

Valpak Industry Bulletin

Homeowners are looking to add room and rejuvenation to their homes

The home remodeling trend continues to grow nationwide as more people choose to upgrade their current homes instead of move to new ones.

According to Remodeling Magazine's Cost vs. Value Report, while the housing market slumps remodeling is thriving and investment numbers are strong. The report indicates that someone who spent an average \$14,913 refacing cabinets, replacing laminate countertops and installing a new cooktop, oven and sink would recoup an estimated 98.5% of the cost on average. On an average bathroom remodel, which costs approximately \$12,918, the owner would recoup an estimated 84.9%.

"With the housing market unstable, changes to your current home are a smart move," said Chris Sy, of Carlisle Wide Plank Floors. "Instead of starting over and uprooting your family many people are looking for ways to improve their current home and increase its value."

As single-family home construction continues to drag - - experiencing a 25% plunge in 2007 and predicted to slump in 2008 and beyond, according to McGraw-Hill Construction

estimates. Many industry professionals are switching their focus to satisfy remodeling demands.

High-end homes continue to drive the remodeling market. About 90% of the growth in remodeling industry over the last decade was, according to Harvard University's Joint Center for Housing Studies, fueled by high-end homeowners. The trends in this market tend to trickle down to the middle market, said remodeling expert Jim Lapides of the National Association of Home Builders' Remodelers Council, and eventually are incorporated into the new-home market.

Boomers are big but GenXers are growing. Boomers own more of the housing stock and spend more on remodeling than other groups. But the cohort just behind them -- those born from 1965 to 1974 -- is coming on fast, according to Harvard's Housing Center. While aging boomers may be looking to downsize and make their lives easier, midlife GenXers might be looking for more space to handle growing families. Experts say it's important to pay attention to trends in order to get the maximum value from a remodel when it's time to sell. What's more important is



what'll be hot and have wide appeal when it's time to put the house on the market down the road. After all, home improvements start to date the moment they're completed.

Durability is key. Investing in quality materials can pay off if they hold up well over the years, said interior designer Juliana Catlin, past president of the American Society of Interior Designers and owner of Catlin Interiors in Jacksonville, Fla. A cheap surface might show so many gouges and dings after five years that a buyer will insist you pay for replacing it. A well-chosen stone or tile surface could still add value a decade from now. Wood flooring is a popular option that invokes style and has long-lasting durability.

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