

Quality, Value & Functionality: Home Improvement Trends in 2014



An overview of North American homeowners' preferences during home renovations

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NORTH AMERICAN HOMEOWNERS' PREFERENCES DURING HOME RENOVATIONS IN 2014

Introduction:

U.S. consumers spend approximately \$2 trillion on their housing needs every year. Their Canadian counterparts, emerging from the global economic downturn less scathed than the US consumers, are again opening their wallets with a desire to spend \$45 billion on renovations and upgrades to their homes in 2014. With increasing investments in home improvements and the huge echo-boom population moving into the home buying market over the coming decade, the remodeling industry is facing a more promising future.¹

It is vital to know the needs, wants, and priorities of these homeowners in order to understand their spending psyche more than simply reviewing current home buying and pricing trends. Phantom Screens wanted to learn about exactly what is important for homeowners who plan to renovate or upgrade their homes, and conducted a North America wide consumer survey to learn about just that. The finding of the survey, combined with housing and renovation industry data from several notable national industry news and research outlets, form the basis of this white paper. The paper includes info on homeowners' motivating factors when updating their homes, their preferences of product features and design trends. High quality products, efficient usage of existing living spaces, and adding comfort and additional value to the home are some of the highlighted results.

Homeowners are ready to tackle renovation projects

After hitting a cyclical bottom in late 2009 and languishing near that low for two years, the North American home improvement market appears poised for a solid rebound.² As noted by Gillian B. White, associate editor at Kiplinger.com, there's more expansion ahead for the housing market in 2014, with starts and new-home sales continuing to rise at double-digit rates, thanks to tight inventory.³ The National Association of Home Builders also projects that residential remodeling spending on owner-occupied single-family homes will increase 2.5 percent in 2014 over 2013, and another 1.8 percent in 2015.⁴

These numbers are also supported by Houzz.com, the world’s leading online platform for home remodeling and design. Their 2013 Houzz & Home Survey found that 84 percent of respondents plan to decorate or redecorate in the next two years, and 40 percent want to remodel or build an addition.⁵ While the recession caused homeowners to stay put instead of selling and moving to a better home, it has also caused them to look at their current homes as sanctuaries rather than just shelters, resulting in growing number of updates and renovations to existing homes.

“We asked a total of 810 consumers about reasons for updating their homes, the average amount spent on renovations, and items purchased to improve their homes,” says Paul Ackah-Sanzah, senior marketing manager at Phantom Screens. “With 2 in 3 consumers having completed renovations or remodeled their home within the last three years, the findings show that homeowners seem to feel more confident in their plans to improve their homes.”



The average amount spent on renovations - between \$15,000 and \$20,000 – is noted by Phantom’s survey respondents, as well as Canadian Imperial Bank of Commerce homeowners’ polls in 2013 & 2014. While CIBC’s 2013 figures pointed at homeowners splurging on average \$15,300 on their home renovations, an average expected cost of renovating the home according to their 2014 poll is \$19,754 – up 29% from their last year’s results.⁶

“53% of homeowners agree now is a good time to renovate a home”

2013 Houzz House & Home Survey

Quality Matters

Taking pride in their homes, the majority of survey respondents highlights the importance of selecting highest quality items they can realistically afford, thereby notably placing more value on quality of products than just selecting the items solely based on price.

Value is not about price alone. Offering good value tailored around benefits of the product beyond price resonates with consumers who continue to look for ways to stretch their money when enhancing or upgrading their homes. Homeowners list the need to modernize and to upgrade the home as the two most important reasons for renovating or remodeling, choosing quality over price when purchasing home improvement products.



“With the popularity of social media sites people have become more aware of architectural beauty and desire to update their own environments with upgraded details, materials, and additional spaces,” notes Wayne Visbeen, president of Visbeen Architects, Inc. and recipient of numerous Best in American Living awards. Quoting Charles Eames, he adds: “The details are not the details. They make the design.”

Outdoor living - a popular trend:

*Creating outdoor living space (outdoor rooms, covered outdoor spaces as well as more traditional decks, patios, and porches) continue to be the property enhancement growing the most in popularity, with almost **63 percent of architects reporting increasing consumer interest.***

Source:
 American Institute of Architects

The Most Important Areas to Upgrade: Outdoor Spaces & Garages

With 6 in 10 homeowners questioned for the Phantom Screens survey often thinking about ways in which they can make their home look or feel better, the three most common and important areas are the outdoor deck and patio, garage, and backyard with lawn/garden.

Phil Kean, President of Phil Kean Design Group and WAYCOOL Homes, LLC, agrees with the findings. “Over the past eight years, indoor/outdoor living spaces have become a priority for the majority of our homeowners,” notes Kean. “Opening a home to the outdoors not only creates a beautiful and relaxing atmosphere; it also provides additional square footage for entertaining. Consumers understand these benefits, and are looking for homes that open family rooms, kitchens, beds and baths to the outdoors.”

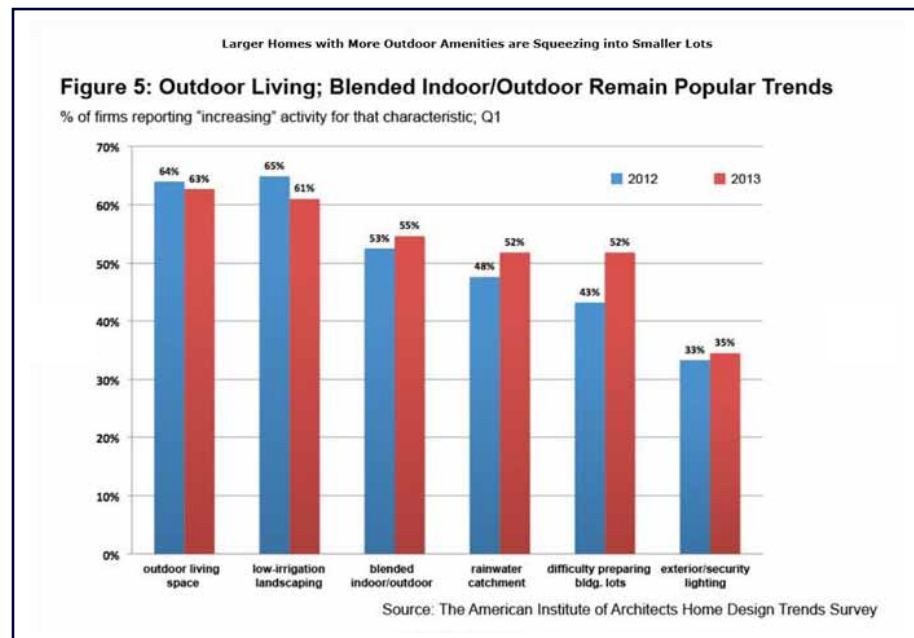
Paul Ackah-Sanzah adds: “The outdoor living trend is definitely here to stay. Our products help homeowners make the most of their porches and patios, and during the last few years we have witnessed a solid growth in that category as people look to update not just their homes’ interiors but also the outdoor areas.”



Phantom’s Executive motorized retractable screens, selected for The New American Home 2012, create an outdoor living areas that is protected from the bugs and the sun.

Design: Phil Kean Design

The American Institute of Architects' first-quarter 2013 Home Design Trends Survey supports the same theme. According to the findings, US households continue to show more confidence in the recovering housing market, investing in more outdoor amenities and larger homes despite strained lot sizes; and 63% of US architectural firms reported in June 2013 "increasing" activity/demand for outdoor living spaces. In other words, a large percentage of architects select an outdoor living space as the most popular "special function room" in housing construction. The increased enthusiasm in outdoor living has pushed this special function room to the top of the most popular list.⁷



Not only is the topic of outdoor living hot among homeowners who want to make the most of their living spaces, but it also links to the theme of adding value to one's home. Remodeling Magazine's 2014 Cost vs Value Report lists deck renovation as second most popular upgrade that delivers backyard living at a fraction of a price of the addition. Spending on average around \$9,539.00, the homeowners can expect 87.4% return on that investment.⁸

Garages were also singled out by Phantom's survey respondents as one of the three common and important features of the home. Gone are the days when a garage was an often-cluttered space to just park the car or store all the household tools. While homeowners may update the rest of the house to add comfort and value, garage upgrades can deliver usable space

at a fraction of the cost that one would have to shell out when building an addition to the home. The quickest upgrade – installing a new garage door – delivers instant curb appeal and can have a major impact on the home’s appearance and value.⁹ Homeowners can take an extra step and install a motorized retractable screen on their garage doors to turn the otherwise often-unused space into a multi-purpose room for working on weekend projects through early spring to late summer.

Kitchen & living room: the two favourites

Reasons to Renovate:

83%: Improve Look, Feel, Flow & Layout

54%: Increase Home Value

2013 Houzz & Home Survey

Consumers questioned by Phantom Screens listed the living room and kitchen as the parts of the home that felt they were most proud of, and most (7 in 10) agreed completely that it is very important to them the way their home looks. While most don’t want a larger kitchen, 77% want to incorporate a feeling of space and openness with three-quarters of homeowners wanting to create a kitchen that’s open to other spaces, like the dining and living rooms.¹⁰ And although homeowners rate kitchen remodels as one of the top projects to add value to one’s home, it is interesting that people questioned by both Houzz and Phantom Screens rated the goal of increasing home value on a lower scale than just wanting to upgrade to improve the look, feel, and function of the space.



An open concept kitchen that is connected to the living room continues to be a sought-after design element by the majority of homeowners.

Design: Visbeen Architects, Inc.

Wayne Visbeen concurs with the research findings, noting that “the living and kitchen areas continue to be a priority when we design for customers. There’s a blurring of the lines between the two areas as the kitchen has become a focal point of entertaining and the living area an extension of the kitchen.” Homeowners can ensure the best combination of the two popular spaces by incorporating repeated design elements to create a truly unified look and blend cooking, dining, and living.

Findings from the American Institute of Architects' Home Design Trends Survey for the fourth quarter of 2013 support the above statements. According to the answers submitted by a panel of over 500 architecture firms that concentrate their practice in the residential sector, the number and size of kitchens is increasing, and upscale features and products used in these areas of the home are growing in popularity. Almost a third of respondents indicated that the number and size of kitchen/food prep/food storage areas was also increasing – in other words, growing number of homeowners want spacious kitchens that would be integrated with family space such as great rooms.¹²

Conclusions

While the economy and job markets still have a lot to gain before reaching pre-recession levels, consumer confidence is up and so are the number of home improvement projects that will be tackled in North America during 2014.

Using both online and traditional sources to gather home décor and design ideas, consumers will pay for things that matter to them: quality, making most of their living spaces, and adding value to their homes. Selecting quality home improvement products that may be higher in price point but yet deliver more benefits, homeowners create comfortable and usable outdoor living areas, enhance the curb appeal and the overall functionality of their homes.

Highlighting their kitchens and living rooms as spaces they are most proud of, consumers continue to transform these parts of the home into multi-functional living areas that are not just well-designed, but act as true hubs of the home. ■

Sources Used

The info outlined in the whitepaper is a summary of Phantom Screens 2013 consumer survey findings combined with the following data and findings:

¹ http://www.jchs.harvard.edu/research/state_nations_housing

² http://www.jchs.harvard.edu/research/state_nations_housing

³ <http://www.kiplinger.com/tool/business/T019-S000-kiplinger-s-economic-outlooks/#housing>

⁴ http://www.nahb.org/news_details.aspx?newsID=16635

⁵ <http://info.houzz.com/rs/houzz/images/Houzz%20%26%20Home%202013%20Report.pdf>

⁶ <https://ca.finance.yahoo.com/news/cibc-poll-renovation-nation-canadians-080000338.html>

⁷ <http://www.aia.org/practicing/AIAB099049>

⁸ www.costvsvalue.com

⁹ www.costvsvalue.com

¹⁰ <http://info.houzz.com/rs/houzz/images/HouzzKitchenStudy.pdf>

¹¹ www.costvsvalue.com

¹² <http://www.aia.org/practicing/AIAB102001>

About Phantom Screens Survey:

The survey was administered by Phantom Screens and Concerto Marketing. The survey asked American and Canadian homeowners to rank their favourite living spaces in their homes, plus list renovation projects planned for 2014. The survey was fielded between October 26th and November 4th 2013.

A total of 810 consumers completed the survey which means this survey can be considered accurate to within plus or minus 3.3 percentage points, at 95 percent confidence.

For more information regarding this research or topics covered, please contact Phantom Screens at 1-888-444-4142 or visit www.phantomscreens.com.