

FOR IMMEDIATE RELEASE
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Remodeling Market Sentiment Holds Steady in Second Quarter

WASHINGTON, July 18 - The National Association of Home Builders (NAHB) released its NAHB/Westlake Royal Remodeling Market Index (RMI) for the second quarter, posting a reading of 65, down one point compared to the previous quarter.

The NAHB/Westlake Royal RMI survey asks remodelers to rate five components of the remodeling market as "good," "fair" or "poor." Each question is measured on a scale from 0 to 100, where an index number above 50 indicates that a higher share view conditions as good than poor.

The Current Conditions Index is an average of three components: the current market for large remodeling projects, moderately-sized projects and small projects. The Future Indicators Index is an average of two components: the current rate at which leads and inquiries are coming in and the current backlog of remodeling projects. The overall RMI is calculated by averaging the Current Conditions Index and the Future Indicators Index. Any number over 50 indicates that more remodelers view remodeling market conditions as good than poor.

“Although some remodelers are reporting a slowdown, most continue to see solid demand for remodeling projects, subject to normal seasonal fluctuations,” said NAHB Remodelers Chair Mike Pressgrove, a remodeler from Topeka, Kan. “In some markets, elevated interest rates have caused some customers to purchase improvement projects with cash rather than loans. However, this option is only available for wealthier home owners.”

“The RMI remains solidly in positive territory, and NAHB continues to project remodeling activity has stabilized at a healthy level in 2024,” said NAHB Chief Economist Robert Dietz. “Some home owners may be tempted to delay projects waiting for interest rates to decline, but this is offset by others who want to work with a remodeler now, fearing inflation may increase project costs if they wait.”

The Current Conditions Index averaged 73, declining one point compared to the previous quarter. All three components remained well above 50 in positive territory in the second quarter: the component measuring large remodeling projects (\$50,000 or more) remained even at 70, the component measuring moderate remodeling projects (at least \$20,000 but less than \$50,000) remained even at 74, and the component measuring small-sized remodeling projects (under \$20,000) fell two points to 75.

The Future Indicators Index averaged 58, declining one point compared to the previous quarter. The component measuring the current rate at which leads and inquiries are coming in dropped two points to 55, and the component measuring the backlog of remodeling jobs edged down one point to 60.

For the full RMI tables, please visit nahb.org/rmi.

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ABOUT NAHB REMODELERS: NAHB Remodelers is America's home for professional remodelers, representing the more than 53,000 members of the National Association of Home Builders (NAHB) who are involved in the remodeling industry. Founded in 1982, the organization provides information, education and designation programs to improve the business and construction expertise of its members and to enhance the professional image of the industry. Its membership incorporates nearly 100 local councils across the nation.

ABOUT NAHB: The National Association of Home Builders is a Washington-based trade association representing more than 140,000 members involved in home building, remodeling, multifamily construction, property management, subcontracting, design, housing finance, building product manufacturing and other aspects of residential and light commercial construction. NAHB is affiliated with 700 state and local home builders associations around the country. NAHB's builder members will construct about 80% of the new housing units projected for this year.



NAHB/Westlake Royal Remodeling Market Index

Second Quarter 2024

Economics & Housing Policy Group

Table 1.
NAHB/Westlake Royal Remodeling Market Index (RMI)
National Index, Components & Subcomponents
(Seasonally Adjusted)

| | 2021 | | | 2022 | | | | 2023 | | | | 2024 | |
|---|------|----|----|------|----|----|----|------|----|----|----|------|----|
| | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |
| <u>NAHB/Westlake Royal RMI</u> | 86 | 87 | 87 | 83 | 77 | 77 | 69 | 70 | 68 | 65 | 67 | 66 | 65 |
| <u>Current Conditions Index</u> | 91 | 90 | 91 | 87 | 83 | 83 | 77 | 75 | 77 | 72 | 74 | 74 | 73 |
| The current market for large remodeling projects (\$50,000 or more) in the area where you operate. | 89 | 87 | 88 | 86 | 78 | 81 | 74 | 71 | 72 | 67 | 70 | 70 | 70 |
| The current market for moderately-sized remodeling projects (at least \$20,000 but less than \$50,000) in the area where you operate. | 92 | 92 | 91 | 87 | 84 | 83 | 78 | 78 | 77 | 73 | 75 | 74 | 74 |
| The current market for small remodeling projects (under \$20,000) in the area where you operate. | 92 | 91 | 93 | 88 | 86 | 84 | 79 | 77 | 81 | 76 | 78 | 77 | 75 |
| <u>Future Indicators Index</u> | 82 | 83 | 83 | 78 | 70 | 71 | 62 | 64 | 60 | 57 | 59 | 59 | 58 |
| The current rate at which your leads and inquiries are coming in. | 80 | 82 | 81 | 74 | 67 | 65 | 57 | 59 | 59 | 56 | 56 | 57 | 55 |
| Your current backlog of remodeling projects. | 83 | 84 | 85 | 83 | 74 | 76 | 67 | 69 | 61 | 59 | 62 | 61 | 60 |

The overall RMI and its subcomponents are measured on a scale of 0 to 100, where an index number of 50 indicates equal numbers of remodelers report activity is good and poor for the previous quarter.

The overall RMI is an average of the current market index and the future indicators index. The current market index is an average of the following components: the current market for large remodeling projects, moderately-sized projects, and small projects. The future indicators index is an average of the current rate at which your leads and inquiries are coming in component, and your current backlog of remodeling projects component

Source: NAHB Economics Group: Remodeling Market Index quarterly survey of remodelers.

Q2 2024 Results based on 236 responses

Table 2. NAHB/Westlake Royal Remodeling Market Index (RMI)
Regional Indices

| | NATIONAL (Seasonally Adjusted) | | | REGIONAL (Seasonally Adjusted) | | | | | | | | | | | |
|------------------|-----------------------------------|---------------------------|--------------------------|-----------------------------------|---------------------------|--------------------------|---------|---------------------------|--------------------------|-------|---------------------------|--------------------------|------|---------------------------|--------------------------|
| | RMI | Current Market Conditions | Future Market Indicators | Northeast | | | Midwest | | | South | | | West | | |
| | | | | RMI | Current Market Conditions | Future Market Indicators | RMI | Current Market Conditions | Future Market Indicators | RMI | Current Market Conditions | Future Market Indicators | RMI | Current Market Conditions | Future Market Indicators |
| 1st Quarter 2020 | 47 | 56 | 37 | 60 | 69 | 50 | 47 | 59 | 34 | 43 | 53 | 32 | 49 | 55 | 42 |
| 2nd Quarter 2020 | 73 | 77 | 68 | 75 | 77 | 74 | 72 | 74 | 70 | 73 | 77 | 69 | 72 | 81 | 63 |
| 3rd Quarter 2020 | 81 | 86 | 77 | 77 | 81 | 73 | 84 | 86 | 82 | 78 | 84 | 73 | 83 | 88 | 78 |
| 4th Quarter 2020 | 82 | 87 | 78 | 79 | 83 | 76 | 85 | 88 | 83 | 80 | 85 | 74 | 88 | 94 | 81 |
| 1st Quarter 2021 | 83 | 87 | 80 | 78 | 84 | 73 | 88 | 90 | 85 | 82 | 86 | 78 | 87 | 88 | 86 |
| 2nd Quarter 2021 | 86 | 91 | 82 | 77 | 84 | 71 | 88 | 92 | 84 | 88 | 93 | 83 | 85 | 92 | 79 |
| 3rd Quarter 2021 | 87 | 90 | 83 | 77 | 80 | 73 | 86 | 89 | 83 | 87 | 90 | 84 | 86 | 90 | 81 |
| 4th Quarter 2021 | 87 | 91 | 83 | 80 | 87 | 72 | 88 | 91 | 84 | 88 | 90 | 86 | 89 | 94 | 85 |
| 1st Quarter 2022 | 83 | 87 | 78 | 81 | 87 | 75 | 84 | 88 | 79 | 82 | 87 | 77 | 86 | 89 | 84 |
| 2nd Quarter 2022 | 77 | 83 | 70 | 77 | 79 | 74 | 79 | 84 | 74 | 76 | 83 | 70 | 75 | 84 | 66 |
| 3rd Quarter 2022 | 77 | 83 | 71 | 79 | 83 | 75 | 76 | 81 | 71 | 75 | 81 | 69 | 76 | 84 | 68 |
| 4th Quarter 2022 | 69 | 77 | 62 | 58 | 67 | 50 | 73 | 79 | 67 | 72 | 80 | 64 | 66 | 74 | 58 |
| 1st Quarter 2023 | 70 | 75 | 64 | 70 | 77 | 62 | 73 | 78 | 69 | 71 | 76 | 66 | 63 | 72 | 55 |
| 2nd Quarter 2023 | 68 | 77 | 60 | 80 | 83 | 77 | 70 | 77 | 62 | 68 | 76 | 59 | 63 | 75 | 51 |
| 3rd Quarter 2023 | 65 | 72 | 57 | 61 | 58 | 63 | 62 | 70 | 53 | 65 | 72 | 59 | 65 | 74 | 56 |
| 4th Quarter 2023 | 67 | 74 | 59 | 66 | 74 | 59 | 66 | 73 | 59 | 68 | 75 | 61 | 66 | 75 | 57 |
| 1st Quarter 2024 | 66 | 74 | 59 | 77 | 82 | 73 | 70 | 78 | 62 | 63 | 71 | 55 | 61 | 69 | 54 |
| 2nd Quarter 2024 | 65 | 73 | 58 | 68 | 73 | 63 | 63 | 71 | 55 | 69 | 76 | 62 | 63 | 72 | 55 |

The overall RMI, and each of its components and subcomponents, is measured on a scale of 0 to 100, where an index number of 50 indicates equal numbers of remodelers report activity is good and poor for the previous quarter.

The overall RMI is an average of the current market index and the future indicators index. The current market index is an average of the following components: the current market for large remodeling projects, moderately-sized projects, and small projects. The future indicators index is an average of the current rate at which your leads and inquiries are coming in component, and your current backlog of remodeling projects component

Source: NAHB Economics Group: Remodeling Market Index quarterly survey of remodelers.

Q2 2024 Results based on 236 responses

Figure 1: NAHB/Westlake Royal Remodeling Market Index (RMI)

OVERALL RMI

(Seasonally Adjusted)

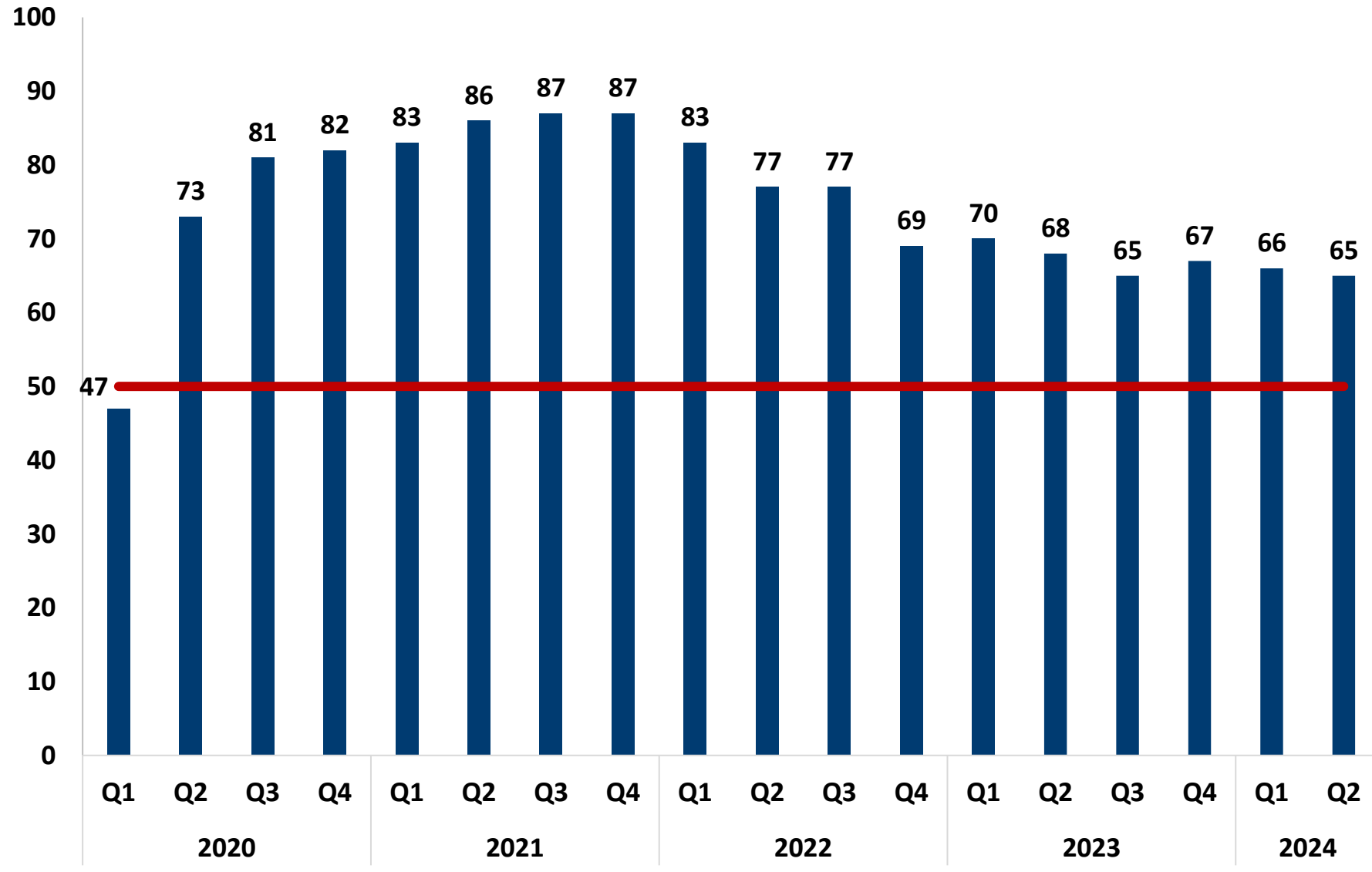


Figure 2: NAHB/Westlake Royal Remodeling Market Index (RMI)
Current Conditions Index
(Seasonally Adjusted)

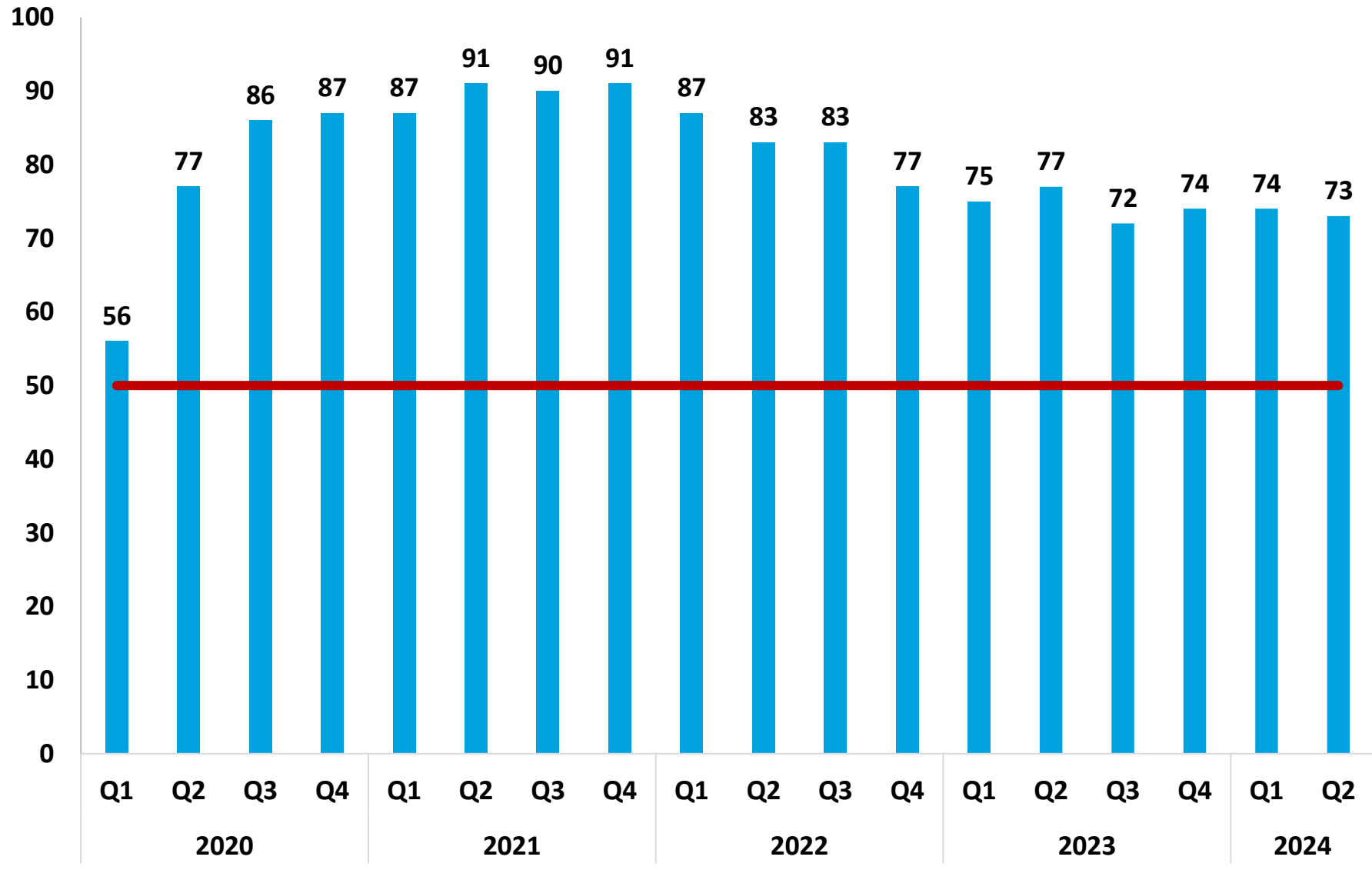
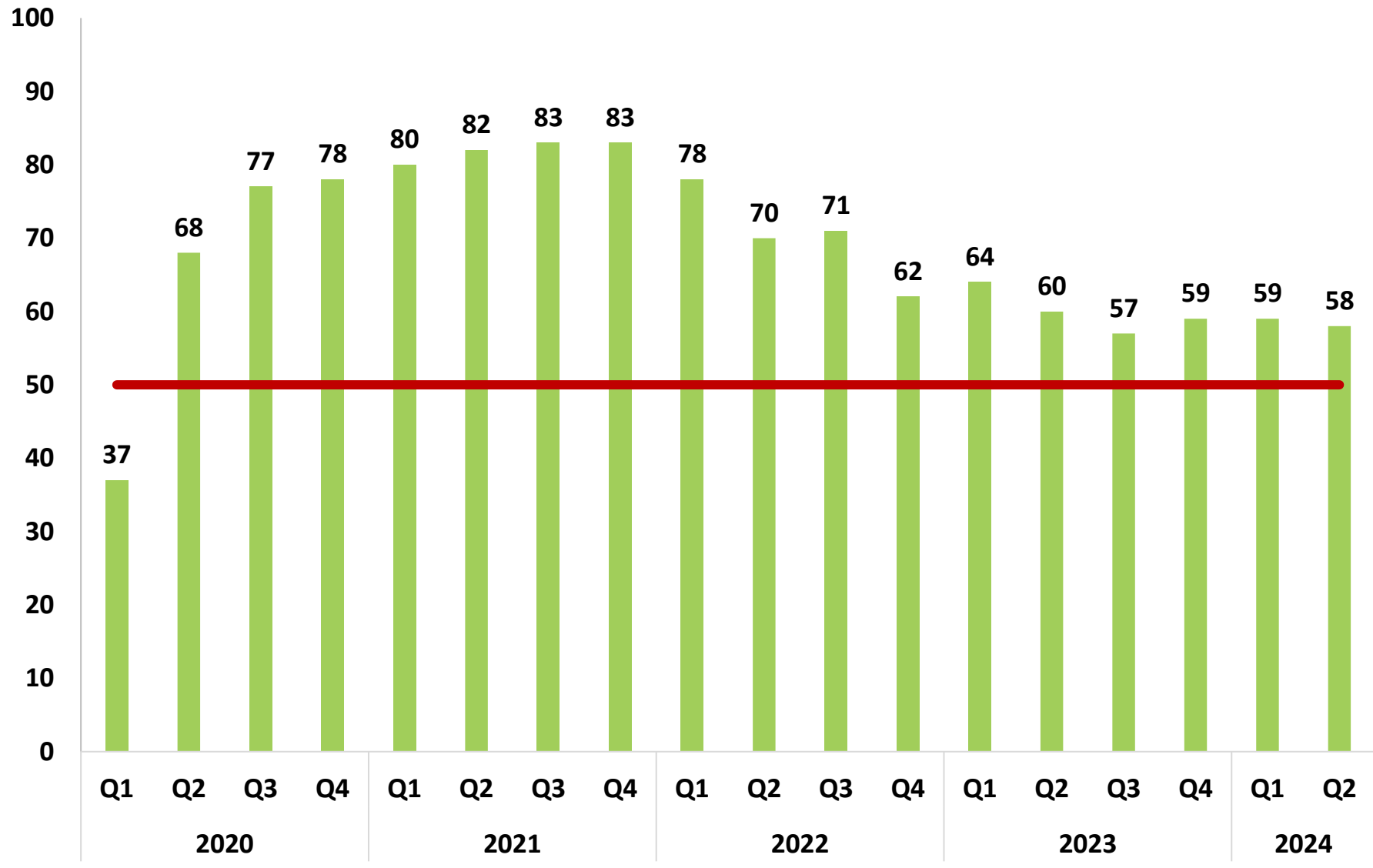


Figure 3: NAHB/Westlake Royal Remodeling Market Index (RMI)
Future Indicators Index
(Seasonally Adjusted)



National Association of Home Builders

Remodeling Market Index

Second Quarter 2024

| PLEASE RATE EACH OF THE FOLLOWING: <i>(O.K. to leave a particular line blank if you don't have sufficient knowledge about that part of the remodeling market)</i> | Good | Fair | Poor |
|--|--------------------------|--------------------------|--------------------------|
| 1. The current market for <u>large</u> remodeling projects (\$50,000 or more) in the area where you operate. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. The current market for <u>moderately-sized</u> remodeling projects (at least \$20,000 but less than \$50,000) in the area where you operate. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. The current market for <u>small</u> remodeling projects (under \$20,000) in the area where you operate. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. The current rate at which your <u>leads and inquiries</u> are coming in. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Your current <u>backlog</u> of remodeling projects. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

6. *Additional comments about remodeling activity:*
