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Insulation & Weatherization Trends

Macroeconomic stability, rising remodeling activity, and sustained homeowner focus on energy efficiency continue to support steady demand for insulation and weatherization products across residential and light commercial markets.



Headwinds persist for new single-family construction, while demand and home equity tailwinds support existing home and larger project activity into 2026. Both are constrained by limited disposable income, affordability pressures, and continued uncertainty.

New Construction:

Single family housing is expected to have low growth in 2026 while multifamily – after double digit growth in 2025 – is projected to see modest increases as rental continues to be a solution to first-time buyer affordability.

Remodeling:

Expected to reach a new high in 2026 (\$524B) as high home values, locked in low rates, aging housing stock influence “spend at home” behavior.

Areas to Watch:

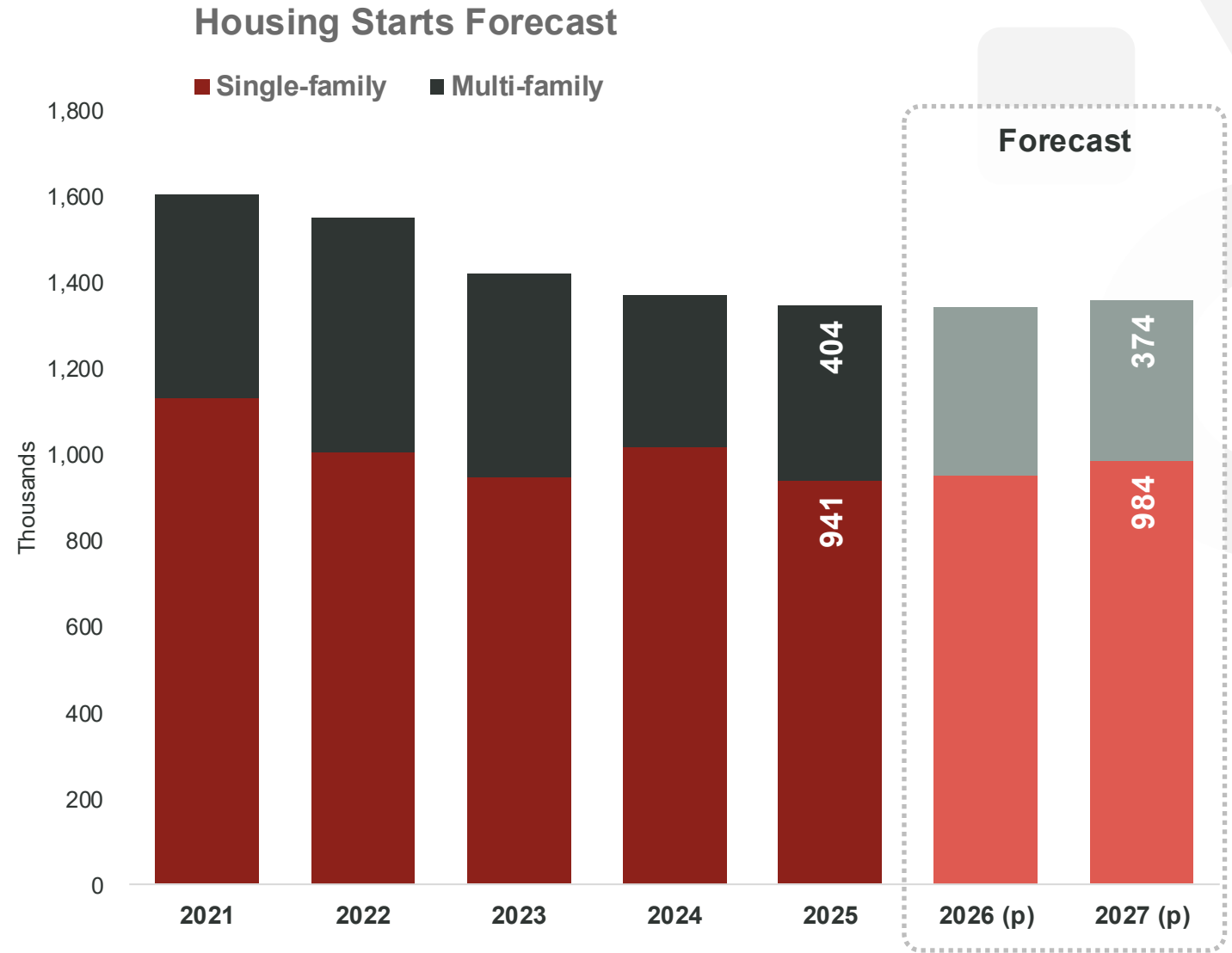
Disposable income and savings rates are projected low, if these are higher than expected it will lead to increased spend. Job numbers and ongoing geopolitical events may keep consumer sentiment and spending down.

Macro Fundamentals & Forecasts

as of January 16, 2025

Housing Starts: Gradual Growth Expected

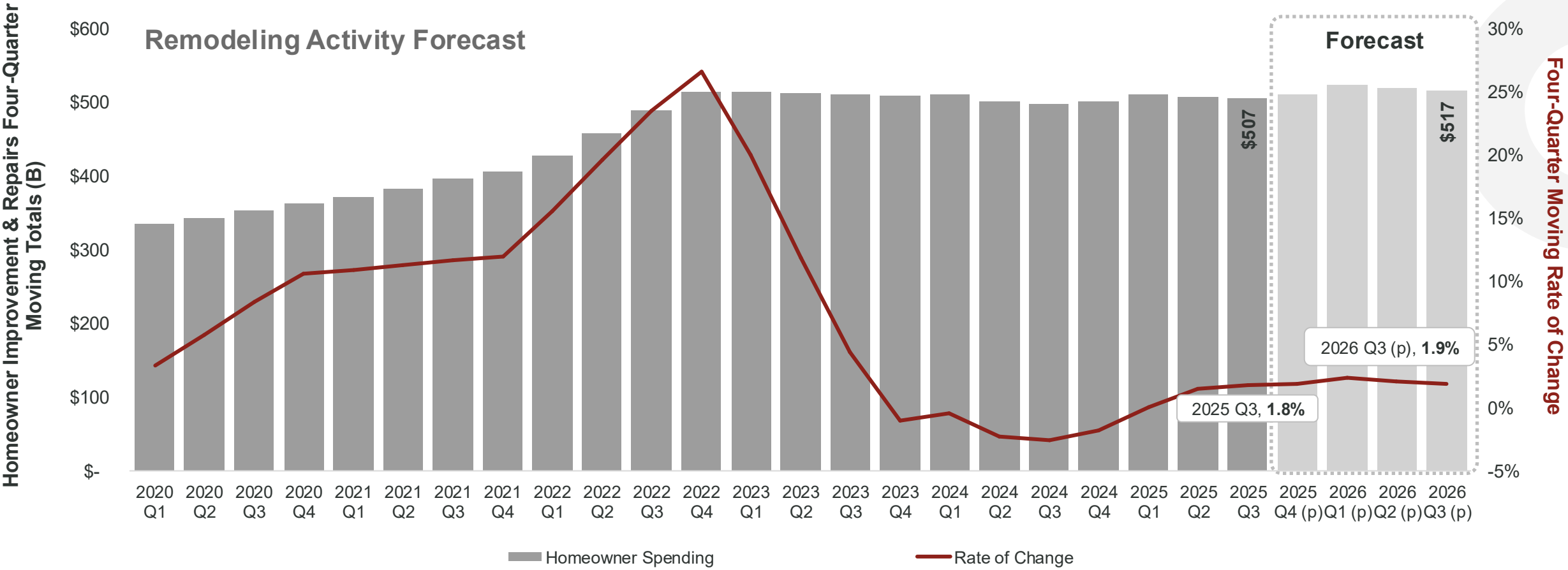
- Housing start forecasts include both single- and multi-family new residential construction starts, but exclude unit completions, sales, and closes.
- Single-family starts are expected to stabilize in 2026 and strengthen in 2027 as affordability improves and pent-up demand returns.
- Multi-family starts are projected to moderate through 2026 as excess supply is absorbed, then level off in 2027.



Home Remodeling Begins a Measured Rebound

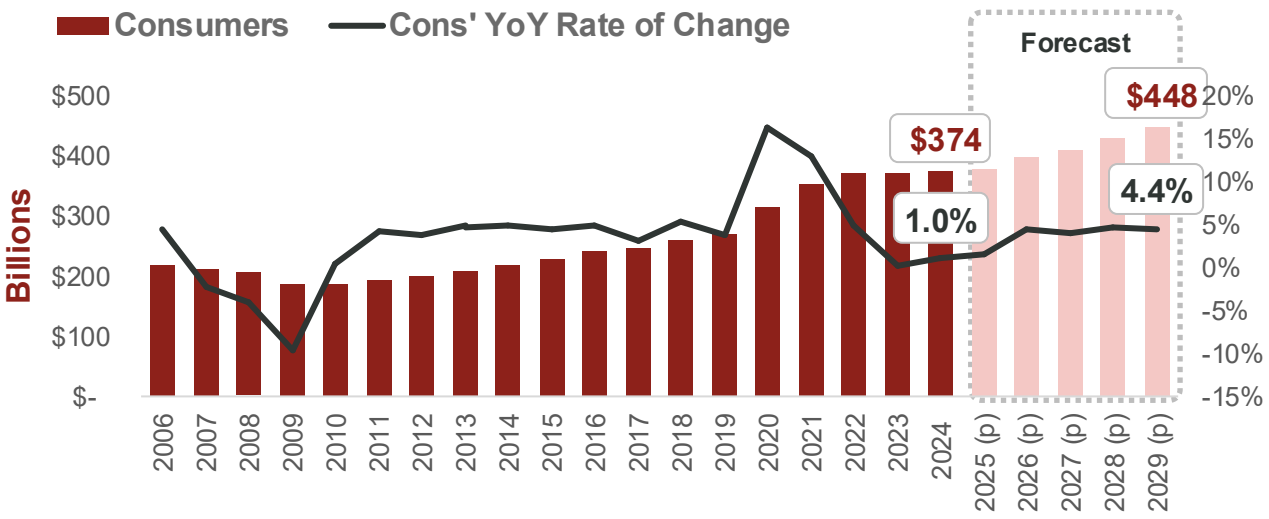
Leading Indicator of Remodeling Activity (LIRA) forecasts residential remodeling activity which, historically, remains less volatile than home construction. Because home values remain high, the Joint Center for Housing Studies (JCHS) anticipates remodeling may perform better than new housing.

JCHS expects annual expenditures for improvements and repairs to owner-occupied homes to grow slowly but steadily through the middle of 2026. Homeowner remodeling spending is projected to hit \$517B in early 2026, setting a new record.



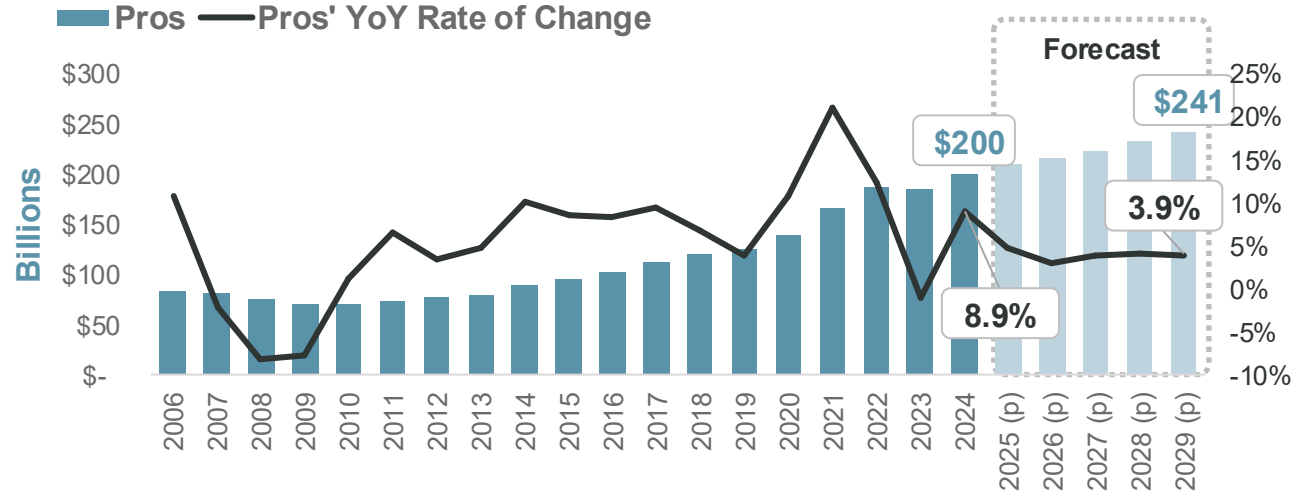
Source: Joint Center for Housing Studies of Harvard University | TFG Industry Drivers Report, Data as of January 16, 2026

Home Improvement Spend: Modest Growth forecast for Consumers but Pros near 9% increase



Consumers: YoY Growth Recovers in 2025

- The Home Improvement Research Institute (HIRI) predicts the total spend on home improvement products by consumers each year based on previous years' data.
- After a dramatic decrease in year-over-year (YoY) growth, the forecast anticipates a modest (1%) increases in consumer product spend for 2025.



Pros: YoY Growth Recovers in 2025

- Leveraging historical data, HIRI forecasts annual spending on home improvement products by contractors and remodelers.
- While 2024 saw modest growth, HIRI predicts a more substantial uptick (8.9%) in revenue from 2025 onwards.



Homeowners remain motivated to improve their homes and renters aspire to buy, but income growth continues to lag rising costs, keeping customers highly budget sensitive. As a result, pros must provide value-oriented offerings that instill confident consumer decisions.

Homeowner confidence is volatile, and they remain in a state of uncertainty, which causes postponed or trade-down activity. Homeowners must feel comfortable and confident about decisions, and what they spend is worth it.

Homeowners are budget sensitive, scaling back project scopes and prioritizing essentials. Contractors, suppliers, and brands are tasked with responding by offering a breadth of prices and clear value propositions to accommodate a range of needs.

Consumers are being deliberate with lower-than-normal disposable income. They want to do projects and are weighing their options. Options must be in sync with features and benefits customers value.

Consumers and Pros are using more resources than ever to research and purchase products, which is reflected in ongoing brand and supplier shifts. Expect digital and physical elements to play an ongoing roll as customer look for solutions to achieve ranging project goals.

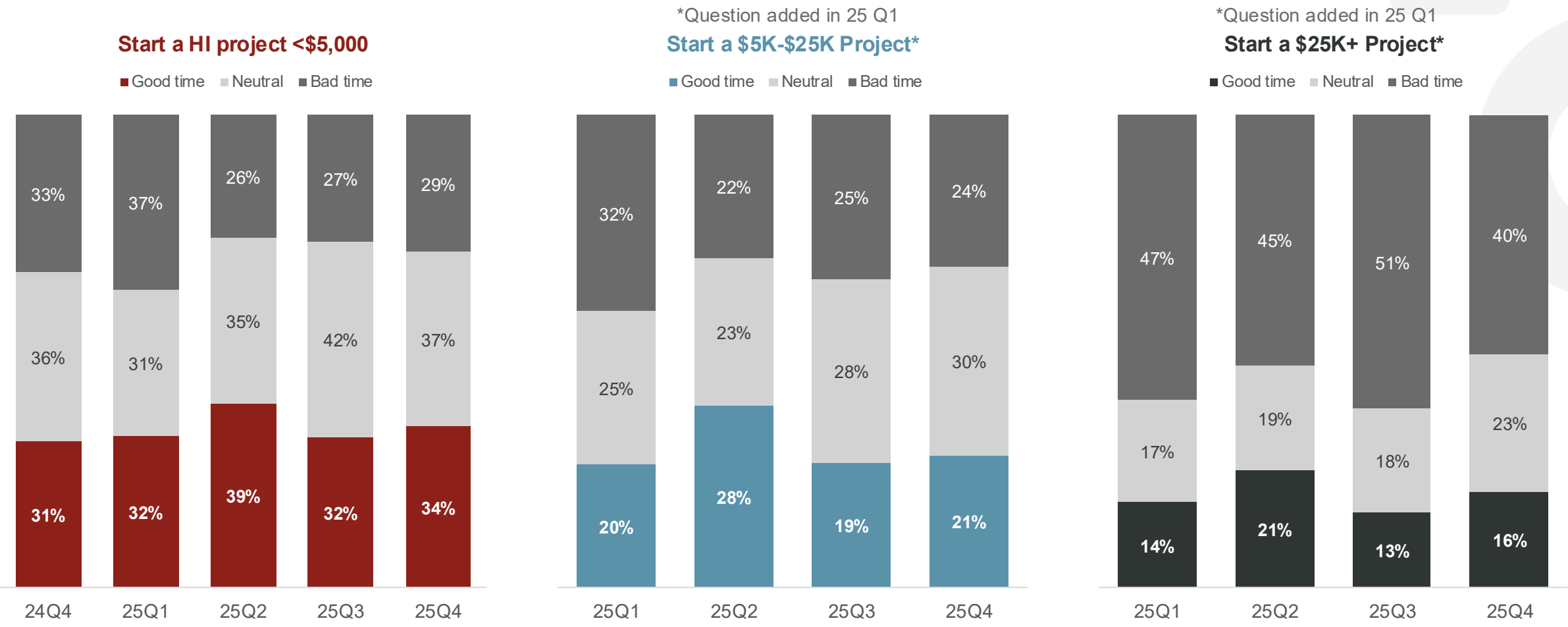
Attitudes & Purchasing Insights

as of January 16, 2025

Project Sentiment Improves For Large Projects

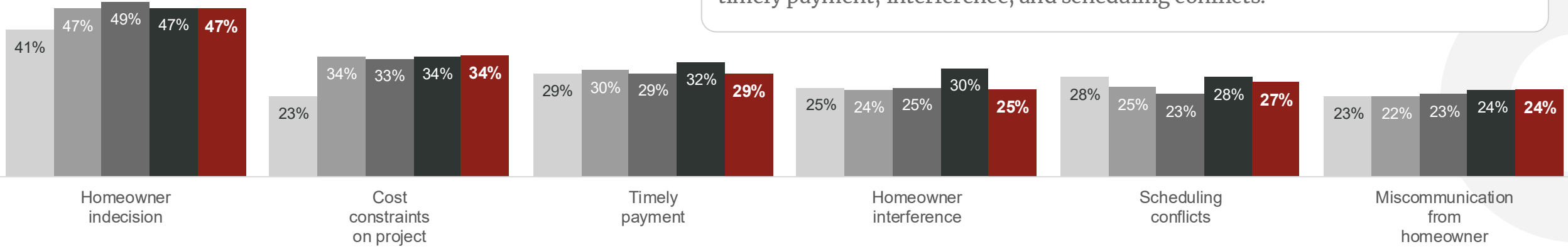
The percentage of homeowners who feel now is a *bad time to start a home improvement project* over \$25k is at its lowest level in five quarters

2025 Home Improvement Activity Sentiment

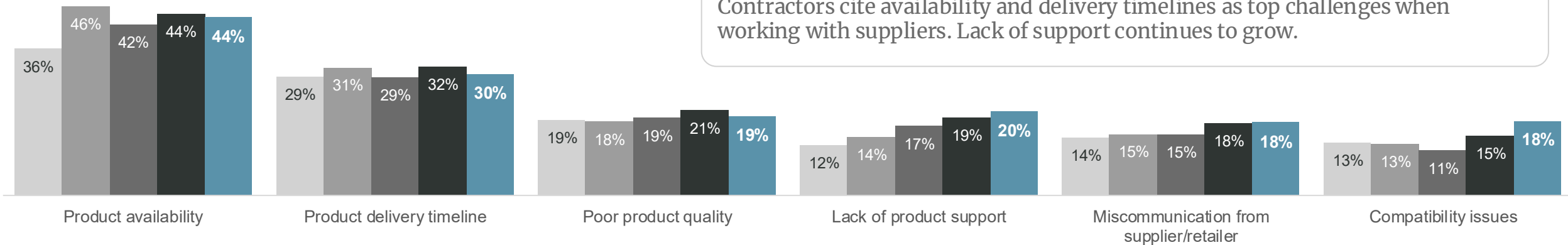


Pros working with homeowners increasingly face indecision and cost constraints while availability remains a challenge.

Homeowner Challenges Faced 24Q4 25Q1 25Q2 25Q3 25Q4
 Homeowner indecision and project cost constraints lead challenges, alongside timely payment, interference, and scheduling conflicts.

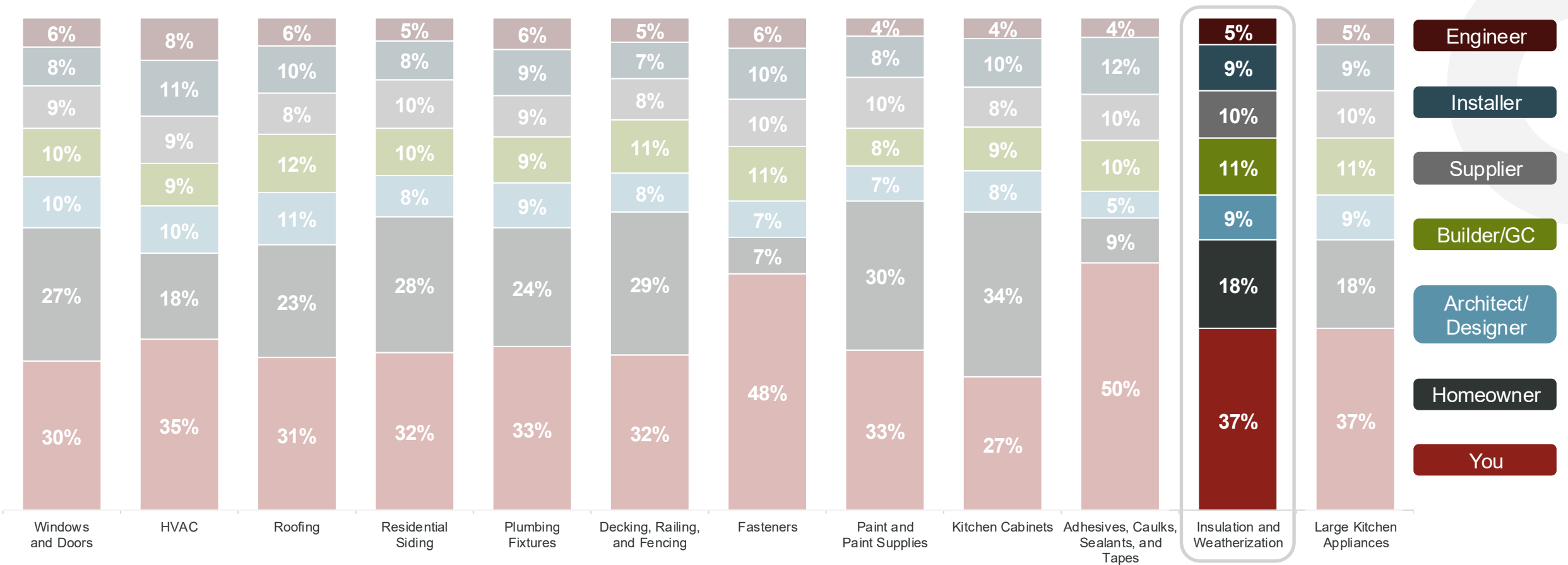


Supplier Challenges Faced 24Q4 25Q1 25Q2 25Q3 25Q4
 Contractors cite availability and delivery timelines as top challenges when working with suppliers. Lack of support continues to grow.



When choosing products, Pros rely most on their own judgement, with homeowners also carrying considerable weight, especially in finish categories.

Influencers on Product Decisions



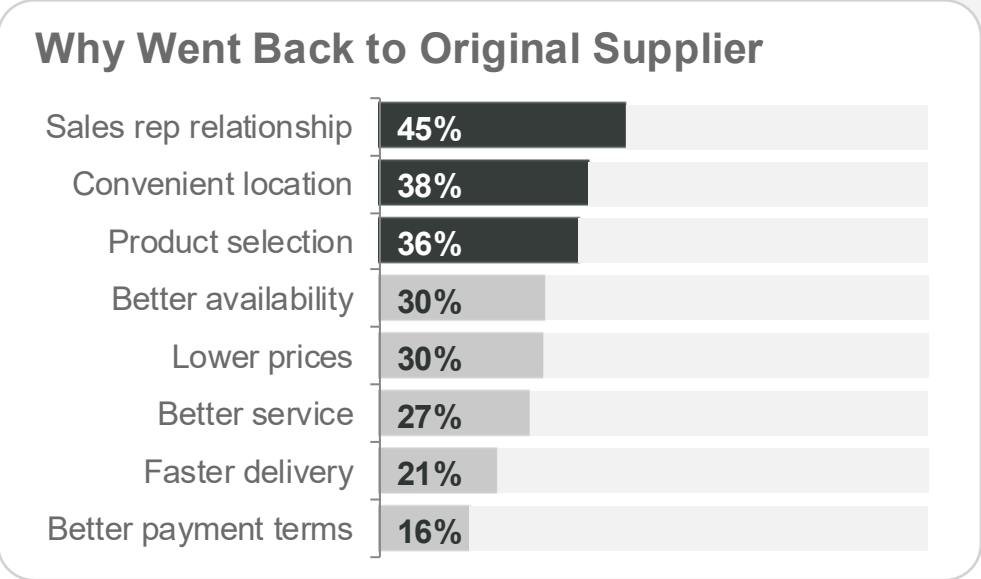
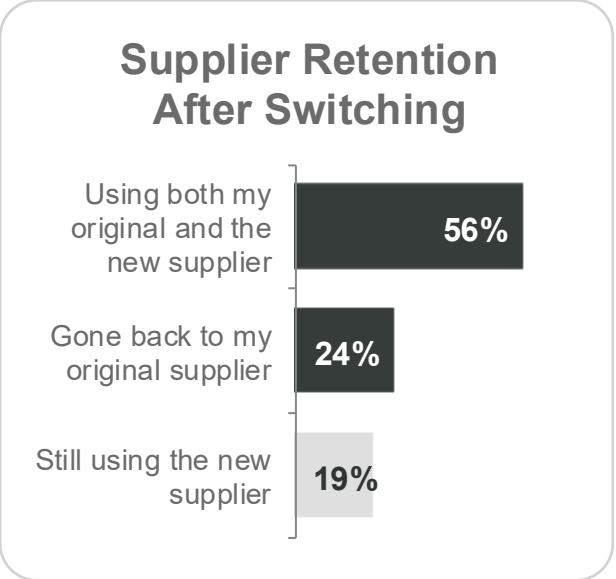
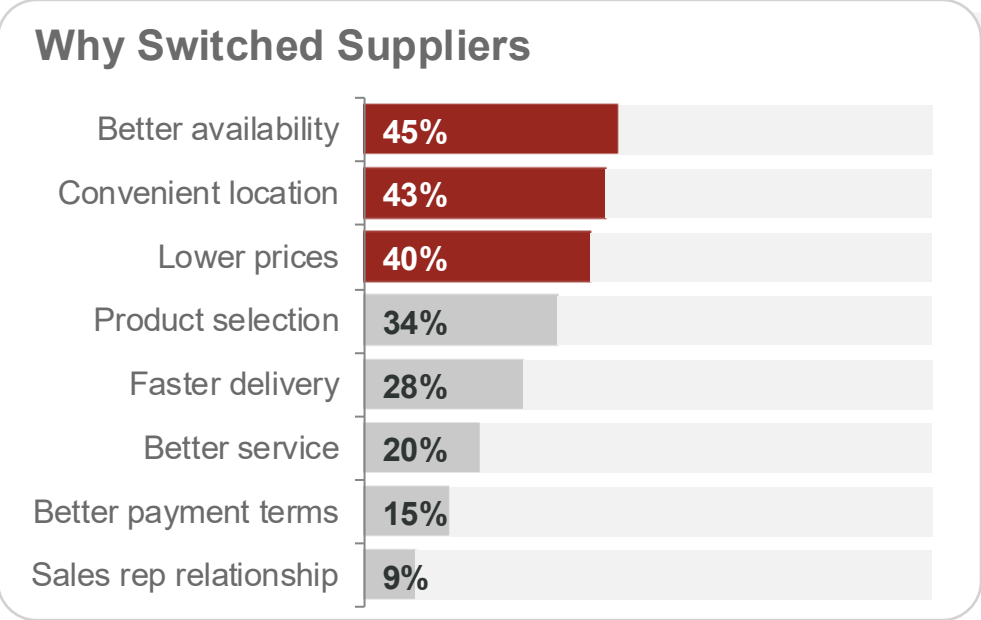
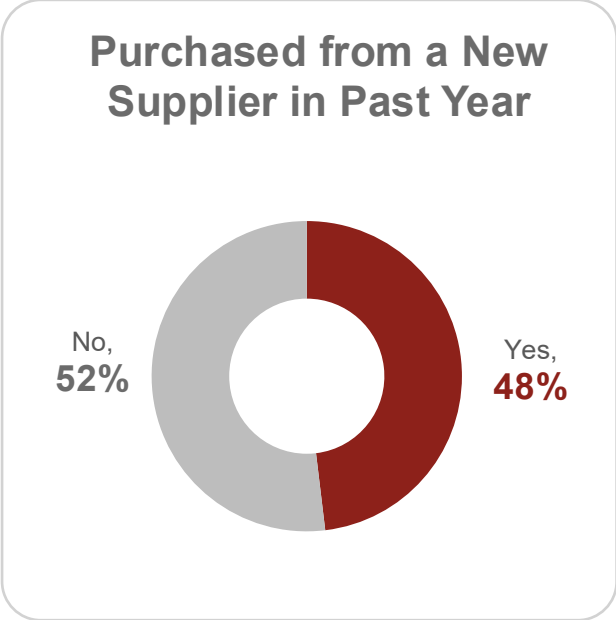
Q. Using 100%, what percentage of the time do each of these have on your [PRODUCT] decisions? (Power Tools and Hand Tools Excluded)

Pros Experiment, but Loyalty Pulls Them Back

Nearly half of Pros tried a new supplier in the past year, driven mainly by availability, location, and price.

However, many ended up returning to their original source, emphasizing the strength of existing relationships.

Switching is situational. Relationships are durable.



Q83. In the past year, have you purchased building products or materials from a new supplier?
 Q84. (If switched) Why did you switch suppliers?

Q85. (If switched) Have you continued to use the new supplier you've tried, or did you go back to your original supplier?
 Q86. (If switched) Why did you go back to your original supplier(a)?



Brand loyalty is strong in insulation & weatherization, but availability can override it.

Suppliers must focus on carrying the brands pros want, since they are willing to pay more for the brand they prefer.

While insulation and weatherization professionals remain loyal to preferred brands, supplier loyalty is secondary – making consistent availability and distribution execution critical to maintaining brand preference.

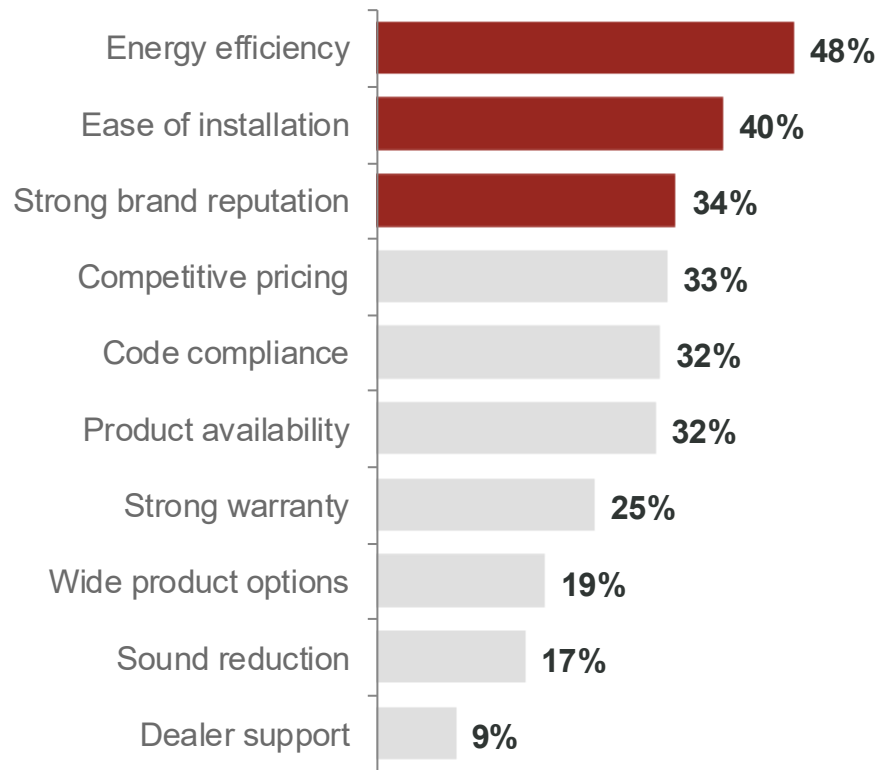
Brand Insights

Brand Matters More Than Supplier

Pros lead insulation and weatherization decisions, driven by energy efficiency and installation ease.

Pros stay loyal to preferred insulation brands, though supplier changes are nearly as common as brand changes.

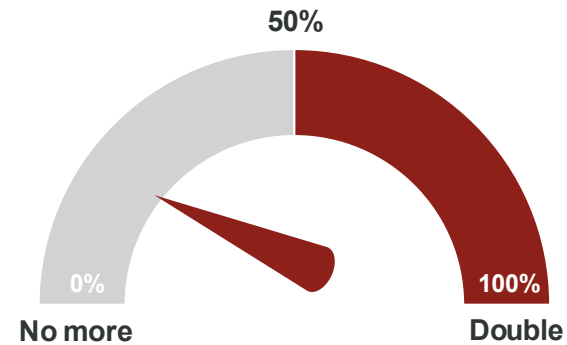
Factors Influencing Insulation and Weatherization Brand Choice



Percent of Time Non-Preferred Brand is Used

20%

Percent Price Increase Would Pay Before Switching Brands



19% More

Action if Preferred Supplier No Longer Carries Preferred Brand



Q73. What are the top three reasons you continue to purchase, install, or specify your preferred insulation and weatherization brand? Select up to 3.

Q75. What percentage of the time do you purchase, install, or specify an insulation and weatherization brand that is NOT your preferred brand?

Q76. If your preferred supplier stopped carrying your preferred brand of insulation and weatherization, what would you most likely do?

Q77. What percentage price increase would you pay for your preferred brand of insulation and weatherization before switching brands?



Generalists' Brand Drivers: Quality First

Which of the following are most important to you when selecting building product brands?

Home Builders

Residential GC / Remodeler

Commercial GC / Builder

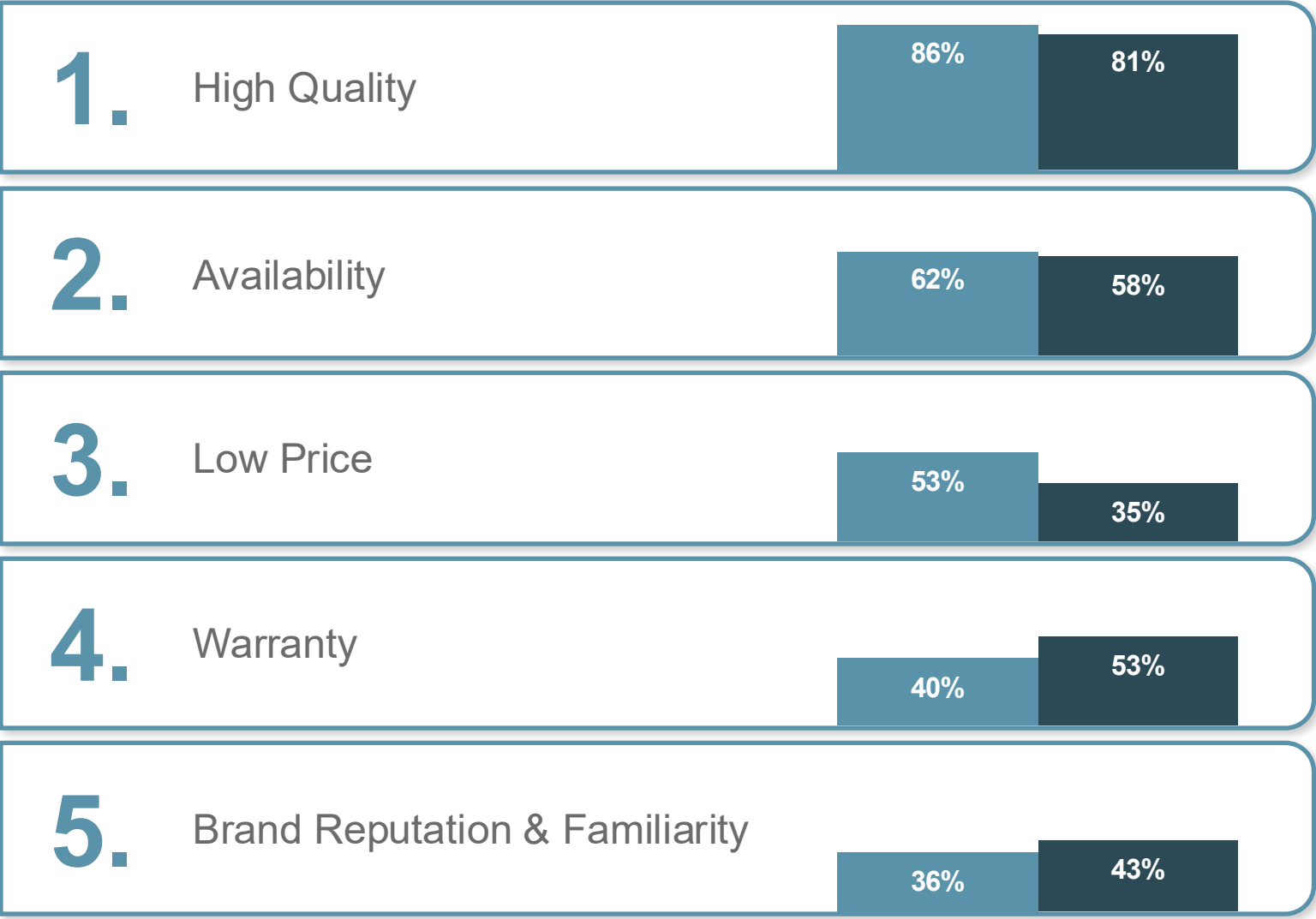


6. Ease of Use
7. Product Reviews
8. Manufacturer Support
9. Wide Range of Products
10. Word of Mouth Recommendation
11. Supplier Support
12. Sustainable/Environmentally Friendly
13. Sold Through Preferred Supplier
14. Manufacturer Loyalty Program
15. Supplier Loyalty Program



Specialists' Brand Drivers: Quality First

Which of the following are most important to you when selecting building product brands?



- 6. Ease of Use
- 7. Product Reviews
- 8. Manufacturer Support
- 9. Wide Range of Products
- 10. Word of Mouth Recommendation
- 11. Supplier Support
- 12. Sustainable/Environmentally Friendly
- 13. Sold Through Preferred Supplier
- 14. Manufacturer Loyalty Program
- 15. Supplier Loyalty Program

Architects' Brand Drivers: Quality is Crucial

Which of the following are most important to you when selecting building product brands?

Total
Revenue < \$2M
Revenue > \$2M



- 6. Ease of Use
- 7. Warranty
- 8. Sustainable / Environmentally Friendly
- 9. Sold Through Preferred Supplier
- 10. Low Price
- 11. Manufacturer Loyalty Program
- 12. Supplier Loyalty Program
- 13. Product Reviews



Insulation and weatherization reliance on the housing market is clear but *stay focused* on customer trends to win.



Housing is Steady:

Housing starts are not as high as we would like, but SF Growth is expected. Combined with Interest rate declines, and an aging housing stock. Spend rates also support a modest growth outlook.

Monitor policy changes, supply factors, income metrics, and the impact on housing.



Attitudes and Behaviors:

Homeowners want to do projects but remain uncertain about timing. Value proposition will be key to increasing conversions.

Pros must expect to face customer indecision, so provide guidance early on. Plan for product availability issues, pricing options to address homeowner needs, and nurture supplier relationships.



Distribution Matters:

Brands and suppliers must offer breadth and depth to provide pricing options and meet availability requirements. Both remain critical in a flat market where budget and timelines matter.

To maintain loyalty, brands must ensure high quality products reach suppliers on time, in the quantities needed, at price points that achieve their budgets.



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Customer Behavior & Attitudes

- Profile customer for effective targeting
- Quantify product usage to define market opportunity
- Prioritize selection criteria to know what you must deliver
- Learn where they shop, when and why for marketing and sales opportunities throughout the path to purchase



Product Development

- Explore product uses and needs to establish viable concepts
- Validate concepts to increased success and adoption at launch
- Define price & feature combinations to win at point of sale
- Determine preferred messaging and packaging to attract buyers



Brand Health & Performance

- Monitor brand performance to measure marketing success
- Capture brand perceptions to define market position
- Understand brand equity to improve category growth success
- Define brand usage to determine share opportunity



Market Sizing & Structure

- Define total product sales volume to determine market potential
- Define brand share to determine acquisition opportunity
- Define product distribution structure to inform channel strategy
- Define share by customer type to develop marketing and sales strategy

For over 35 years, we have dedicated our business to understanding consumers, professionals, and suppliers in specific industries.

Our industry knowledge paired with research expertise uniquely equips us to deliver research solutions that get you insightful answers to your specific needs.



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