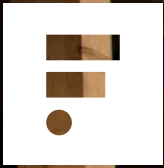




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Insulation & Weatherization Trends



Forecast

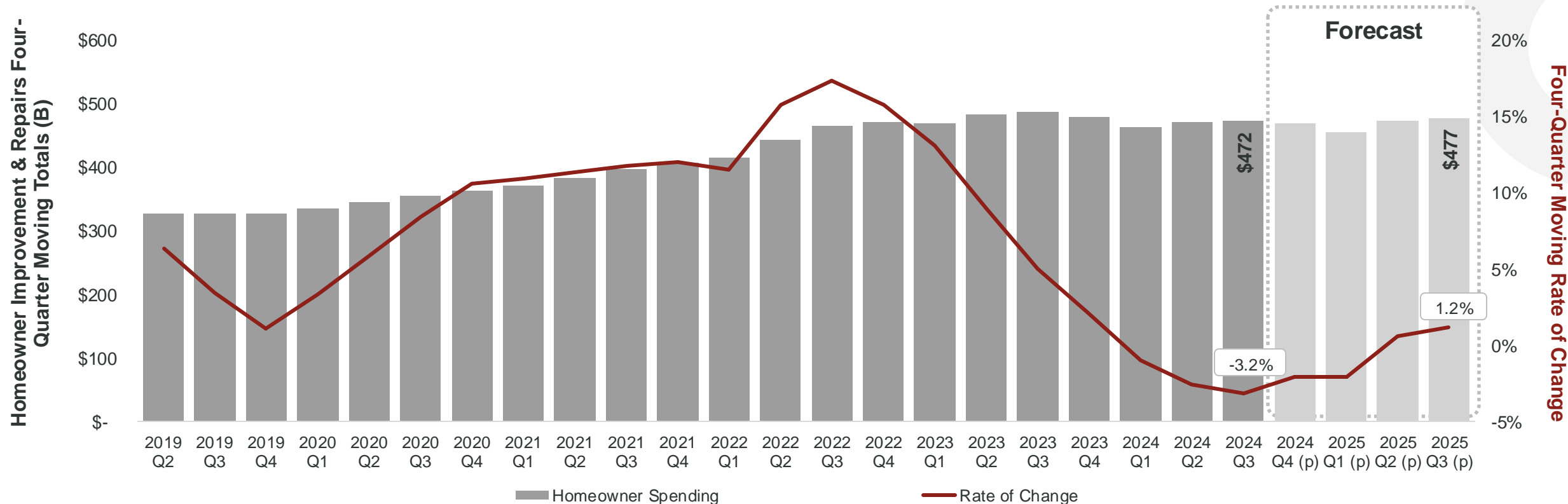
as of January 3, 2025

Remodeling Activity Forecast

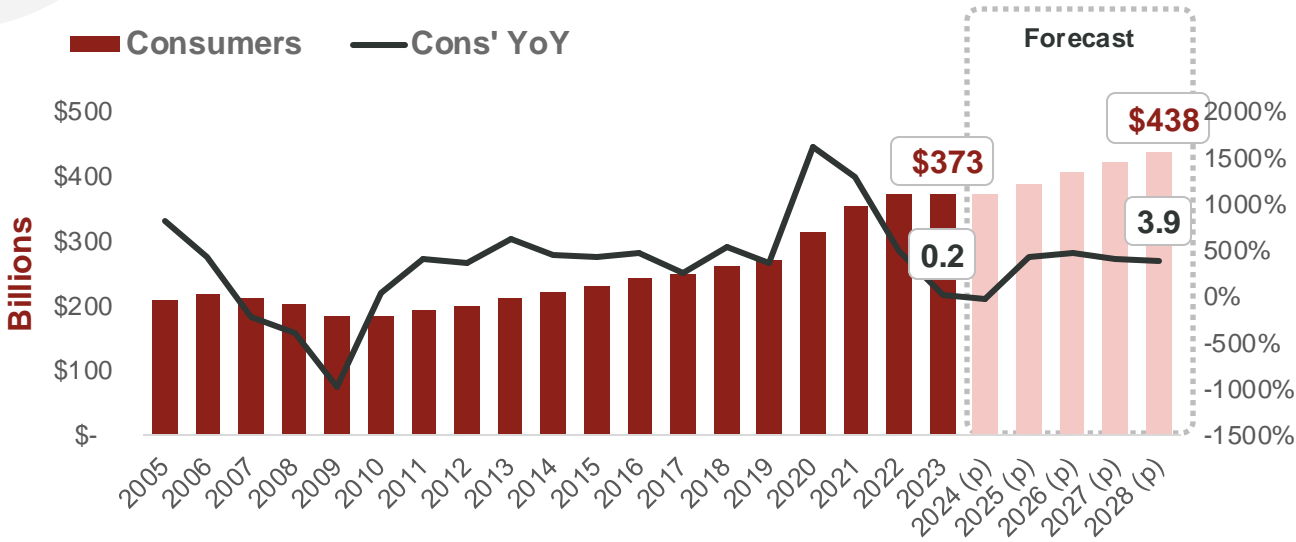
Lower Home Remodeling Expected

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 decrease this year and into the first quarter of 2025, but at a moderating rate.

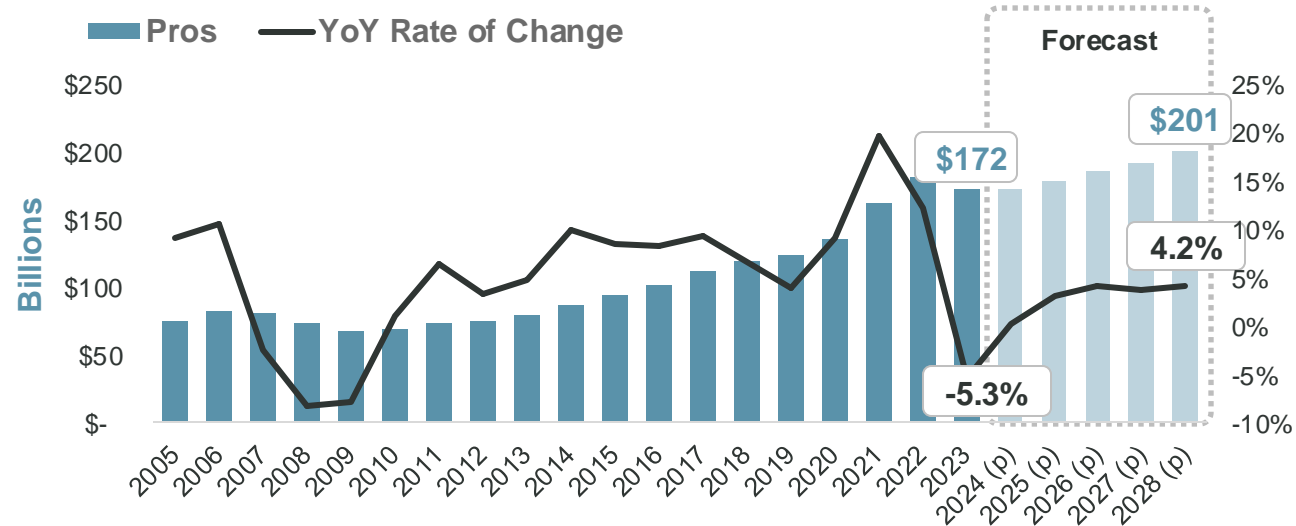


Revenue Forecast



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 flat or smaller increases in consumer product spend.

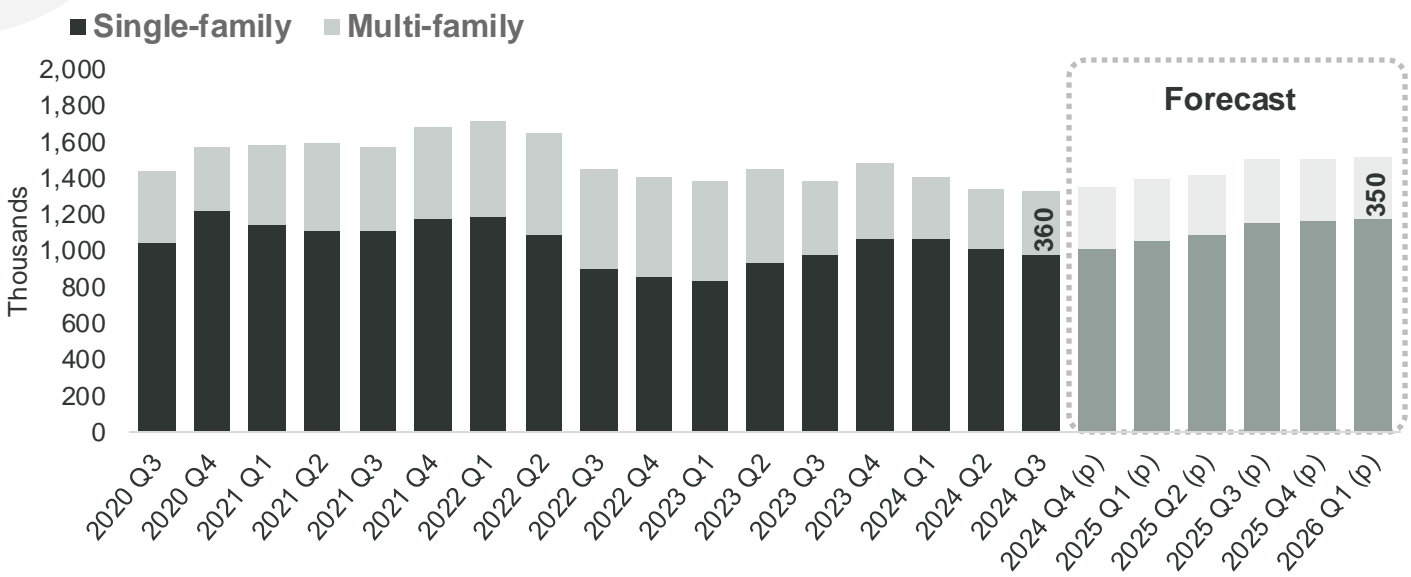


Pros: YoY Growth to Improve (Slightly) in 2024

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



Housing Starts Forecast

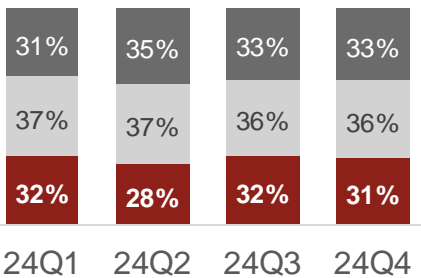


Steady Growth Expected

- Housing start forecast includes both single- and multi-family new residential construction started each quarter, but the data does not include unit completes, sales, or closes.
- Multi-Family is expected to decline in 2024 as inventory levels have increased in recent year, loan rates increased, and single family begins to add inventory.

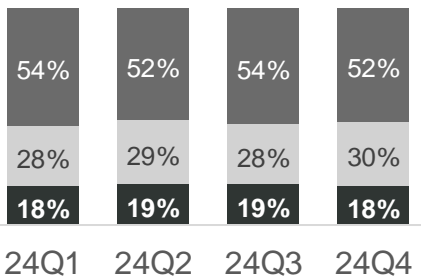
Start a HI project <\$5,000

■ Good time ■ Neutral ■ Bad time



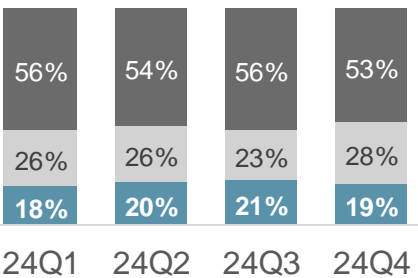
Hire a Professional

■ Good time ■ Neutral ■ Bad time



Start a HI project >\$5,000

■ Good time ■ Neutral ■ Bad time



Greatest Challenges to Contractors' Business Growth

- Products and Material Shortages
- Labor Shortages
- Increasing Competition

2024 HI Activity Sentiment

Review Current Industry Dynamics

Discuss Most Up-to-Date Forecast Data with an Industry Expert

[Schedule a Meeting](#) 

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New Data Available Monthly

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Construction and Remodeling:

Industry Drivers and Forecast

For more information, please visit TheFarnsworthGroup.com,
email us at results@TheFarnsworthGroup.com,
or scan below to schedule a meeting.



Housing Permits, Starts & Completes

Single Family



Started
(Q3 2024) 970,000
Forecasted to Start
(Q3 2025) 1,150,000
Single Family Homes

SF Starts:

- Housing starts refers to the amount of new residential construction projects beginning each month.
- Though Single Family starts have increased in recent years, growth is slowed by increased costs, increasing rates, and capacity constraints. This continues to increase the national problem of under building SF homes.

SF Permits and Completes:

- Permits can serve as a leading indicator of future construction activity.
- Completes can impact inventory levels and home values.

Home Value

Home Values and Consumer Power: A Balancing Act

Home Values and Consumer Power: Rising home values increase equity and purchasing power for renovations or upgrading homes, declining values can limit these options.

New vs. Existing Homes: A large value gap between new and existing homes encourages existing home sales. A smaller gap can make new homes more appealing, boosting sales.

National Equity: Despite some market softening, national home values remain strong, which drives home equity, indicating significant financial leverage for homeowners.

Median Sale Price of Houses Sold



YoY Change in Home Value  -7% New Homes  5% Existing Homes



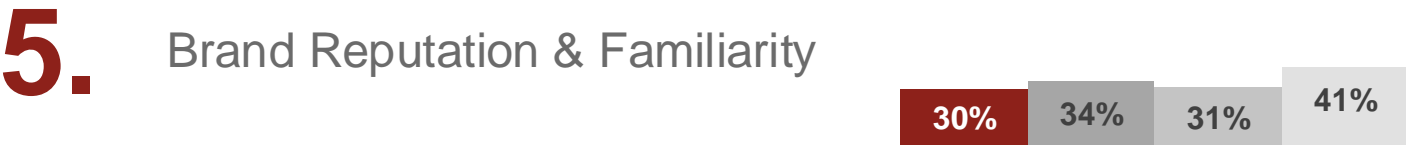


Purchasing Insights

DIYers' Top Building Product Brand Traits

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

- Gen Z
- Gen Y
- Gen X
- Boomers

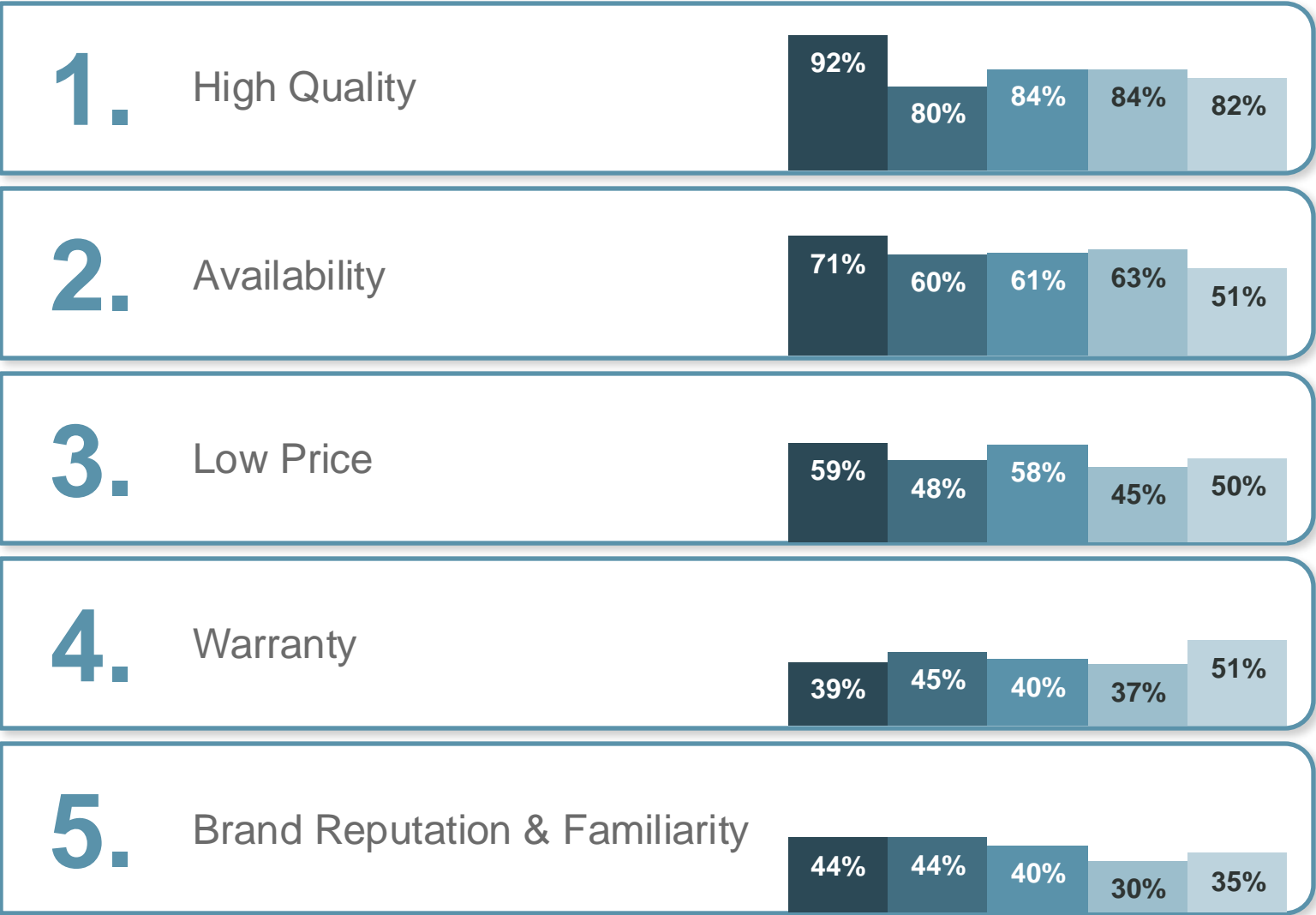


- 6. Warranty
- 7. Product Reviews
- 8. Wide Range of Products
- 9. Supplier Support
- 10. Sustainable/Environmentally Friendly
- 11. Manufacturer Support
- 12. Sold Through Preferred Supplier
- 13. Word of Mouth Recommendation
- 14. Manufacturer Loyalty Program
- 15. Supplier Loyalty Program

Pros' General Brand Drivers

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

- Home Builders
- Residential GC / Remodeler
- Residential Specialty Trades
- Commercial Specialty Trades
- Commercial GC / Builder



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



Architects' Top Building Product Brand Traits

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. Product Reviews
- 13. Word of Mouth Recommendation
- 14. Wide Range of Products

Product Purchase Behavior

Contractors, builders/GCs, and homeowners drive insulation and weatherization decisions, while suppliers and engineers have less influence. Quality leads product selection, followed by pricing, with homeowner demand rising.

Homeowner

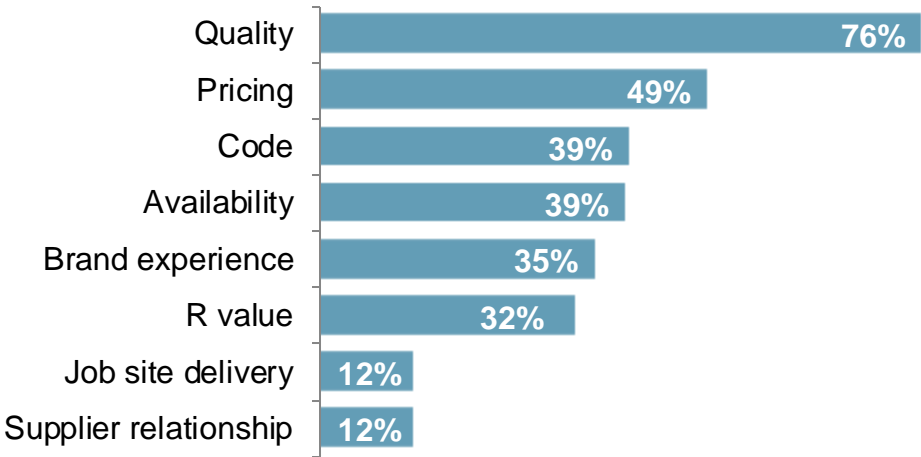
Home Improvement Product Purchases in Last 90 Days

12%

Purchased Insulation & Weatherization Products

Pro

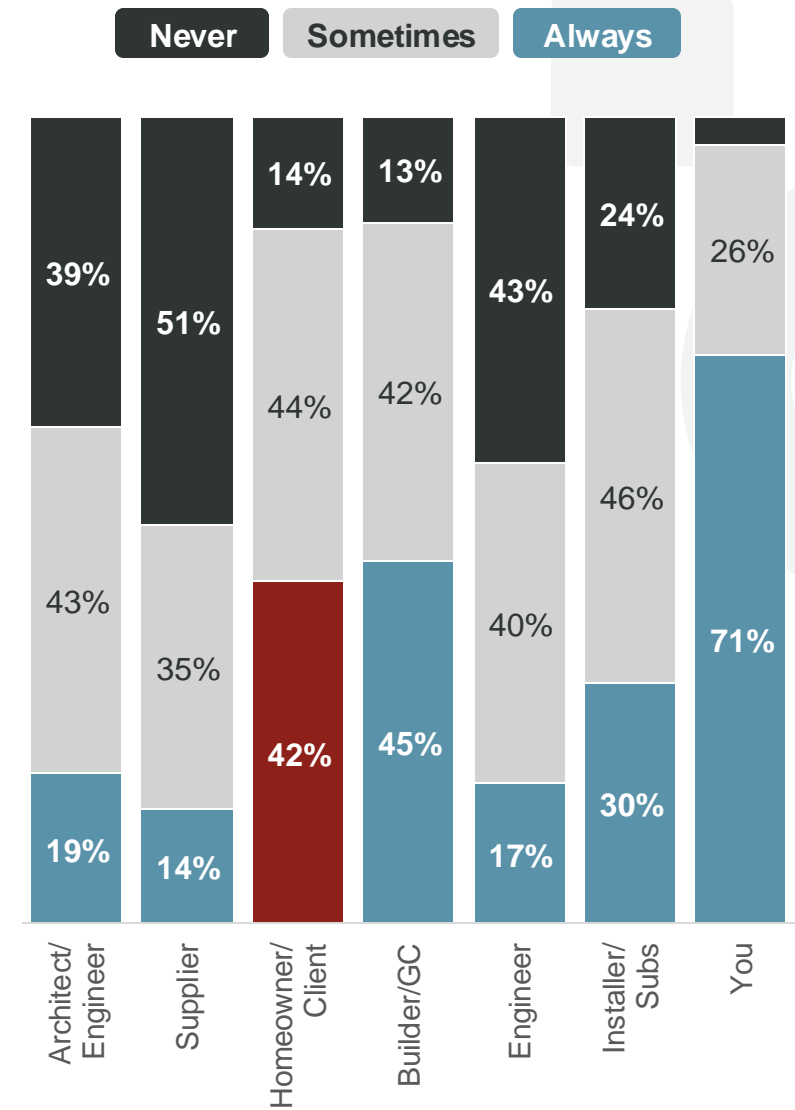
Factors Influencing Insulation & Weatherization Choices



Frequency Homeowners Request Weatherization Solutions This Year vs. Last Year



Influencers' Involvement in Making Decisions on Insulation & Weatherization





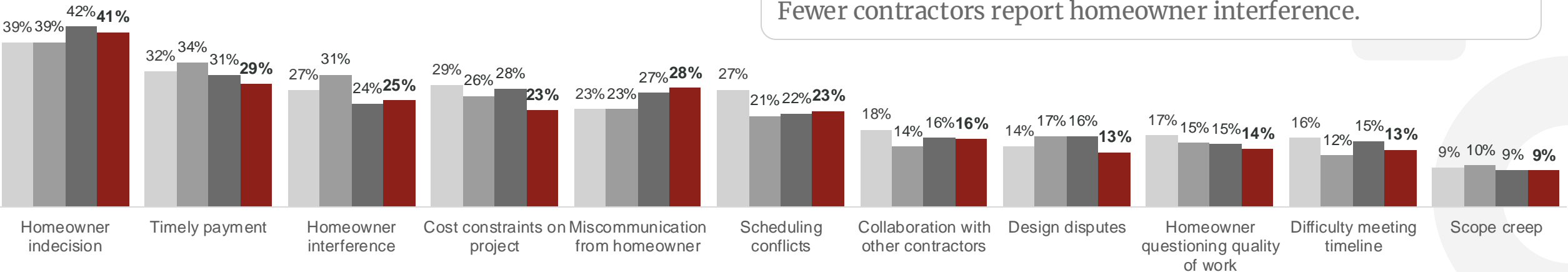
Channel Insights

Challenges Faced When Working with:

Homeowners

Q1 Q2 Q3 Q4

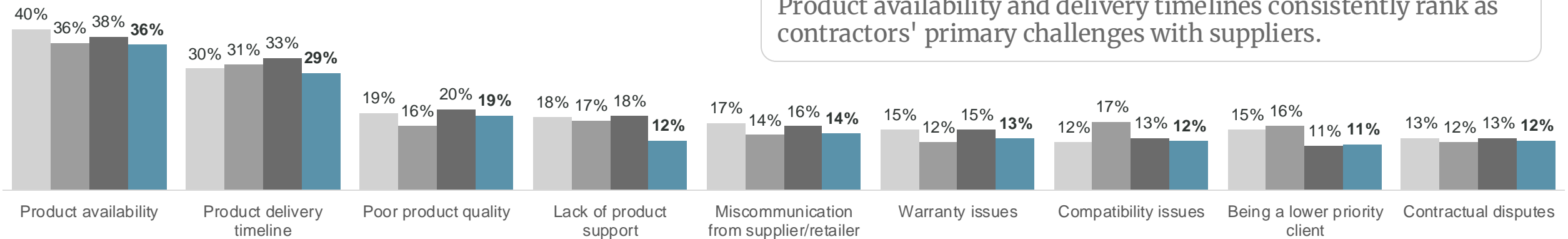
Indecision and delayed payments are top homeowner challenges. Fewer contractors report homeowner interference.



Suppliers

Q1 Q2 Q3 Q4

Product availability and delivery timelines consistently rank as contractors' primary challenges with suppliers.



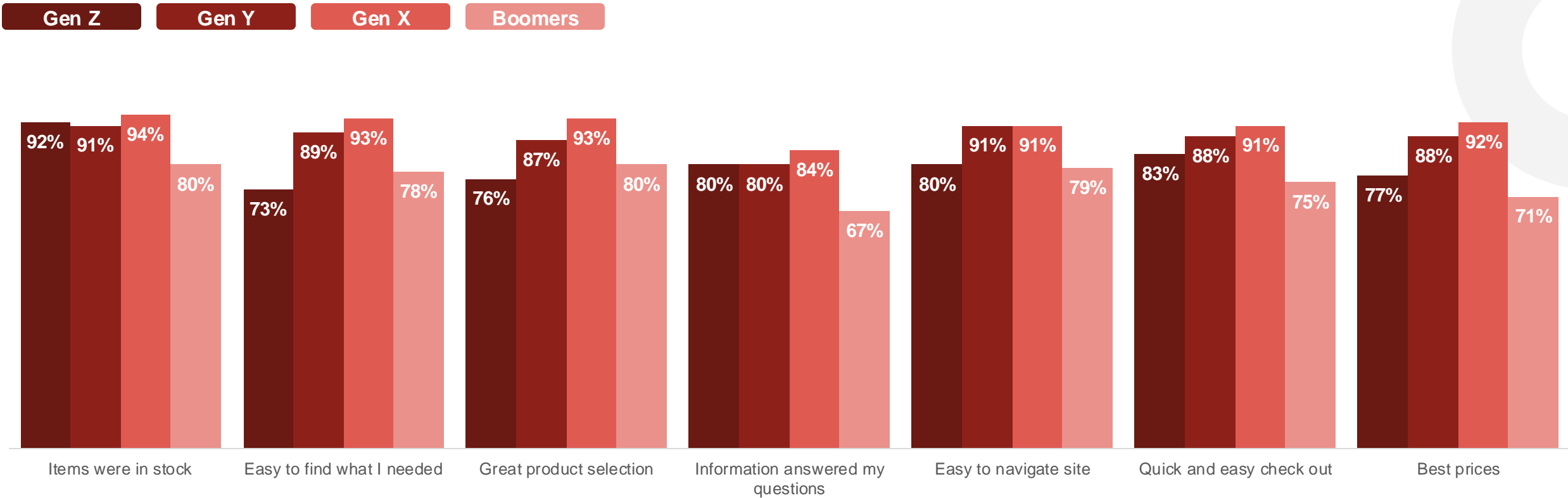
Key Insights on **DIYer** Purchasing Trends

Homeowner

- 73% of DIYers spend on materials and tools over hiring pros, citing cost savings (70%) as the main reason.
- 27% tried a new supplier last year due to better pricing and availability.
- Younger DIYers are more open to new brands, reflecting their growing interest in DIY.
- Home centers like Home Depot (28%), Lowe's (21%), and Amazon (11%) are preferred, with stocked items and selection being key factors.

How Important Are Each of the Following When Shopping For Home Improvement Products Online?

(2024, all respondents)



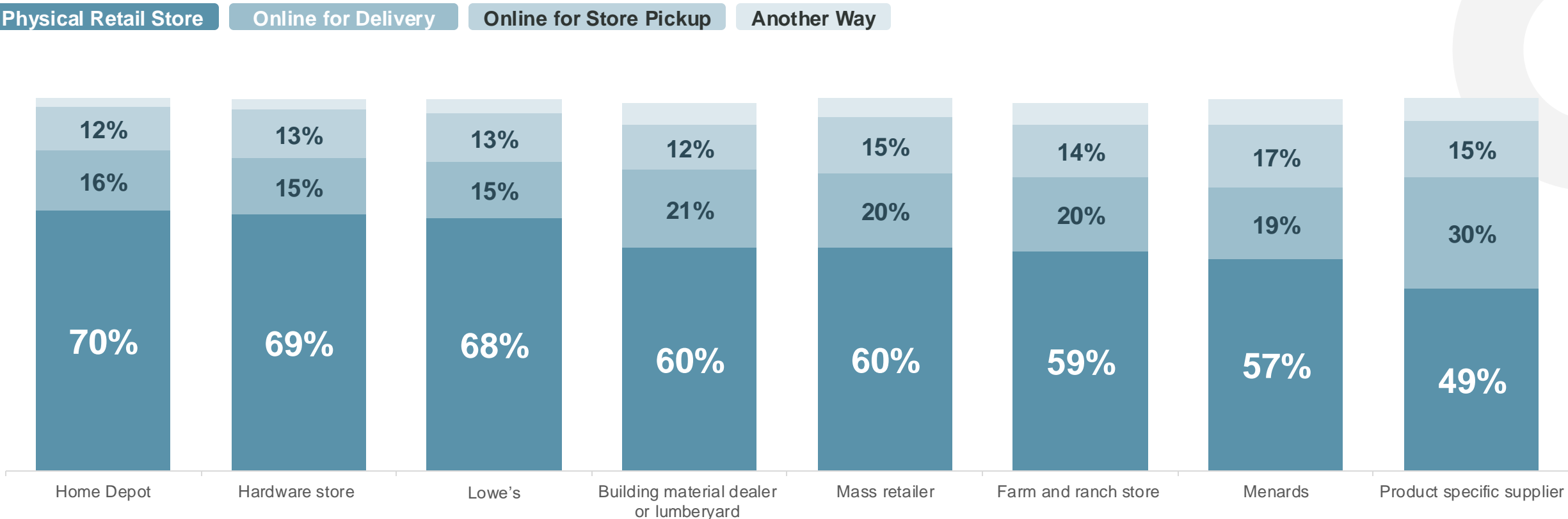
Key Insights on Pro Purchasing Trends

Pros

- Tools (74%) and hardware (67%) are pros' top purchases, mainly from brick-and-mortar stores like Home Depot (29%) and Lowe's (20%).
- Online buying is growing, especially among larger firms.
- Pros switch suppliers for better stock, pricing, and delivery.
- The key is balancing in-store convenience with online flexibility.

Purchase Method – Share of all purchases

(2024, all respondents shopping at that supplier)





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Remove the Risk in Your Next Decision

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