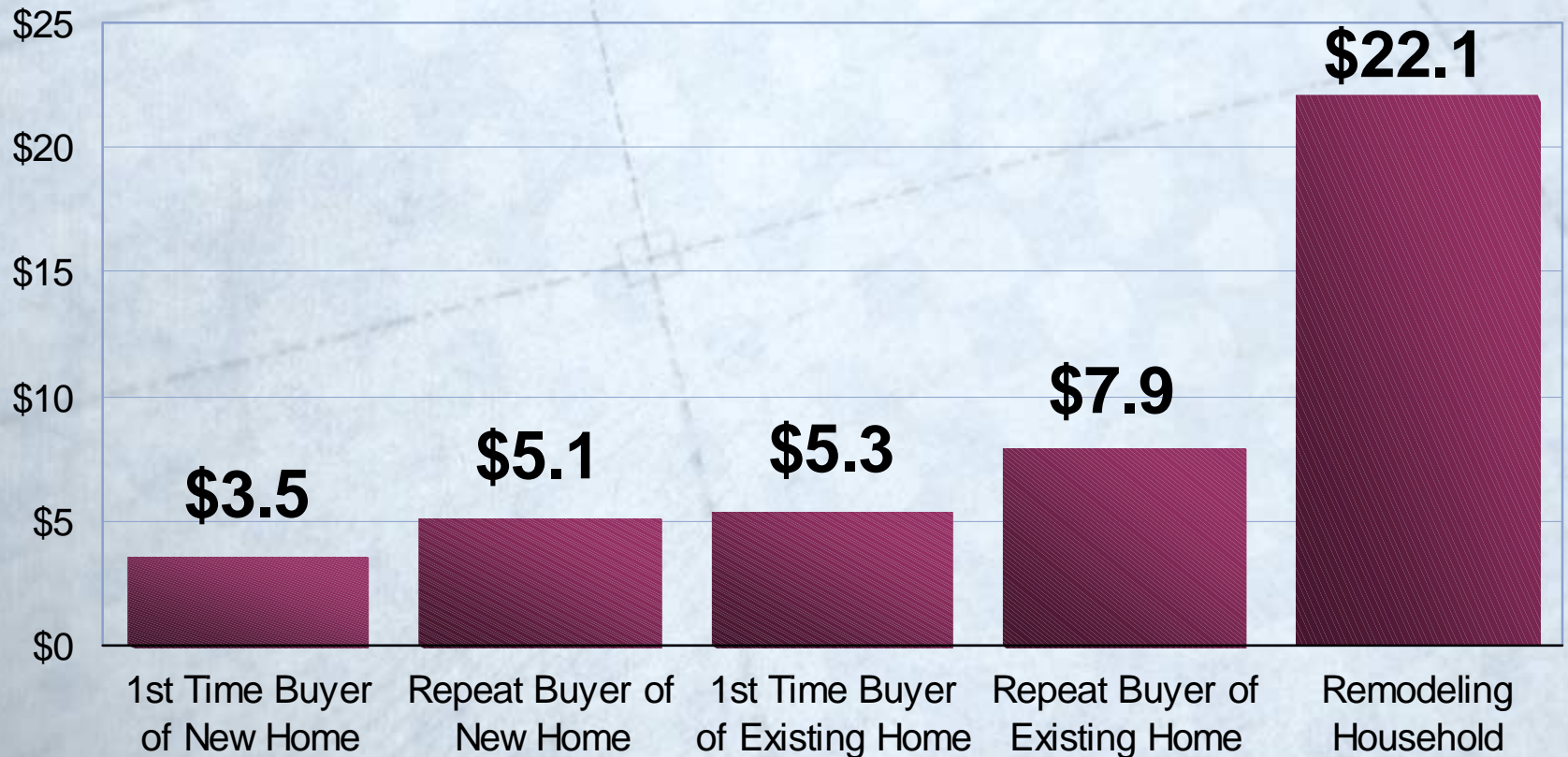
- Repeat buyers complete the work fastest

Q: WHEN DID YOU REMODEL OR MAKE HOME IMPROVEMENTS?



BUYERS SPEND A LOT ON HOME IMPROVEMENTS EARLY ON

Q: HOW MUCH HAVE YOU SPENT ON HOME IMPROVEMENTS SINCE YOU PURCHASED YOUR HOME?



MOST BUYERS KNOW AT PURCHASE IMPROVEMENTS WILL HAPPEN

Q: AT THE TIME YOU PURCHASED THE HOME, DID YOU PLAN TO UNDERTAKE THESE PROJECTS?



NEW HOME BUYERS SPEND BIG MONEY ON IMPROVEMENTS

Q: WHAT IMPROVEMENTS HAVE YOU MADE SINCE YOU PURCHASED?

OUTSIDE	Improve or change landscaping	84%
	Build, replace, or repair a deck or patio	65%
	Change exterior doors or add storm door	37%
STORAGE	Add storage systems other than closets	38%
	Add closet systems	24%
DECOR	Repaint at least one room	80%
	Change lighting fixtures	59%
	Change window treatments	53%
	Change flooring in one or more rooms	41%
	Change kitchen hardware	18%
	Change bath hardware	25%
BASEMENT	Finish the basement	26%

% households reporting improvements

HERE'S WHERE EXISTING HOME BUYERS MAKE THEIR IMPROVEMENTS

Q: WHAT IMPROVEMENTS HAVE YOU MADE SINCE YOU PURCHASED?

OUTSIDE	Improve or change landscaping	72%
	Build, replace, or repair a deck or patio	50%
	Paint exterior	46%
	Replace the roof	24%
	Replace the siding	14%
REPLACEMENTS	Replace or upgrade electrical, plumbing, heating	44%
	Replace doors or windows	43%
REMODELS	Remodel an existing bathroom	51%
	Remodel kitchen	50%
	Remodel family room	26%
ADDITIONS	Add a bath	15%
	Add another room	14%
	Add a bedroom / Master bedroom	12%
	Finish the basement	15%
DÉCOR	Change flooring in one or more rooms	67%
	Add or replace a skylight	7%
GARAGE	Add a garage	12%

% households reporting improvements

REMODELING HOUSEHOLDS REPORT THEIR IMPROVEMENTS

Q: WHAT IMPROVEMENTS HAVE YOU MADE SINCE YOU PURCHASED?

OUTSIDE	Improve or change landscaping	12%
	Build, replace, or repair a deck or patio	24%
	Replace the roof	33%
	Replace the siding	38%
	Paint exterior of home	37%
REPLACEMENTS	Replace the doors or windows	11%
	Replace or upgrade electrical, plumbing, heating	6%
REMODELS	Remodel kitchen	43%
	Remodel an existing bathroom	38%
	Remodel family room	21%
ADDITIONS	Add a bath	36%
	Add a bedroom / Master bedroom	22%
	Add another room	10%
	Finish the basement	9%
DÉCOR	Add or replace a skylight	27%
	Change flooring in one or more rooms	9%
GARAGE	Add a garage	31%

% households reporting improvements

UNPLANNED AND PLANNED PROJECTS GET DONE AT ABOUT THE SAME RATE

DONE	DEFINITELY PLANNED TO DO	NO PLAN, BUT DID
Change lighting fixtures	41%	44%
Change window treatments	39%	44%
Replace the doors or windows	38%	43%
Change flooring in one or more rooms	42%	41%
Replace the roof	30%	39%
Improve or change landscaping	44%	39%
Repaint at least one room	49%	38%
Replace or upgrade electrical, plumbing, HVAC	39%	37%
Remodel an existing bathroom	38%	37%
Remodel kitchen	31%	34%
Add closet systems	19%	31%
Build, replace, or repair a deck or patio	29%	30%
Add storage systems other than closets	28%	25%
Paint exterior of home	25%	25%

Share of households reporting undertaking projects

CONSUMER REGRETS

Q: IF YOU COULD DO YOUR REMODELING PROJECT OVER AGAIN...?

		Pros Said...
Select all products before construction begins	54%	21%
Expect delays	52%	45%
Keep some money in reserve for changes	51%	36%
Start with a larger budget	37%	41%
Communicate more frequently with my remodeler	25%	32%
Start planning earlier	23%	16%
Pay for a better design	18%	16%

KEY FINDING

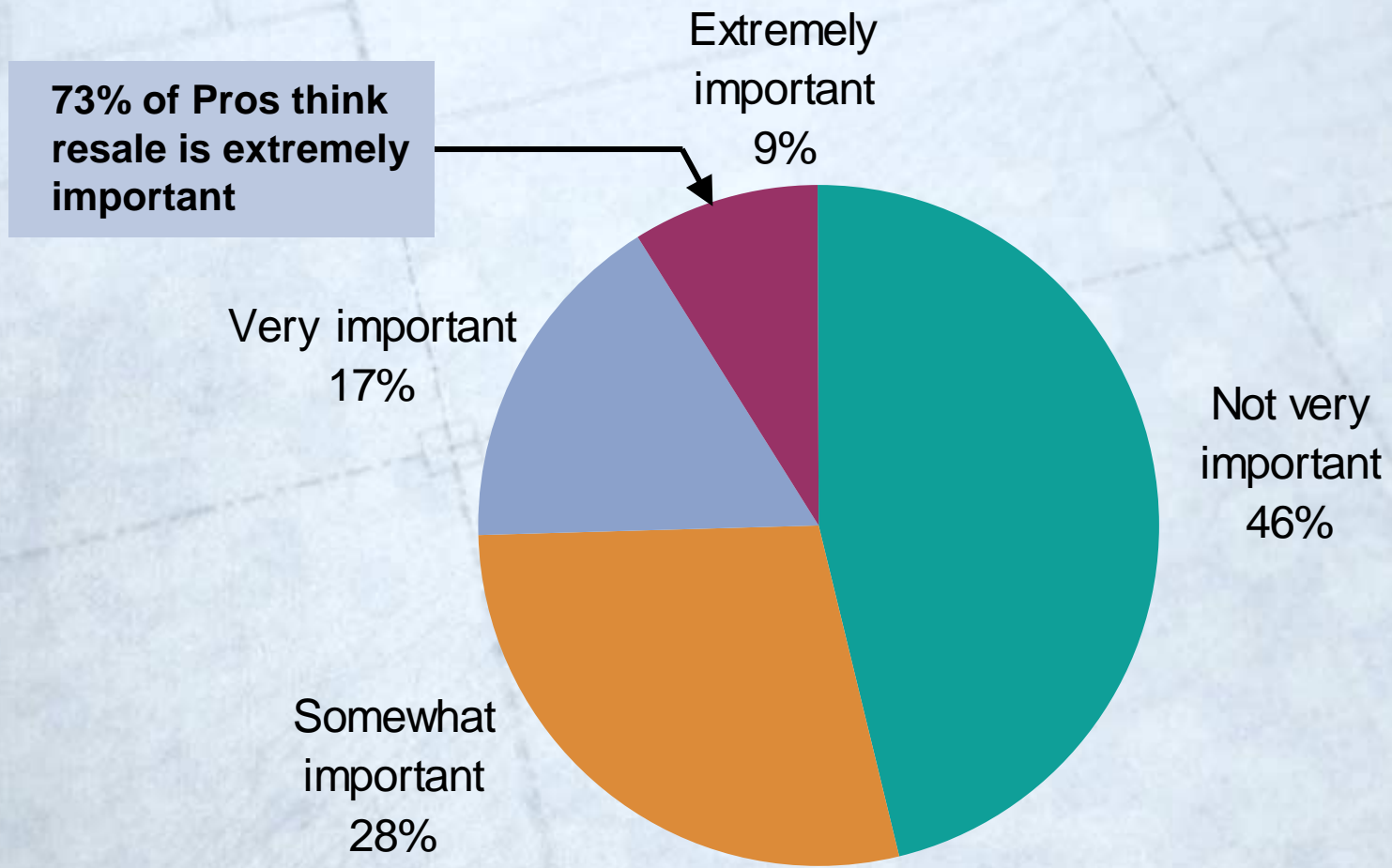
4. Remodelers misread their customers' concern with resale value



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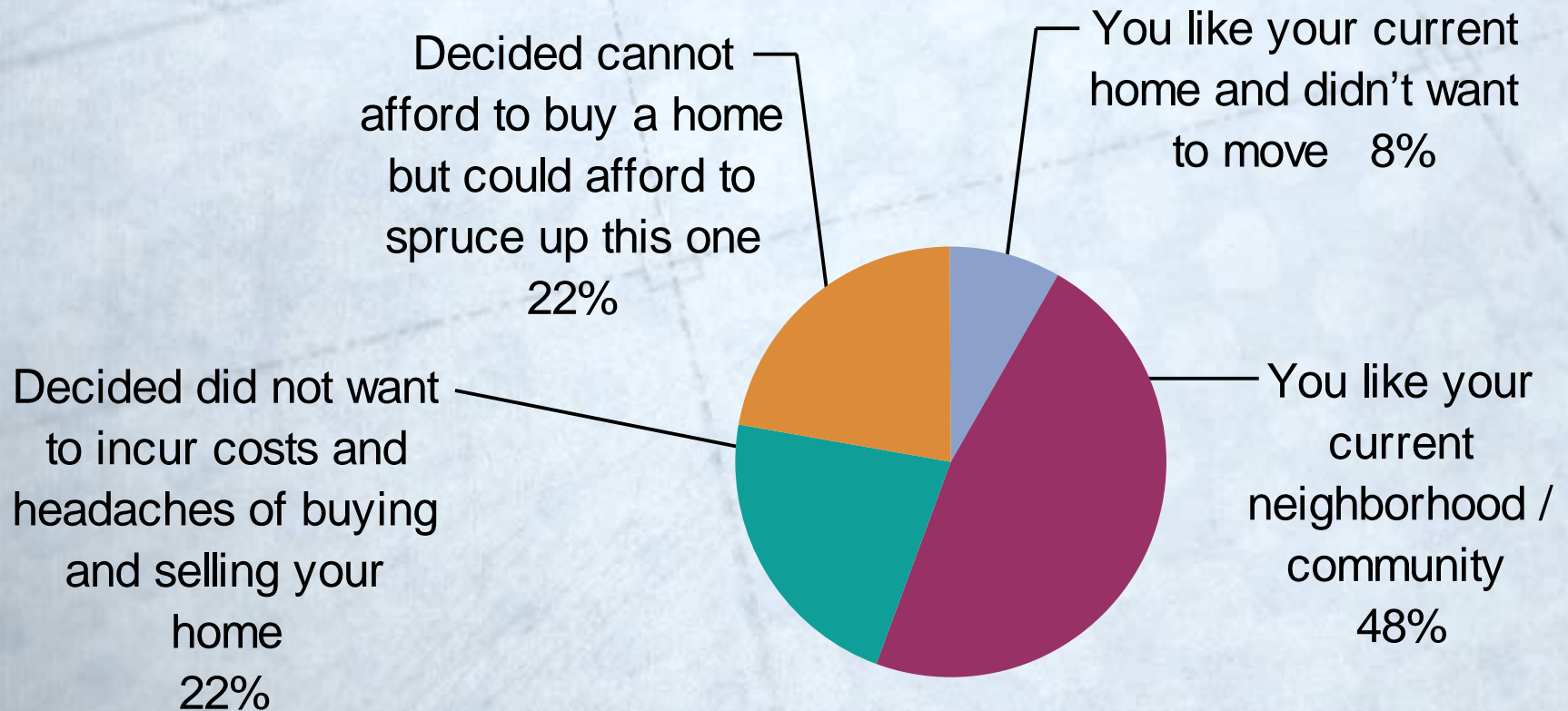
RESALE VALUE NOT TOP OF MIND FOR REMODELING HOUSEHOLDS



Large project remodelers answer similarly (those spending 25% or more of house value)

REMODELING HOUSEHOLDS PREFER TO STAY PUT

Q: WHAT WAS THE MAIN FACTOR IN YOUR DECISION TO REMODEL INSTEAD OF MOVE?



KEY FINDING

5. Customer service leaves a lot to be desired



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LARGE SHARE OF CUSTOMERS FEEL THEIR EXPECTATIONS ARE NOT MET

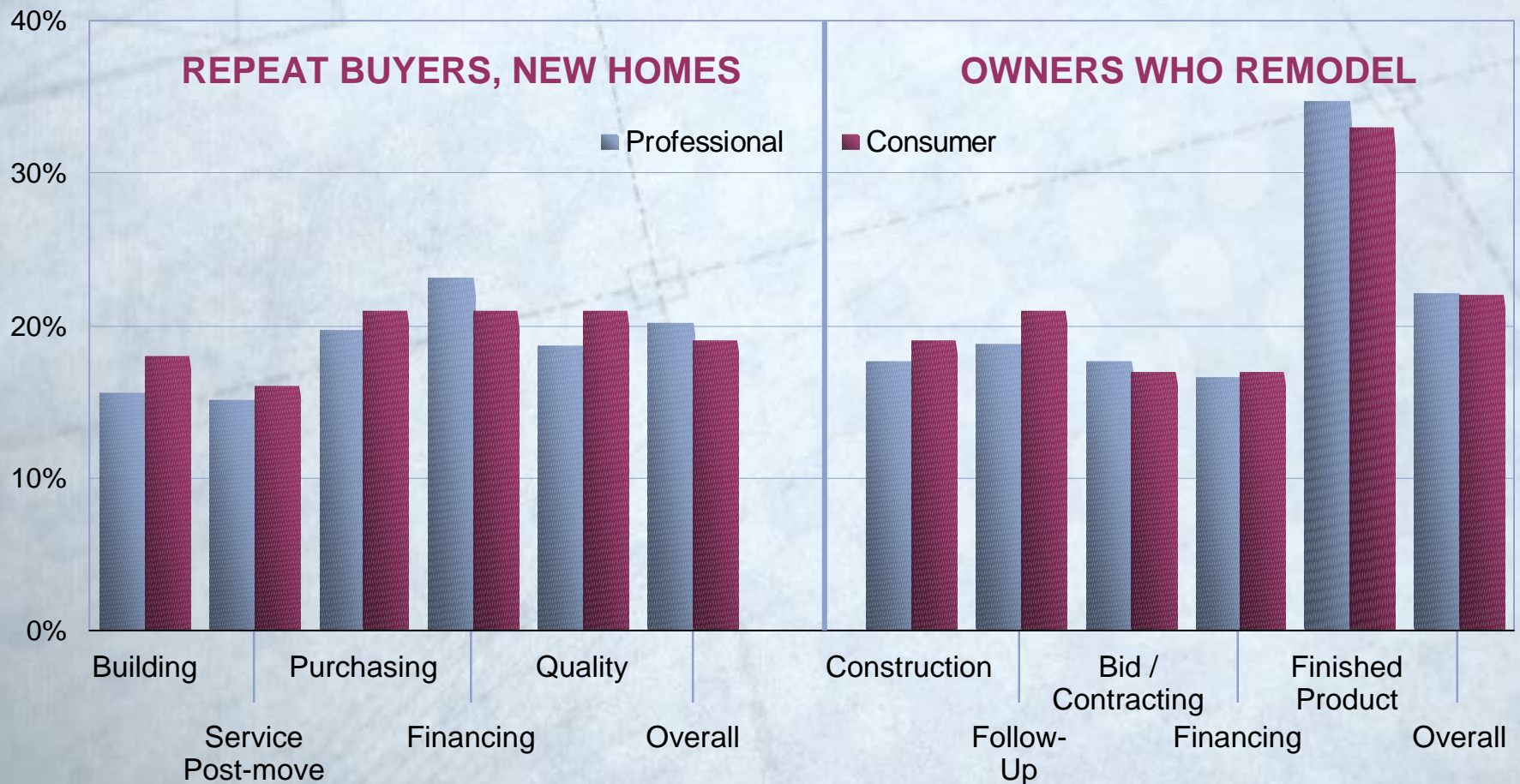
Q: WHICH PARTS OF THE HOME BUYING AND REMODELING EXPERIENCE FAILED TO MEET EXPECTATIONS?

	1ST TIME BUYER NEW HOME	REPEAT BUYER NEW HOME	1ST TIME BUYER EXISTING HOME	REPEAT BUYER EXISTING HOME	REMODELING HOUSEHOLD
Construction	22%	16%			12%
Service post-construction	33%	25%			16%
Purchasing / contracting	13%	9%	10%	11%	8%
Financing	9%	7%	10%	7%	4%
Quality of home	12%	11%	6%	11%	7%
Overall	10%	10%	6%	9%	8%

ONLY 9% OF BUILDERS AND 5% OF REMODELERS ESTIMATED POST-CONSTRUCTION SERVICES FAILED TO MEET EXPECTATIONS

PROS KNOW WHEN THEY HAVE EXCEEDED CUSTOMER EXPECTATIONS

Q: PERCENT OF RESPONDENTS STATING CONSUMER EXPECTATIONS EXCEEDED?



THE EXPECTATIONS OF MOST BUYERS ARE FULFILLED

- Construction and follow-up are weakest

Q: WHAT PARTS OF HOME BUYING OR REMODELING EXPERIENCE MET EXPECTATIONS?

	1ST TIME BUYER NEW HOME	REPEAT BUYER NEW HOME	1ST TIME BUYER EXISTING HOME	REPEAT BUYER EXISTING HOME	REMODELING HOUSEHOLD
Construction	66%	66%			68%
Service post-construction	54%	59%			63%
Purchasing / contracting	67%	70%	65%	74%	74%
Financing	66%	73%	63%	70%	79%
Quality of home	72%	68%	76%	70%	61%
Overall	74%	71%	68%	72%	70%

KEY FINDING

6. When it comes to product selection, consumers want “hands-on” experience

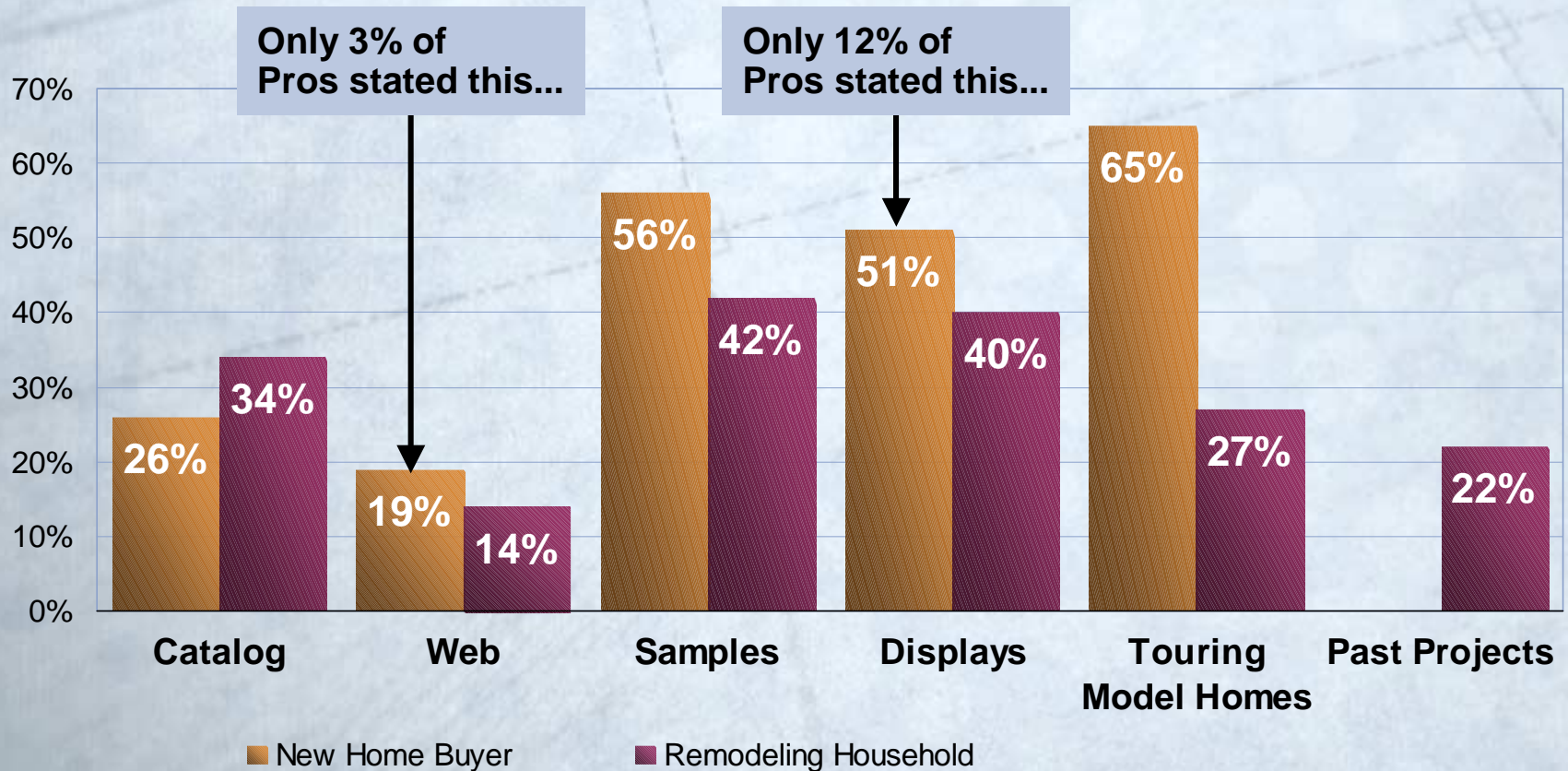


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SHOPPERS PREFER MODELS, SAMPLES, AND DISPLAYS

Q: HOW HELPFUL WERE THE FOLLOWING WHEN CHOOSING PRODUCTS AND MATERIALS?



KEY FINDING

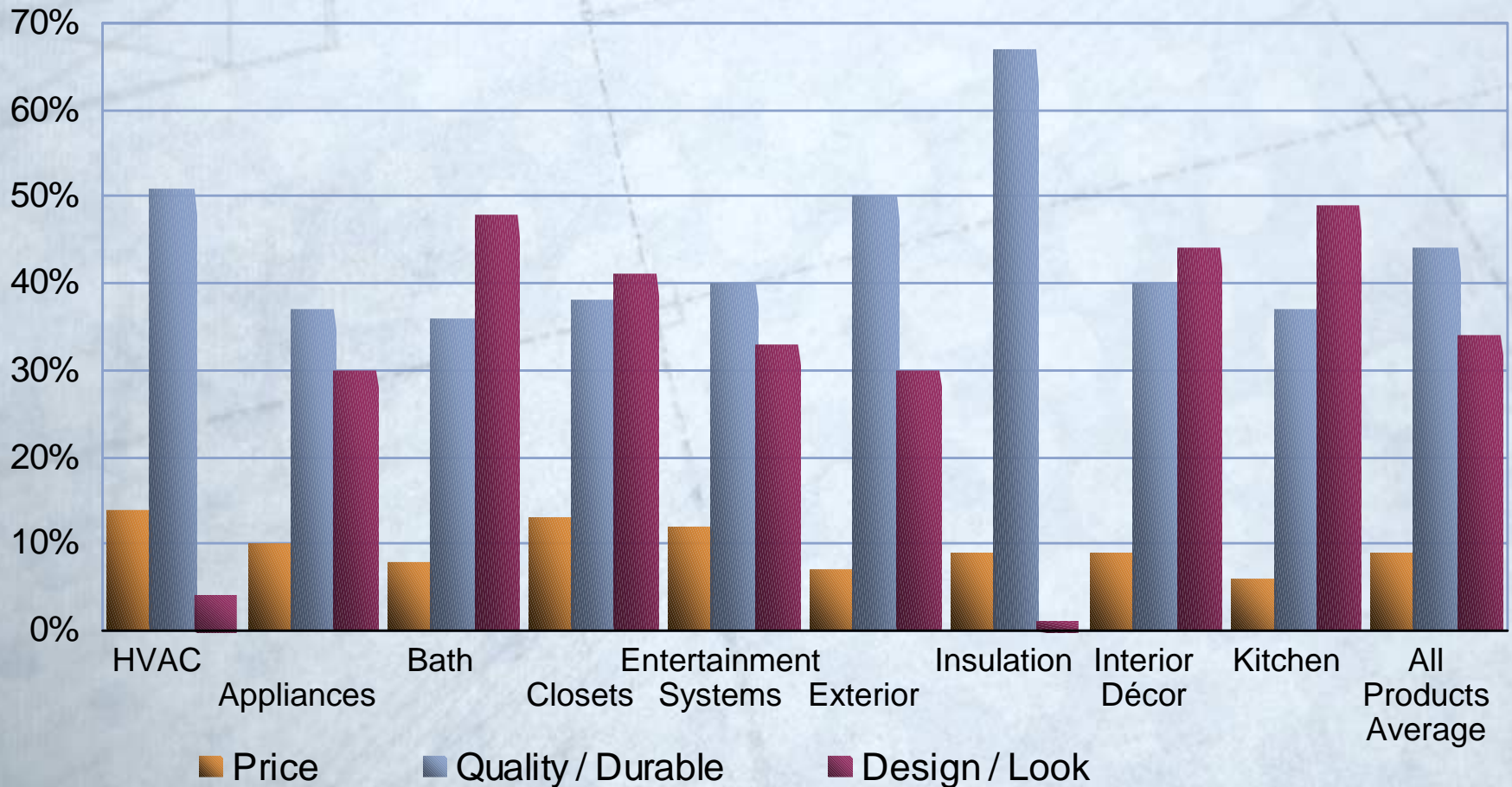
7. Durability and design take front seat to price



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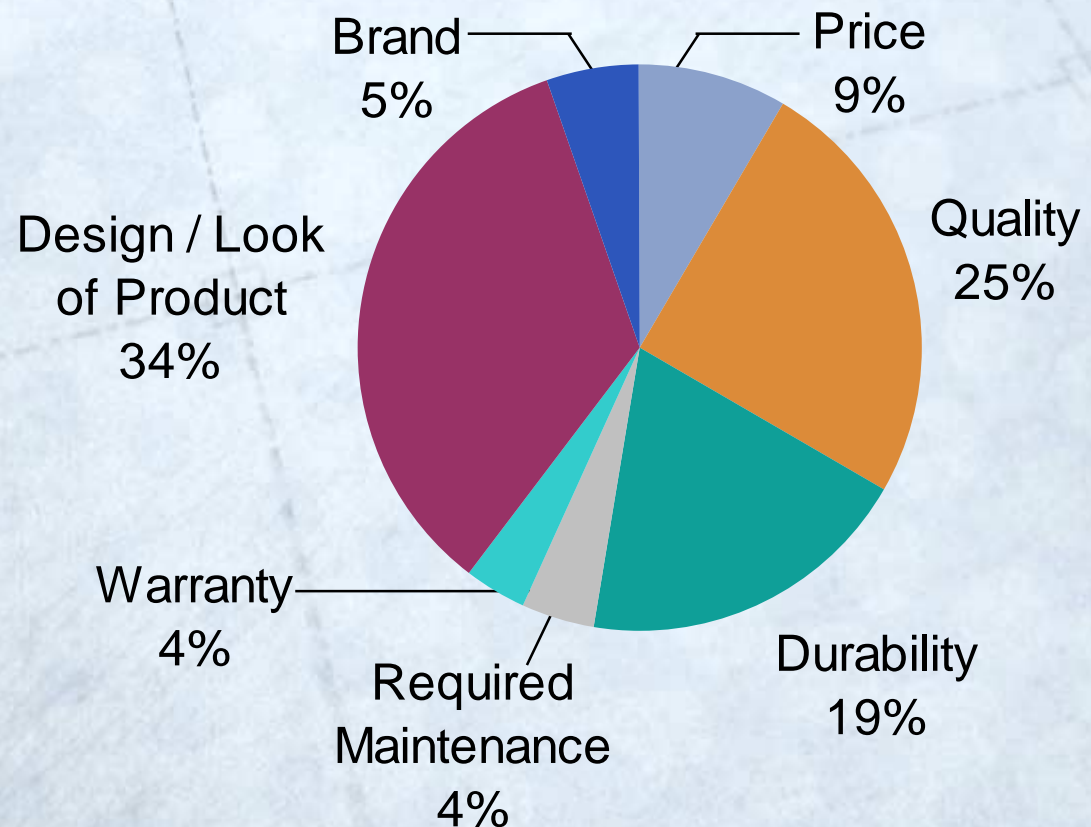


QUALITY AND DESIGN DRIVE MOST CHOICES



THE DESIGN AND LOOK OF PRODUCTS MATTER MOST

Q: WHAT ARE THE MOST IMPORTANT CONSIDERATIONS FOR PRODUCT CHOICES?



THE MOST IMPORTANT FACTOR IN MAKING PRODUCT CHOICES

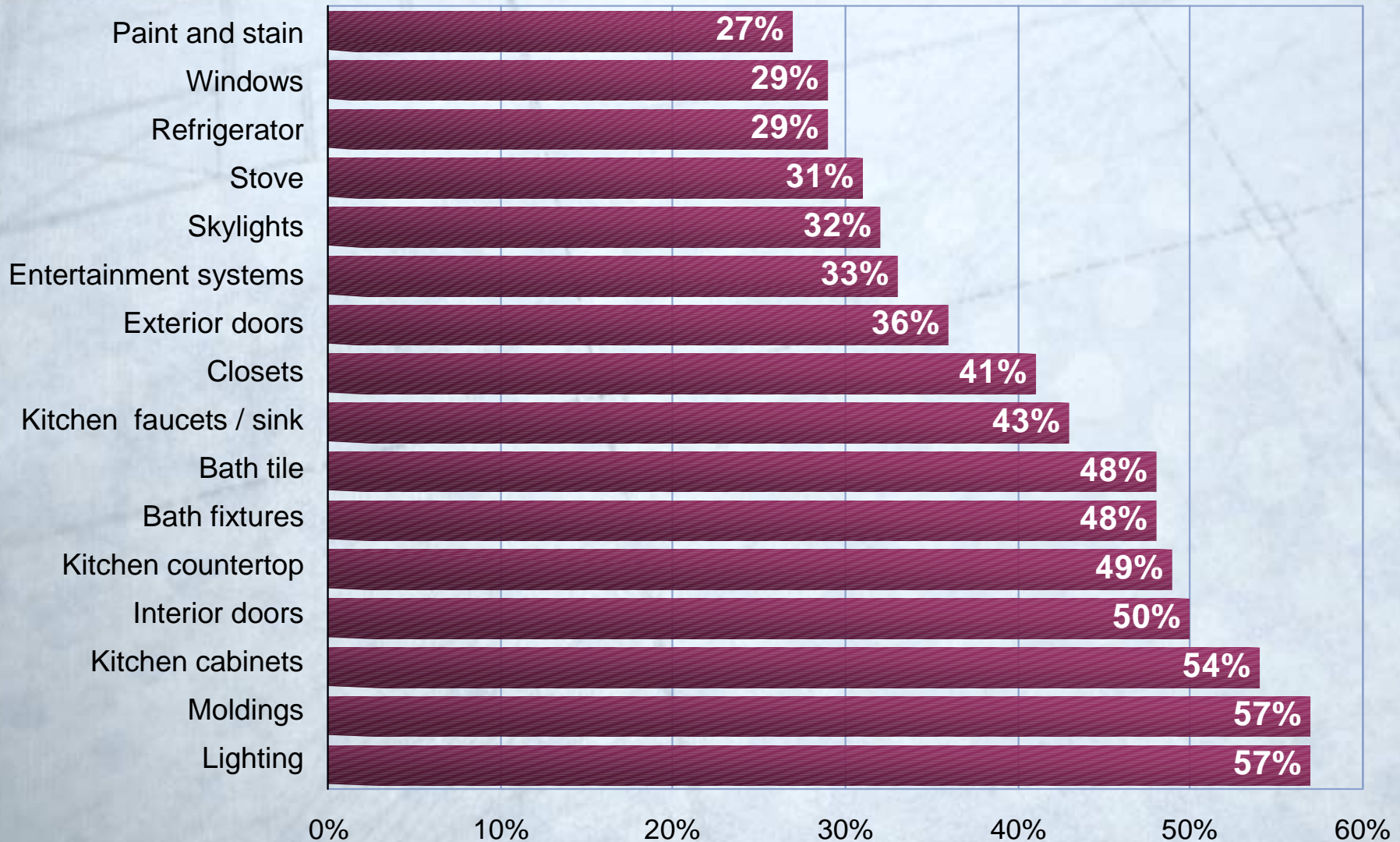
	PRICE	QUALITY	DURABILITY	REQ. MAINT.	WARRANTY	DESIGN/LOOK	BRAND
HVAC	14%	33%	19%	6%	13%	4%	12%
Appliances	10%	26%	11%	3%	5%	30%	14%
Bath	8%	22%	14%	4%	1%	48%	3%
Closets	13%	13%	25%	5%	2%	41%	3%
Entertainment systems	12%	18%	22%	12%	2%	33%	0%
Exterior	7%	24%	26%	6%	4%	30%	3%
Insulation	9%	54%	13%	4%	9%	1%	10%
Interior décor	9%	21%	19%	4%	1%	44%	3%
Kitchen	6%	22%	15%	3%	2%	49%	4%
All Products Average	9%	25%	19%	4%	4%	34%	5%

Significant variation across product categories

MOST IMPORTANT FACTORS (all categories) ...

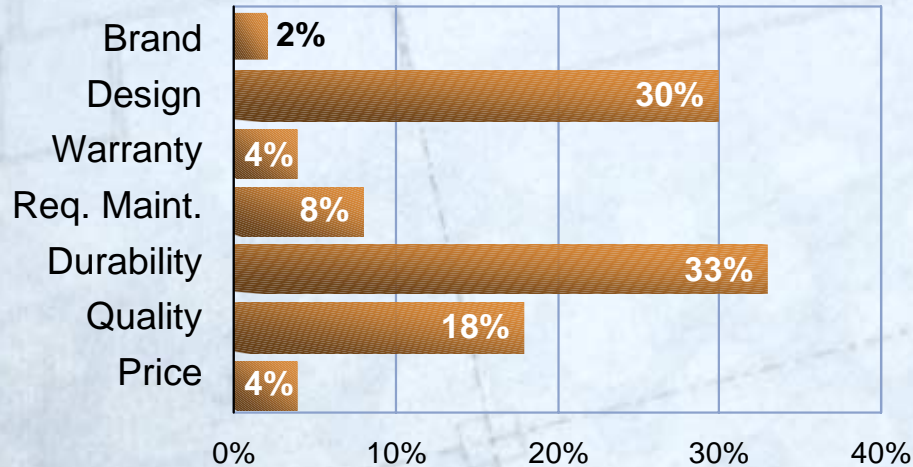
	PRICE	QUALITY	DURABILITY	REQ. MAINT.	WARRANTY	DESIGN / LOOK	BRAND
Refrigerator	13%	25%	13%	2%	4%	29%	14%
Stove	7%	27%	8%	5%	6%	31%	15%
Bath fixtures	8%	26%	10%	2%	2%	48%	5%
Bath tile	8%	18%	19%	6%	1%	48%	1%
Closet systems	13%	13%	25%	5%	2%	41%	3%
Door / window hardware	18%	39%	9%	1%	4%	12%	17%
Decks / patios	7%	30%	24%	2%	4%	26%	6%
Entertainment systems	12%	18%	22%	12%	2%	33%	0%
Exterior doors	6%	23%	26%	4%	1%	36%	3%
Exterior siding	4%	18%	33%	8%	4%	30%	2%
Roofing	5%	17%	38%	2%	12%	24%	2%
Skylights	8%	30%	24%	3%	0%	32%	3%
Windows	6%	30%	16%	8%	6%	29%	5%
HVAC	14%	33%	19%	6%	13%	4%	12%
Insulation	9%	54%	13%	4%	9%	1%	10%
Flooring	7%	24%	32%	5%	1%	28%	2%
Interior doors	10%	17%	16%	3%	1%	50%	3%
Lighting	11%	19%	8%	2%	1%	57%	2%
Molding / trims	10%	16%	12%	3%	0%	57%	1%
Paints / stains	6%	28%	27%	4%	2%	27%	7%
Kitchen cabinets	4%	27%	11%	2%	1%	54%	1%
Kitchen countertops	7%	18%	20%	4%	1%	49%	2%
Kitchen faucets / sink	7%	21%	15%	2%	3%	43%	9%
All Products Average	9%	25%	19%	4%	4%	34%	5%

WHERE DESIGN / LOOK WAS MOST IMPORTANT

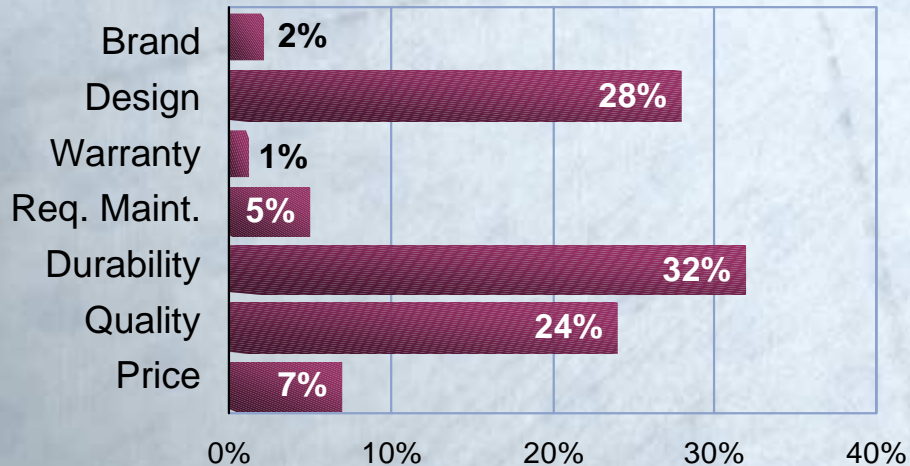


WHERE DURABILITY WAS MOST IMPORTANT

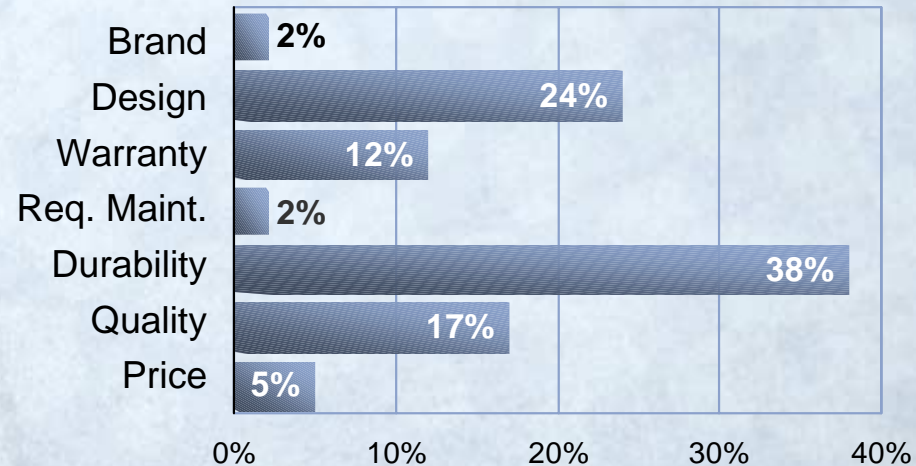
SIDING



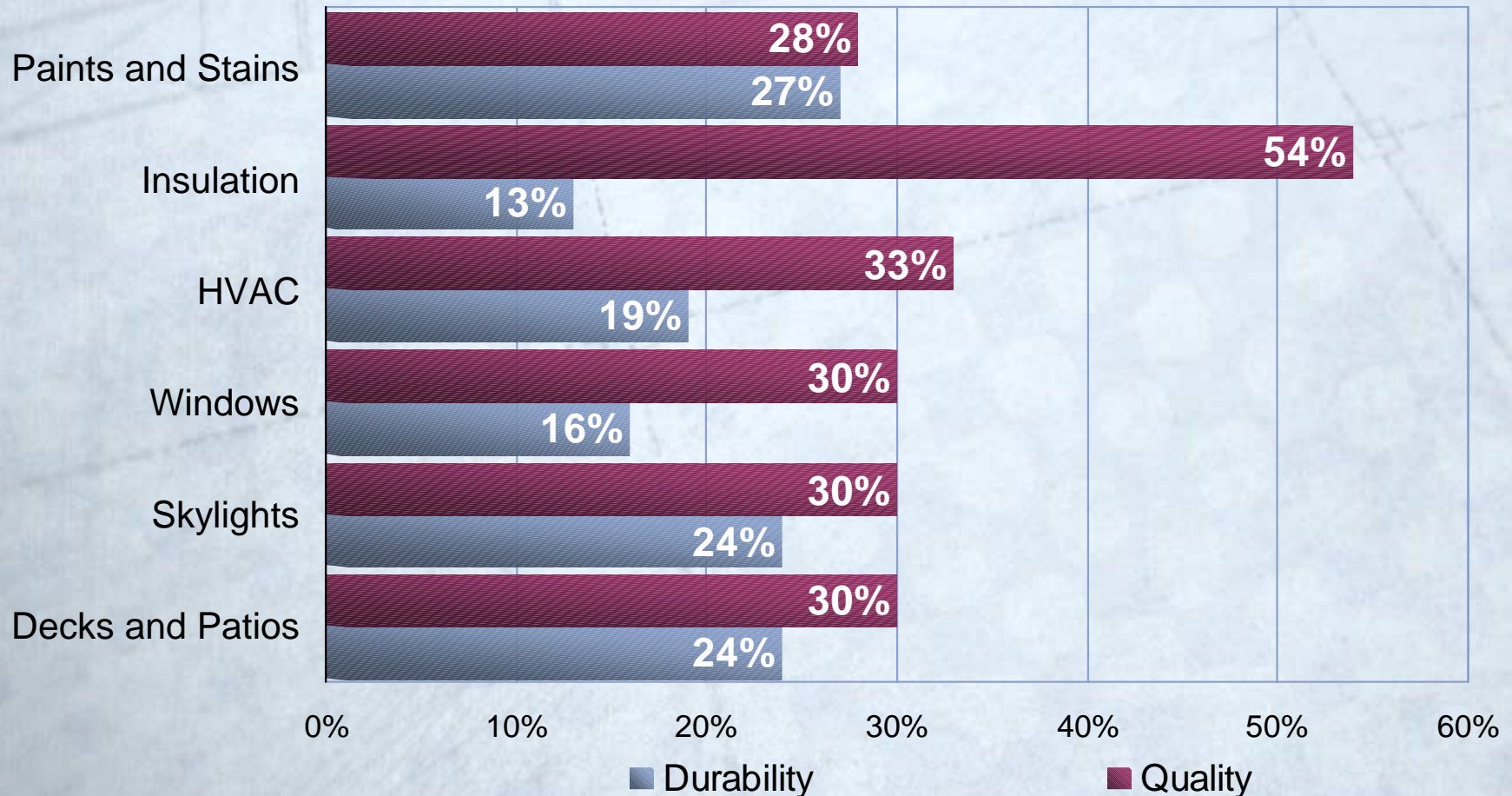
FLOORING



ROOFING



WHERE QUALITY WAS MOST IMPORTANT



THE TOP 5 SPLURGE ITEMS: PROS AND CONSUMERS VIEW THEM DIFFERENTLY

CONSUMER	PRO BUILDER	PRO REMODELER
<ul style="list-style-type: none">▪ Windows	<ul style="list-style-type: none">▪ Countertops	<ul style="list-style-type: none">▪ Cabinets
<ul style="list-style-type: none">▪ Refrigerator	<ul style="list-style-type: none">▪ Cabinets	<ul style="list-style-type: none">▪ Countertops
<ul style="list-style-type: none">▪ Stove	<ul style="list-style-type: none">▪ Kitchen / Bath Fixtures	<ul style="list-style-type: none">▪ Kitchen / Bath Fixtures
<ul style="list-style-type: none">▪ Flooring	<ul style="list-style-type: none">▪ Lighting	<ul style="list-style-type: none">▪ Refrigerator
<ul style="list-style-type: none">▪ Insulation	<ul style="list-style-type: none">▪ Stove	<ul style="list-style-type: none">▪ Stove

KEY FINDING

8. Brand takes
back seat to
product specs

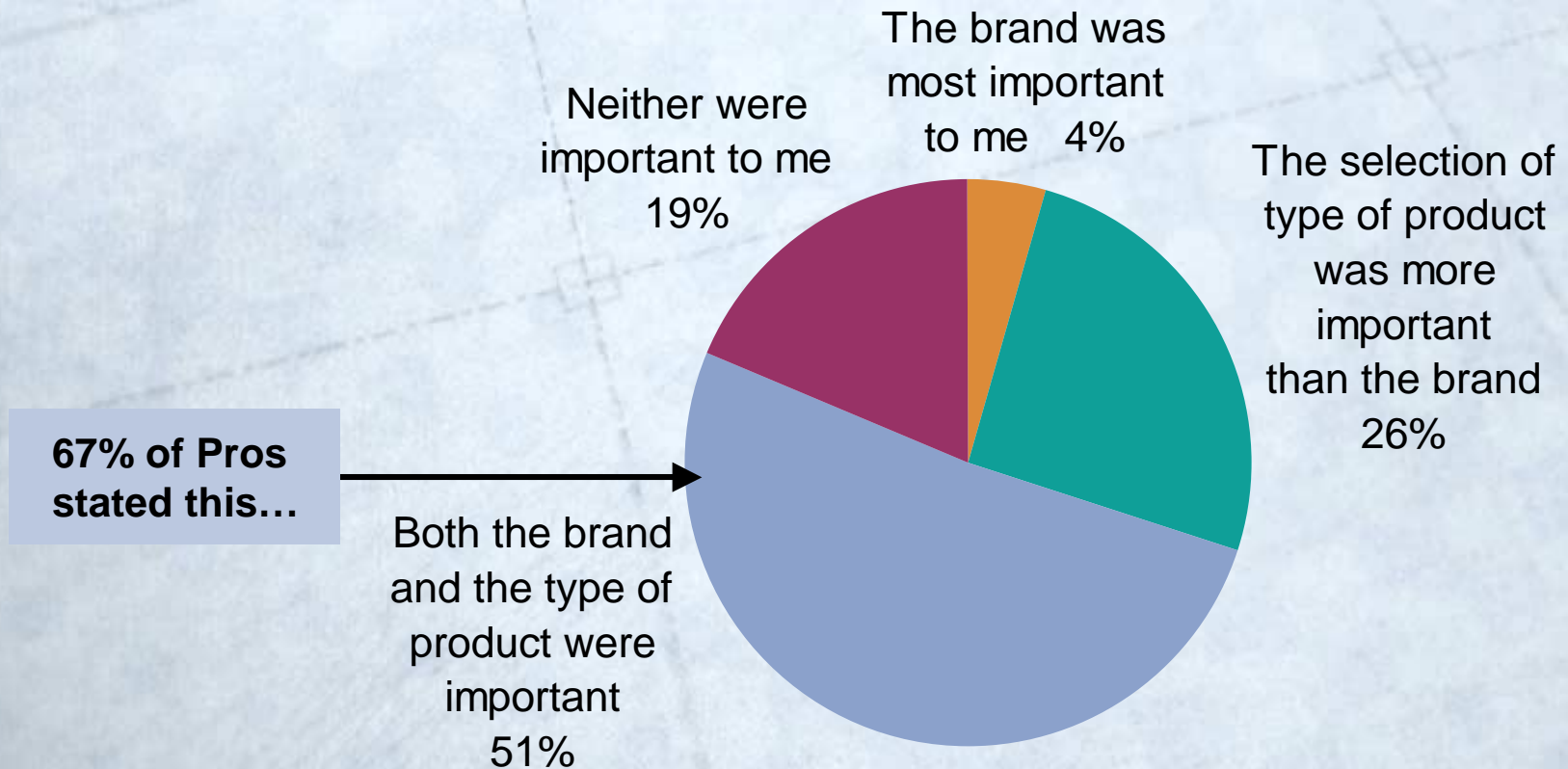


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TYPE AND BRAND IMPORTANT

Q: WHAT DESCRIBES YOUR PRODUCT DECISIONS?



CONSUMERS ARE MOST INVOLVED IN SELECTING APPLIANCES AND DÉCOR

Q: FOR WHICH PRODUCT CATEGORIES DID YOU SELECT THE BRAND?

Entertainment systems	85%	Exterior doors	29%
Refrigerator	80%	Windows	26%
Flooring	63%	Bath fixtures	26%
Lighting	54%	Door / window hardware	26%
Paints / stains	51%	Interior doors	25%
Stove	48%	Skylights	24%
Kitchen countertops	46%	Exterior siding	22%
Molding / trims	39%	HVAC	22%
Bath tile	38%	Roofing	21%
Kitchen faucets / sink	38%	Closet systems	13%
Kitchen cabinets	37%	Insulation	12%
Decks / patios	37%		

Products most likely to be chosen by customer, according to the customer

...BUT BUILDERS & REMODELERS GUIDE BRAND DECISIONS FOR MOST PRODUCT CATEGORIES

LIKELIHOOD THAT BUILDERS & REMODELERS SELECT BRAND...

Insulation	88%	Kitchen cabinets	63%
Closet systems	87%	Kitchen faucets / sink	62%
Roofing	79%	Bath tile	62%
HVAC	78%	Molding / trims	61%
Exterior siding	78%	Kitchen countertops	54%
Skylights	76%	Stove	52%
Interior doors	75%	Paints / stains	49%
Door / window hardware	74%	Lighting	46%
Bath fixtures	74%	Flooring	37%
Windows	74%	Refrigerator	20%
Exterior doors	71%	Entertainment systems	15%
Decks / patios	63%		

EVEN CONSUMERS WHO SAY THEY SELECT BRAND ARE OFTEN CHOOSING AMONG PRODUCTS PRESELECTED BY CONTRACTOR

	PERCENT SAYING THEY PICK BRAND	SUBSET WHO CHOSE FROM PRESELECTED BRAND
Closets	13%	60%
Exterior	27%	67%
HVAC	22%	68%
Interior décor	52%	73%
Bath	32%	74%
Kitchen	40%	75%
Insulation	12%	79%
Appliances	64%	81%
Entertainment systems	85%	84%

PURSUIT OF A BETTER PLACE TO LIVE

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