

2022

Remodeling Impact Report

National Association of REALTORS®
Research Group



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Introduction

Homeowners and renters remodel, redesign, and restructure their homes for a variety of reasons. This report takes a deep dive into the reasons a homeowner remodels, the outcome of taking on projects, and the increased happiness found in the home once a project is completed. It also contains:

- The typical cost of 19 remodeling and replacement projects, as estimated by members of the National Association of the Remodeling Industry (NARI)
- How much appeal each project is likely to have for buyers, according to REALTORS®
- How much REALTORS® estimate that homeowners can recover on the cost of the projects if they sell the home.

Americans spent \$420 billion in 2020 on remodeling their homes.¹ Among NARI members, 90 percent found a greater demand in contracting in remodeling work

during the COVID-19 pandemic. Sixty percent of NARI members cited the scale of the projects increased either in a larger project or remodeling more than one room due to the pandemic.

While most consumers (83 percent) cite they would have remodeled regardless of the pandemic, 86 percent of consumers report remodeling one area of their home made them want to then remodel other areas of their home.

When consumers remodel, it is to upgrade worn-out surfaces, finishes, and materials (30 percent); to add features and improve livability (20 percent), and because it is time for a change (16 percent). Most consumers are pleased with the overall result and 57 percent would tackle the project the same way, while

¹ *Improving America's Housing*, Joint Center for Housing Studies at Harvard University, 2021.

Introduction

35 percent would make a few different choices such as finishes or materials. After remodeling, 84 percent of owners have a greater desire to be in their home. Sixty-nine percent have increased enjoyment in their home. Fifty-seven percent feel happy, and 39 percent feel satisfied when they see their completed project, with a typical Joy Score of 9.6. Sixty-nine percent feel a major sense of accomplishment when they think of their completed project.

Thirty-five percent of owners report the single-most important result from remodeling is better functionality and livability, 22 percent report durable and long-lasting results, materials, and appliances, and 14 percent report beauty and aesthetics.

Thirty-five percent of the owners hired a professional for the whole job, 28 percent hired the labor but purchased the materials, and 22 did the entire project

themselves. Thirteen percent contributed some do-it-yourself (DIY) labor. In some areas of the report, costs are not collected as these projects are more likely to be done DIY or part of a larger project.

The report covers both interior and exterior home improvement projects. This report provides a cost recovery estimate for representative remodeling projects. The actual cost of each remodeling project and cost recovery are influenced by many factors, including project design, quality of materials, location, age and condition of the home, and homeowner preferences. For the purpose of costs collected, NARI members were asked to expect the home was a 2,495 square foot house—the average size according to U.S. Census data—and that the house is a post-1981-built home with no hidden issues. To ensure the most applicability, projects and materials represent standard or typical quality; a few projects feature “better-quality” materials. But there are no top-of-the-line projects.

Interior Remodeling Projects



Interior Analysis

There are many ways for homeowners to approach remodeling projects and even more ways to analyze the projects' successful outcome.

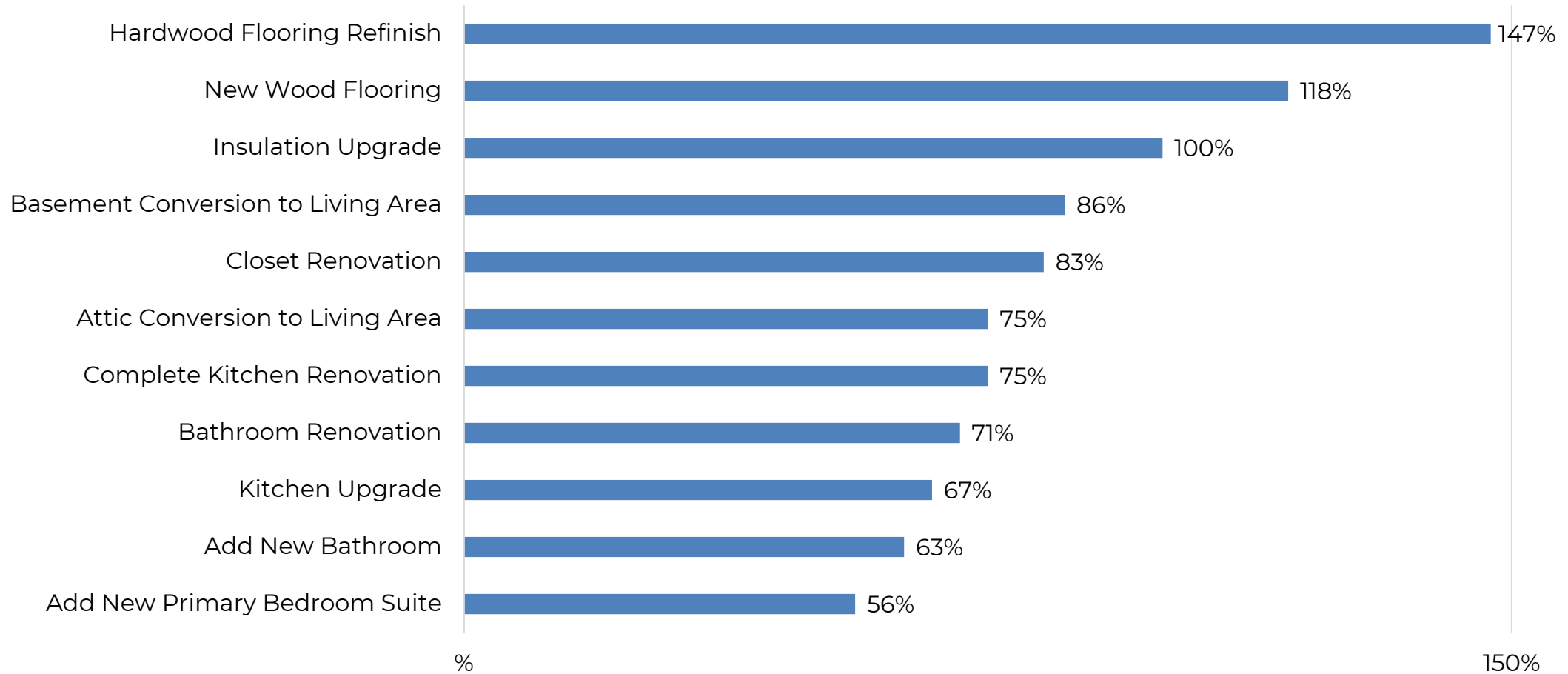
NAR calculated a Joy Score for each project based on the happiness homeowners reported with their renovations. There were numerous interior projects that received a perfect Joy Score of 10: paint entire interior of home, paint one room of home, add a new home office, hardwood flooring refinish, new wood flooring, closet renovation, insulation upgrade, and attic conversion to living area. While some are DIY projects, an attic conversion is one of the most expensive projects to undertake.

REALTORS® provided an estimate of the likely dollar value each project would add to the house at resale. In comparing that dollar value to the estimated cost of each project provided by NARI members, a Recovered Project Cost percentage was calculated. For interior projects, the highest percentage cost recovered was from refinishing hardwood floors at 147 percent, new wood flooring at 118 percent, and insulation upgrade at 100 percent.



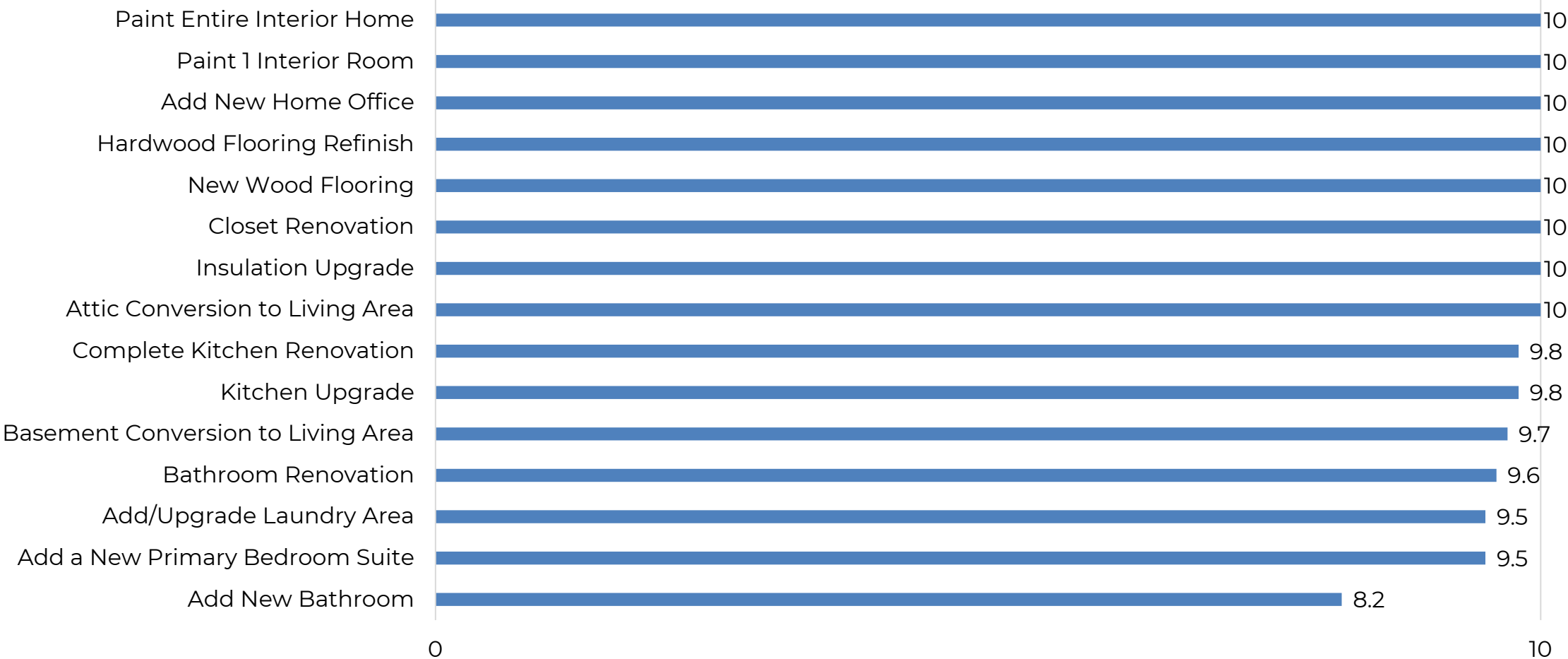
Cost Recovery for Interior Remodeling Projects

Cost Recovery On Interior Projects



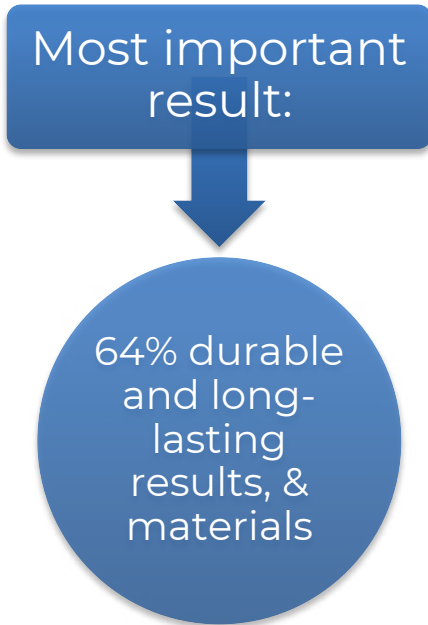
Joy Score For Interior Remodeling Projects

Joy Score for Interior Projects



Hardwood Flooring Refinish

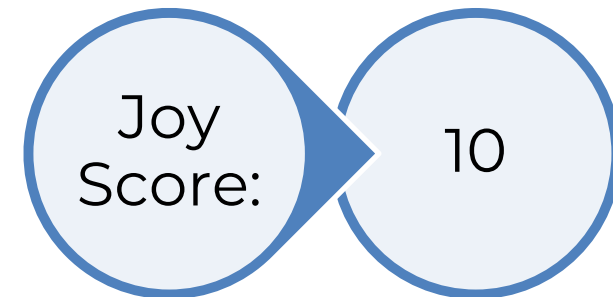
Consumers' Viewpoint After Completing the Project:



Top two reasons for doing the project:

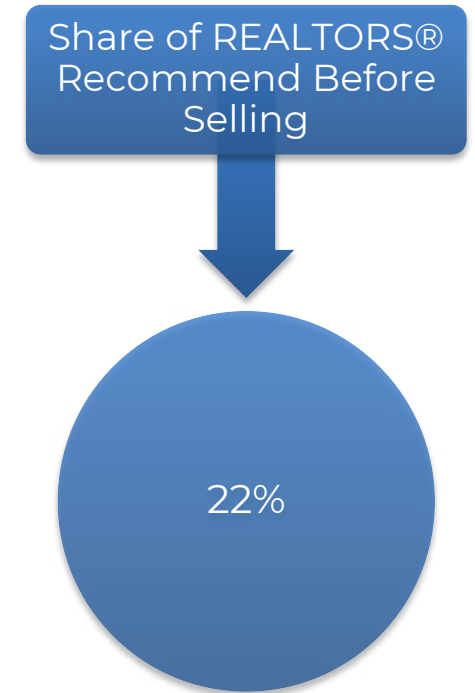
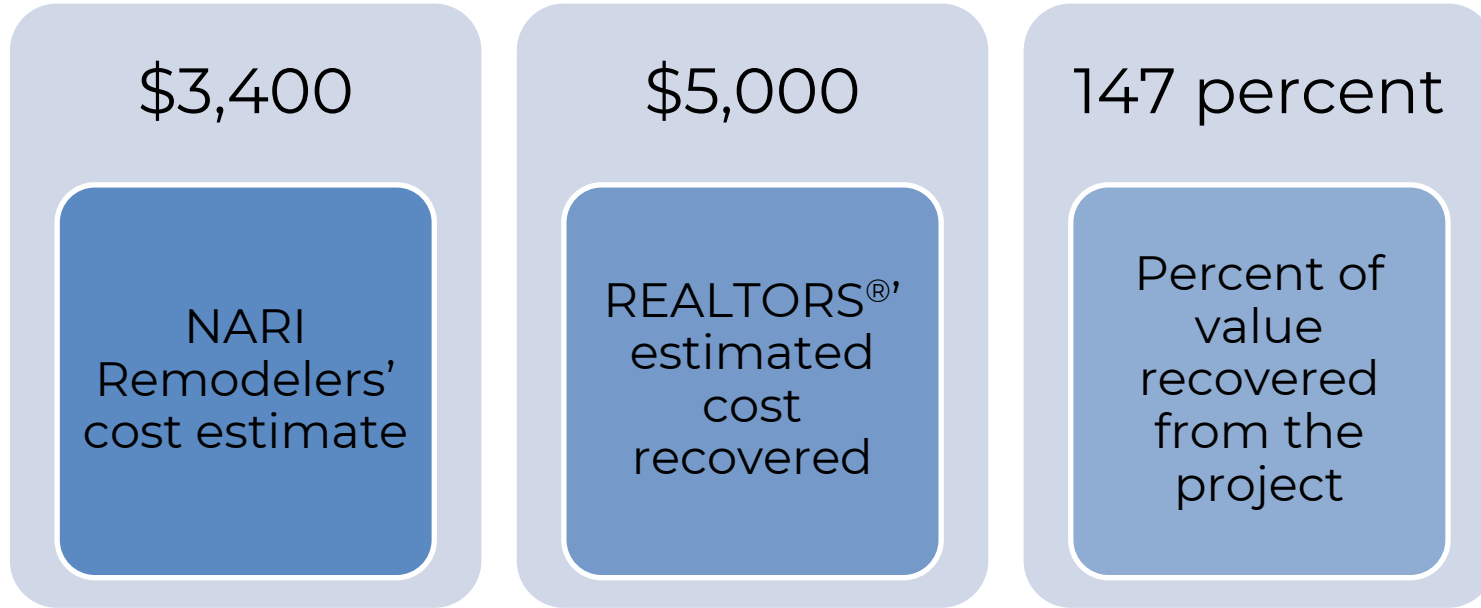
- 55% { Upgrade worn-out surfaces, finishes, and materials
- 18% { To add features and improve livability

100%	Have a greater desire to be home since completing the project
64%	Have an increased sense of enjoyment when they are at home
64%	Feel a major sense of accomplishment when they think of the project

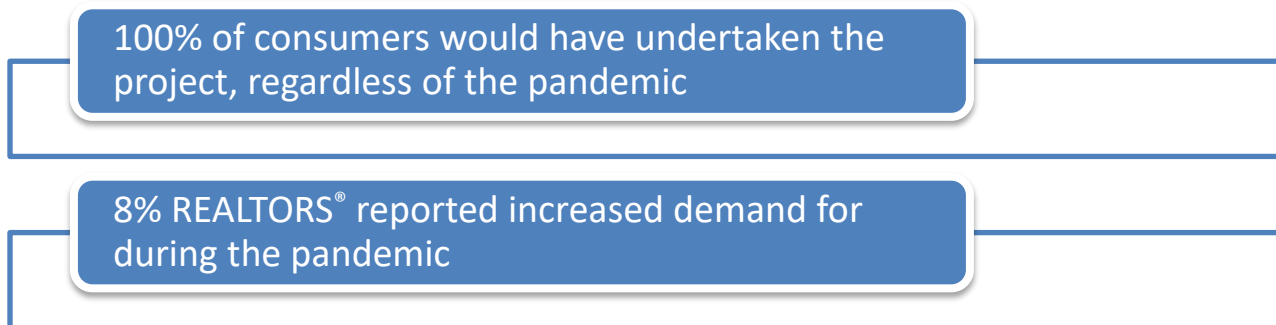


Hardwood Flooring Refinish

Cost Recovery:

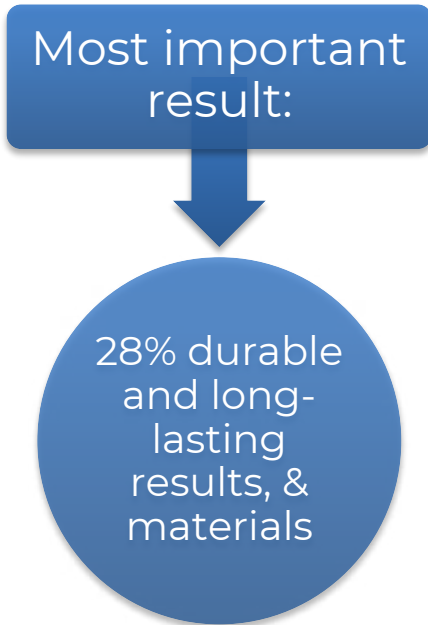


Pandemic Influence:



New Wood Flooring

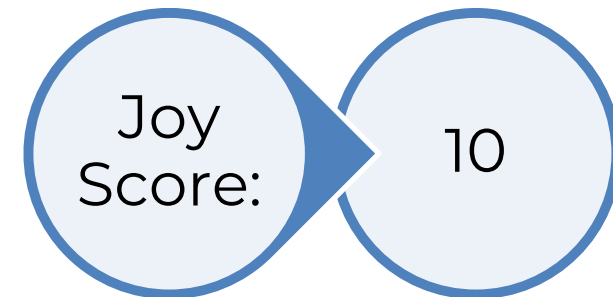
Consumers' Viewpoint After Completing the Project:



Top two reasons for doing the project:

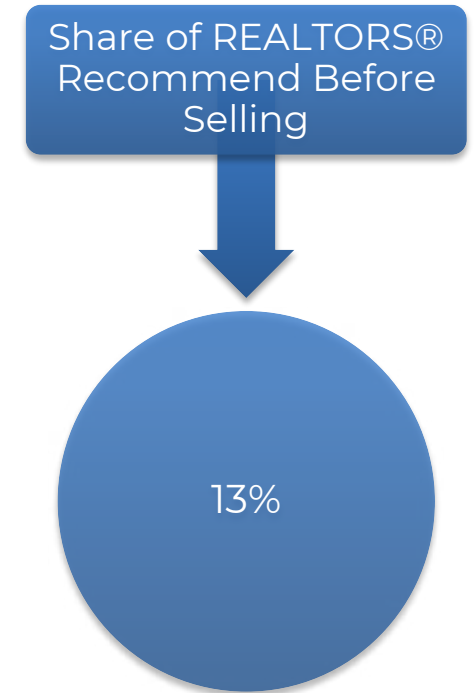
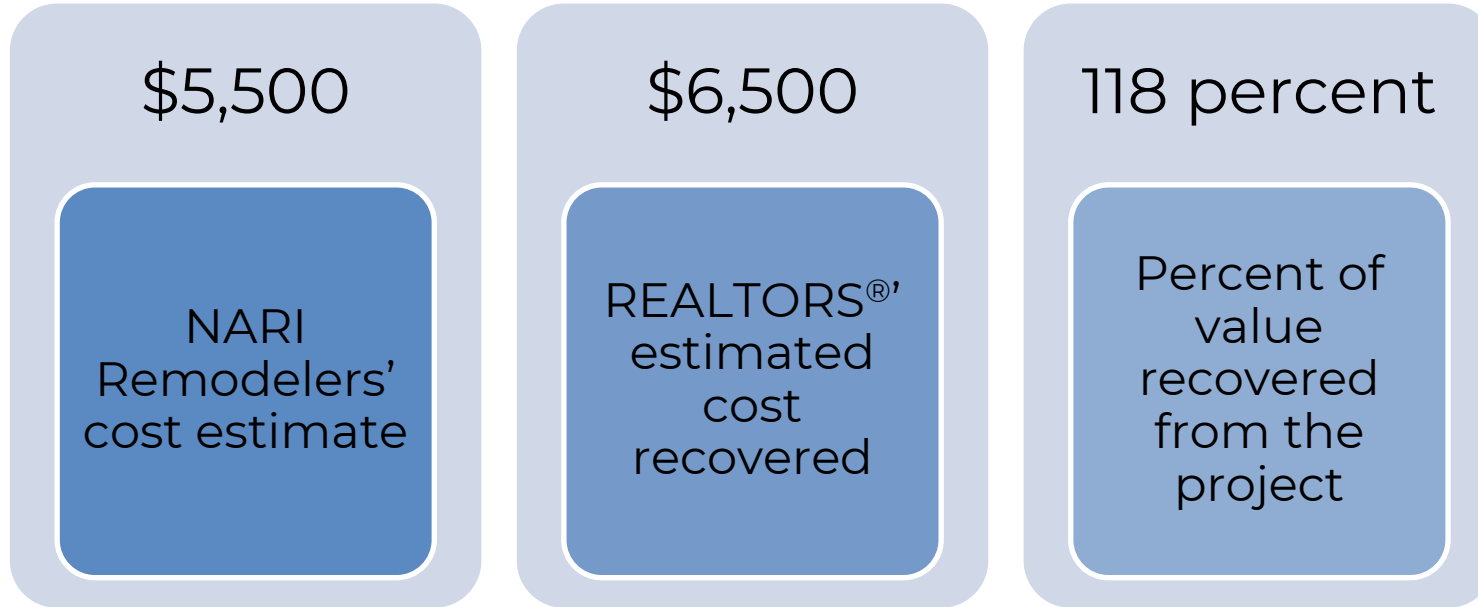
- 31% { Upgrade worn-out surfaces, finishes, and materials
- 19% { Time for a change

- 90% Have a greater desire to be home since completing the project
- 77% Have an increased sense of enjoyment when they are at home
- 61% Feel a major sense of accomplishment when they think of the project

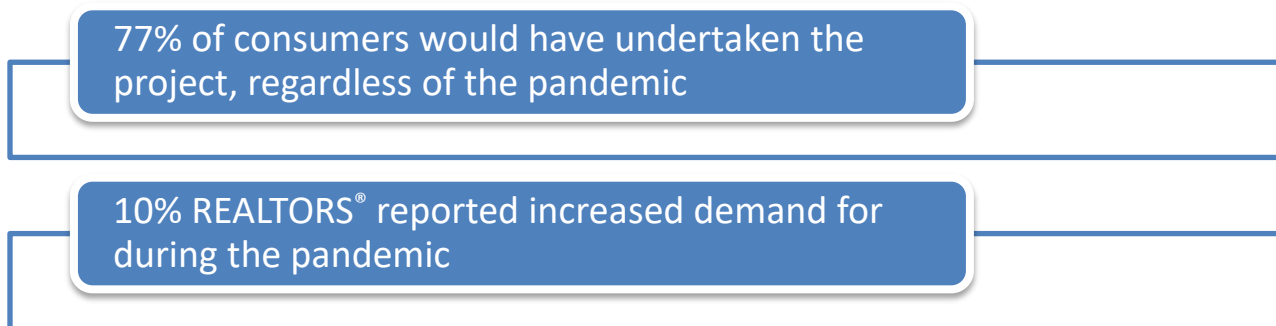


New Wood Flooring

Cost Recovery:

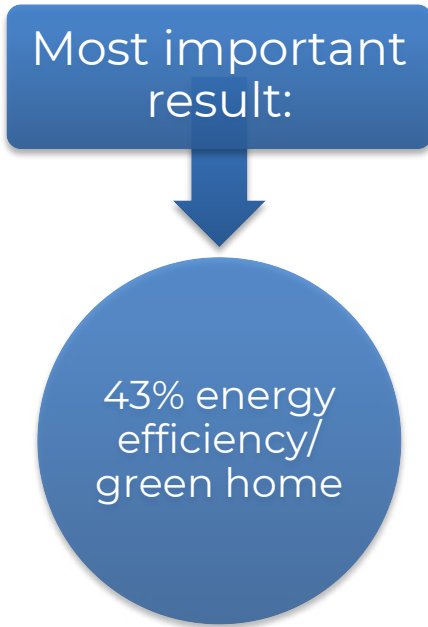


Pandemic Influence:



Insulation Upgrade

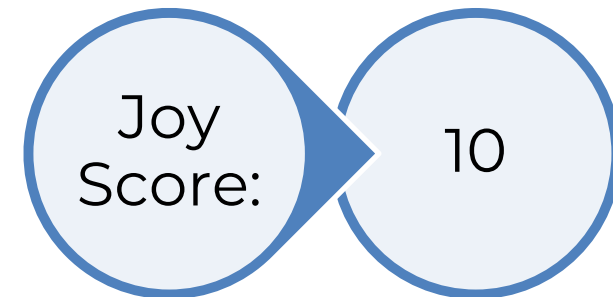
Consumers' Viewpoint After Completing the Project:



Top two reasons for doing the project:

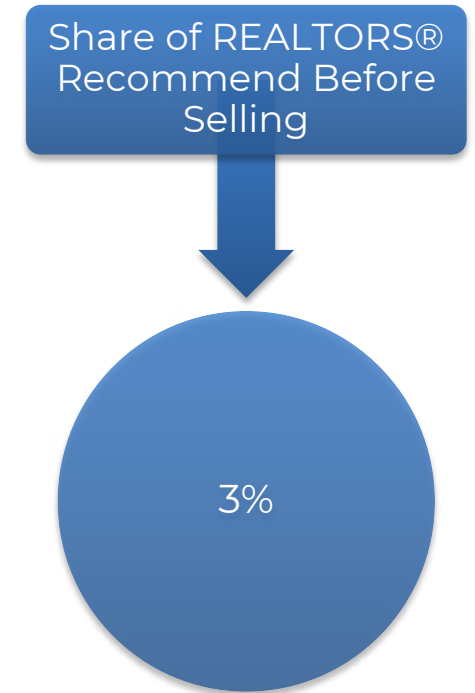
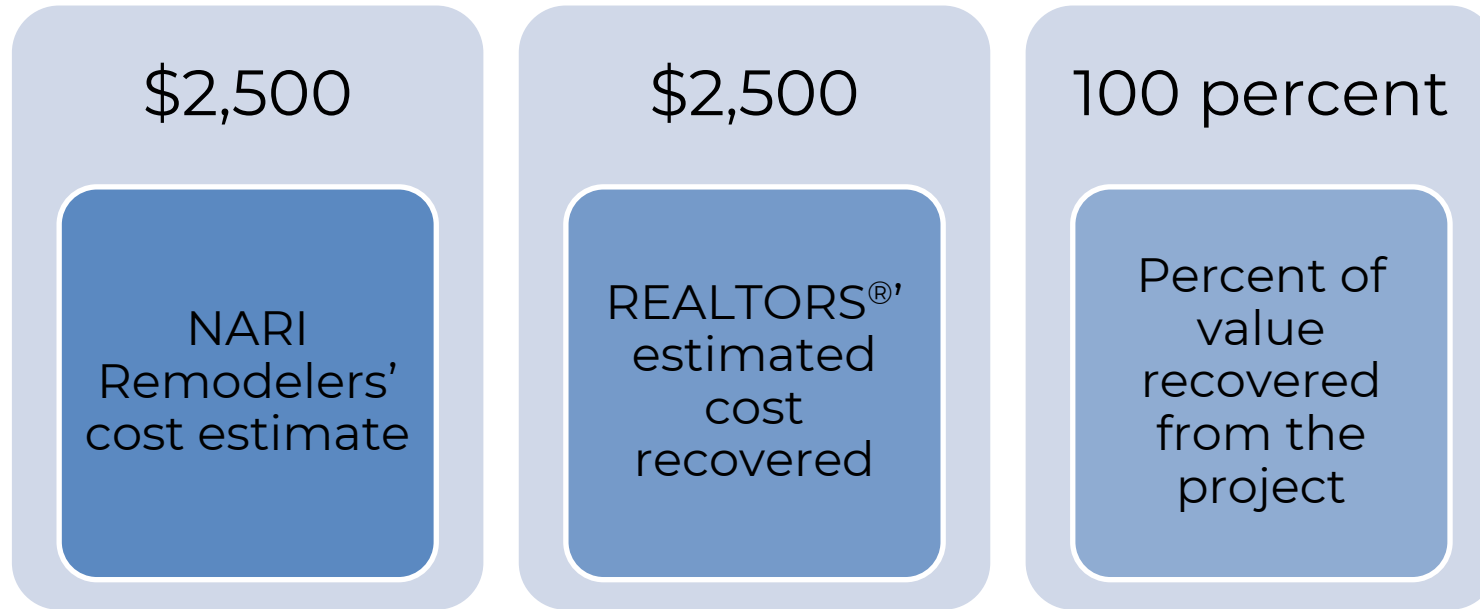
- 77% { • To improve energy efficiency
- 8% { • Upgrade worn-out surfaces, finishes, and materials

85%	Have a greater desire to be home since completing the project
62%	Have an increased sense of enjoyment when they are at home
69%	Feel a major sense of accomplishment when they think of the project

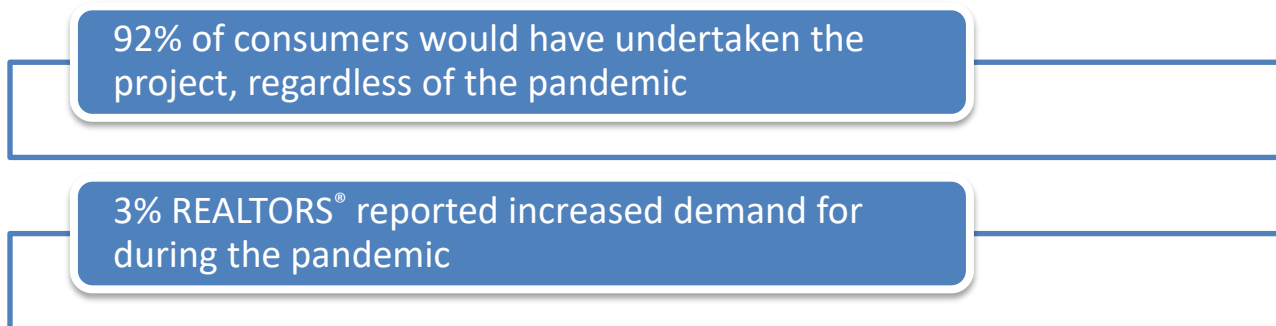


Insulation Upgrade

Cost Recovery:

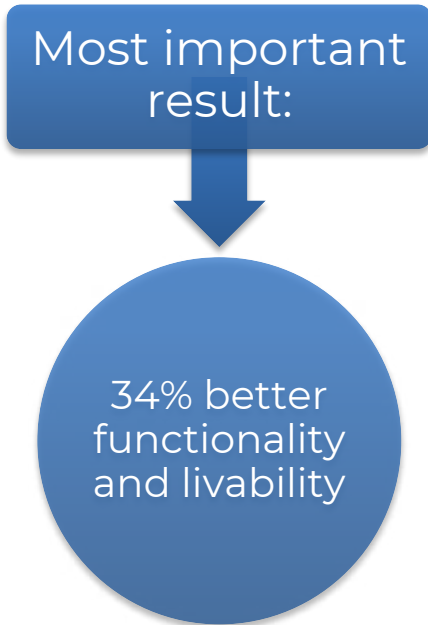


Pandemic Influence:



Basement Conversion to Living Area

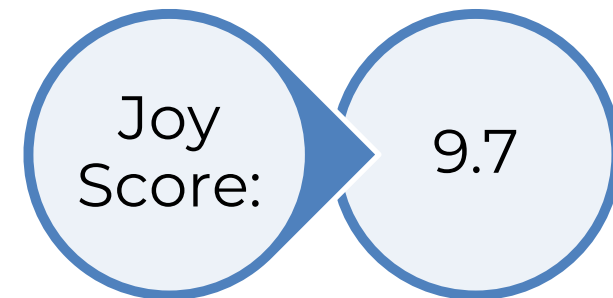
Consumers' Viewpoint After Completing the Project:



Top two reasons for doing the project:

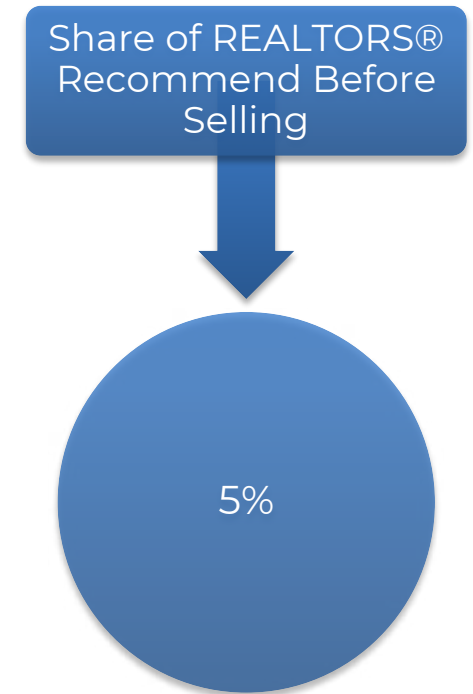
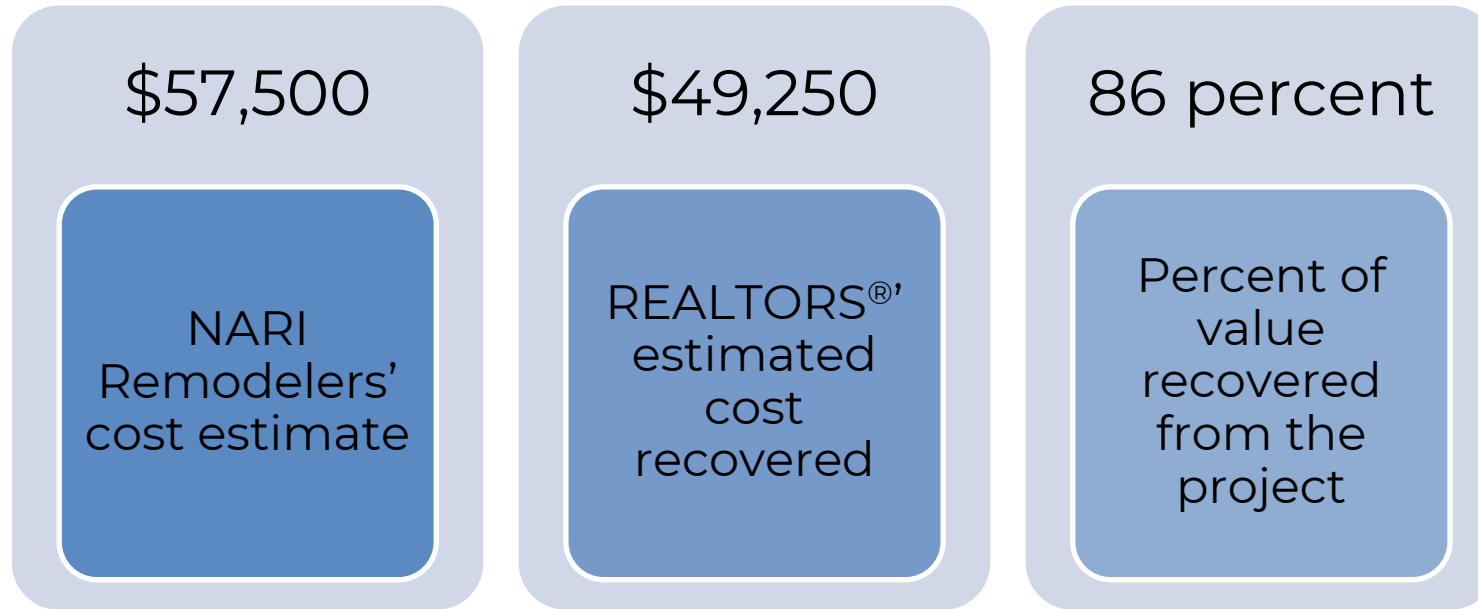
- 31% { To add features and improve livability
- 21% { Time for a change

- 83% Have a greater desire to be home since completing the project
- 58% Have an increased sense of enjoyment when they are at home
- 68% Feel a major sense of accomplishment when they think of the project

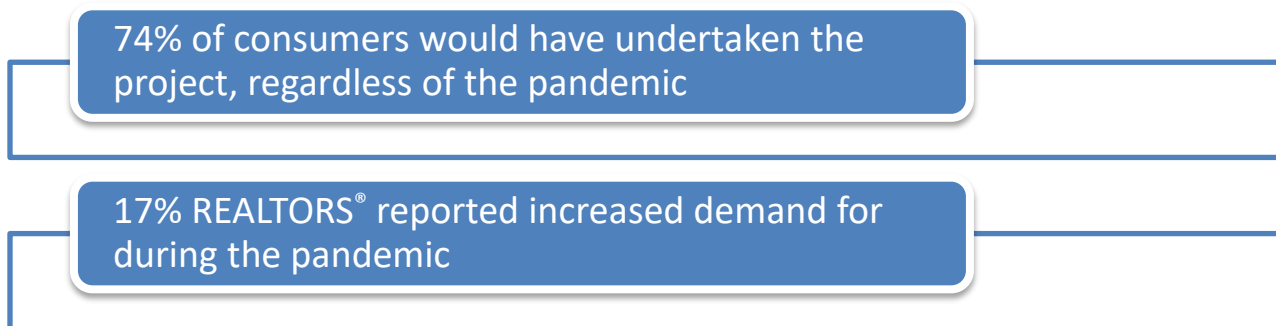


Basement Conversion to Living Area

Cost Recovery:

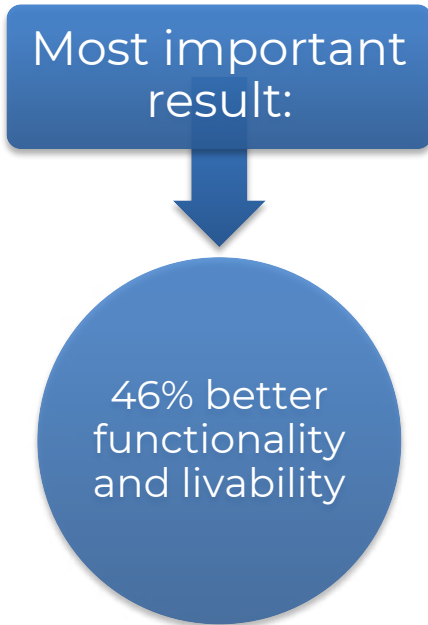


Pandemic Influence:



Closet Renovation

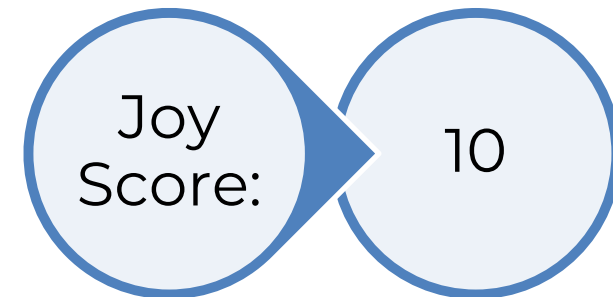
Consumers' Viewpoint After Completing the Project:



Top two reasons for doing the project:

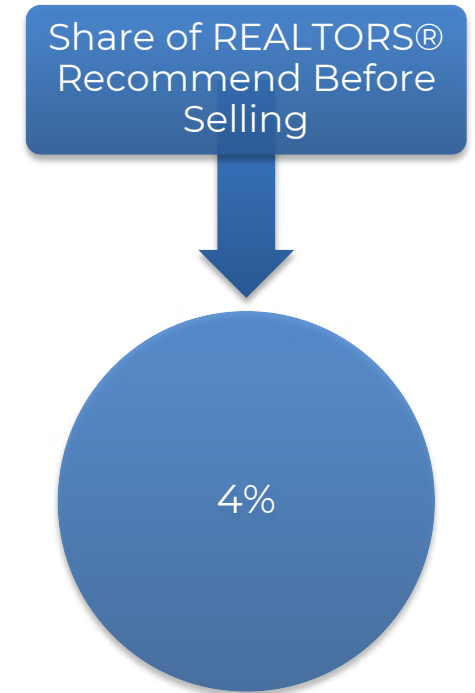
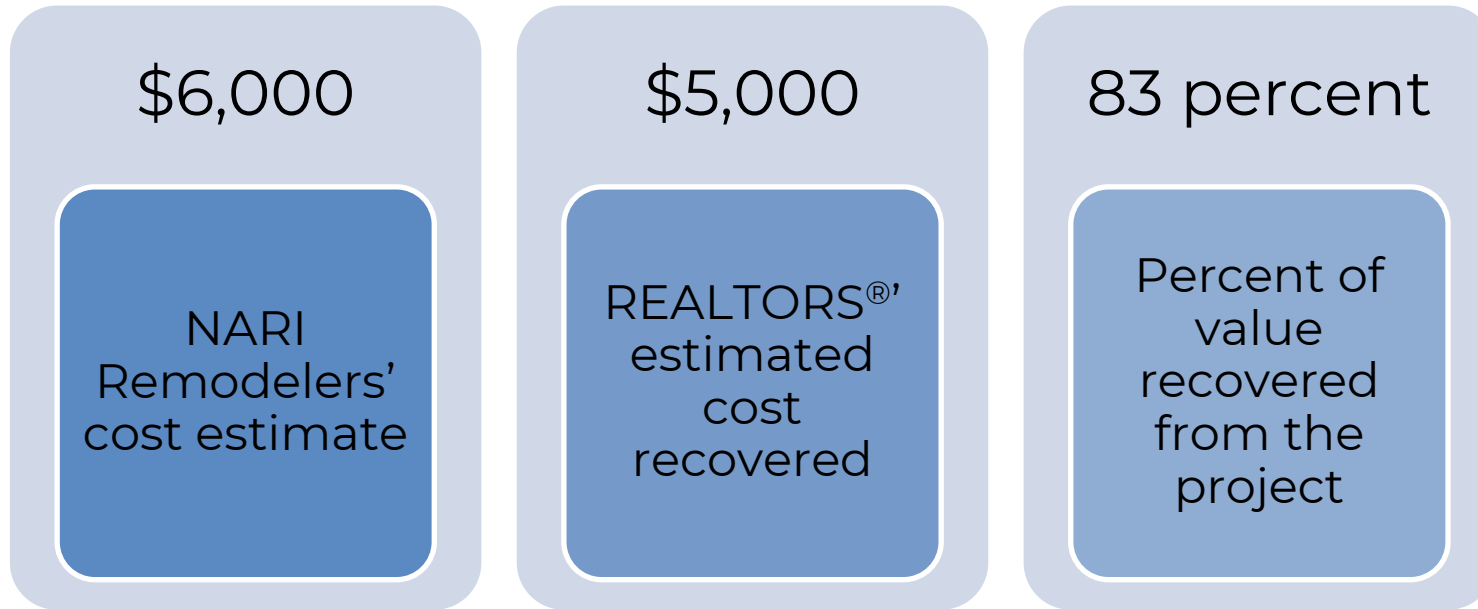
- 26% { • To add features and improve livability
- 19% { • To improve organization and storage

- 79% Have a greater desire to be home since completing the project
- 61% Have an increased sense of enjoyment when they are at home
- 61% Feel a major sense of accomplishment when they think of the project

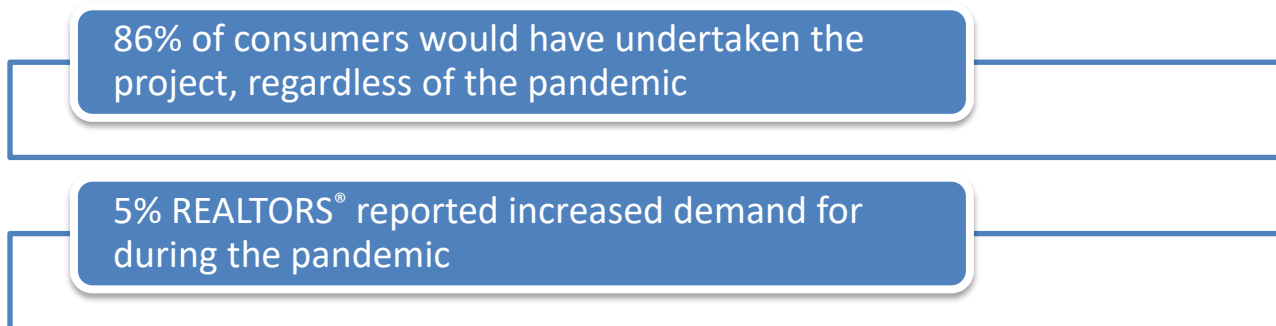


Closet Renovation

Cost Recovery:

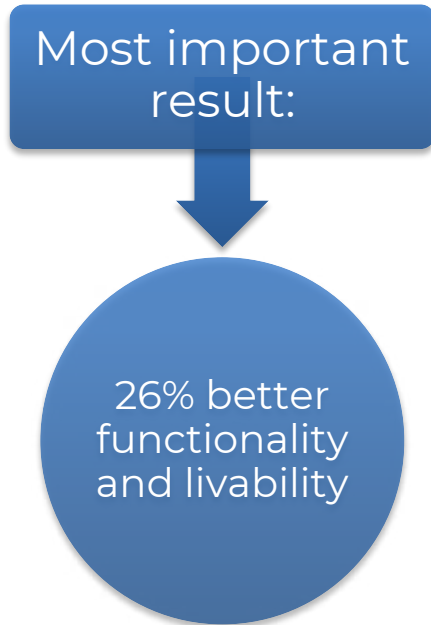


Pandemic Influence:



Attic Conversion to Living Area

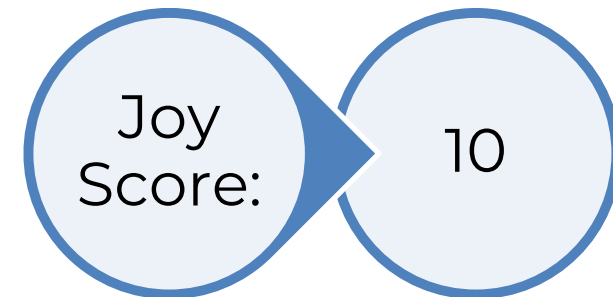
Consumers' Viewpoint After Completing the Project:



Top two reasons for doing the project:

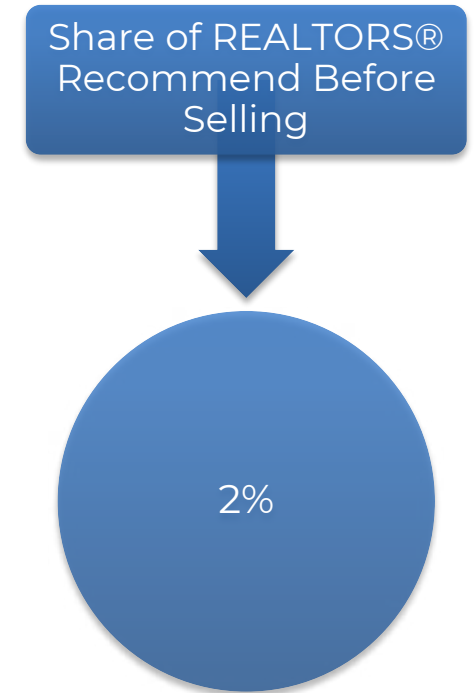
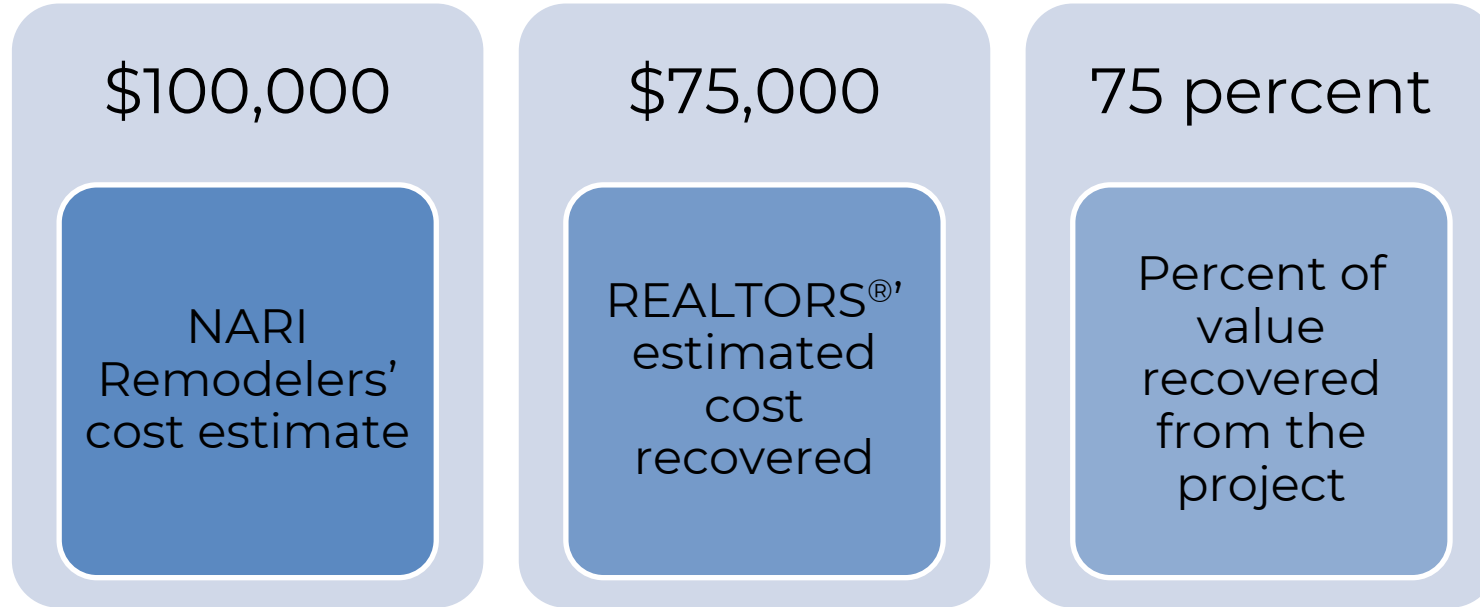
- 35% { To add features and improve livability
- 17% { Upgrade worn-out surfaces, finishes, and materials

100%	Have a greater desire to be home since completing the project
73%	Have an increased sense of enjoyment when they are at home
68%	Feel a major sense of accomplishment when they think of the project

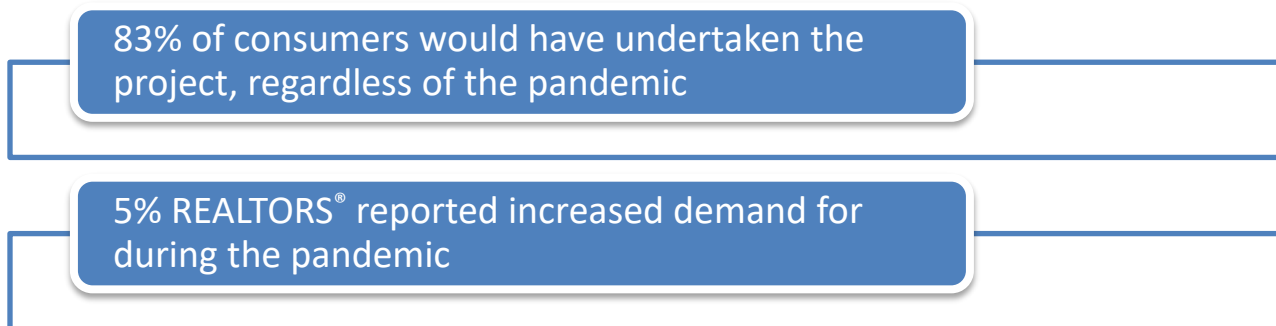


Attic Conversion to Living Area

Cost Recovery:

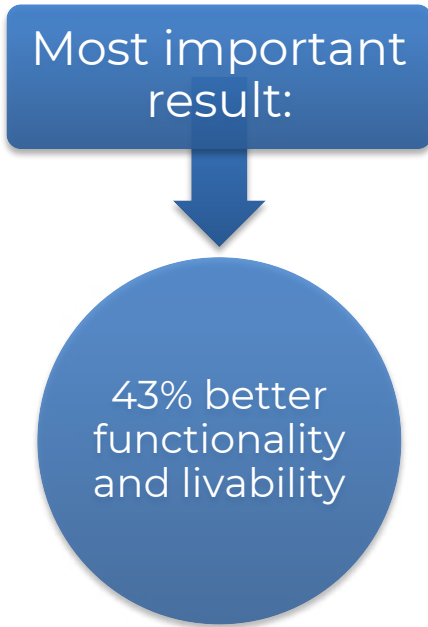


Pandemic Influence:



Complete Kitchen Renovation

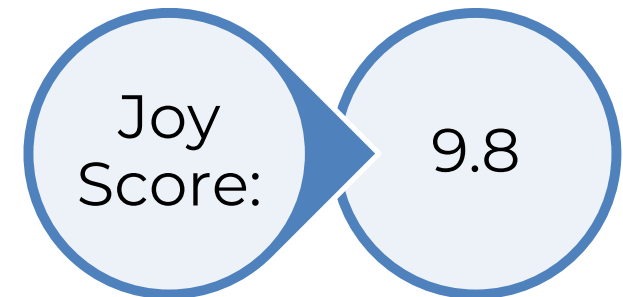
Consumers' Viewpoint After Completing the Project:



Top two reasons for doing the project:

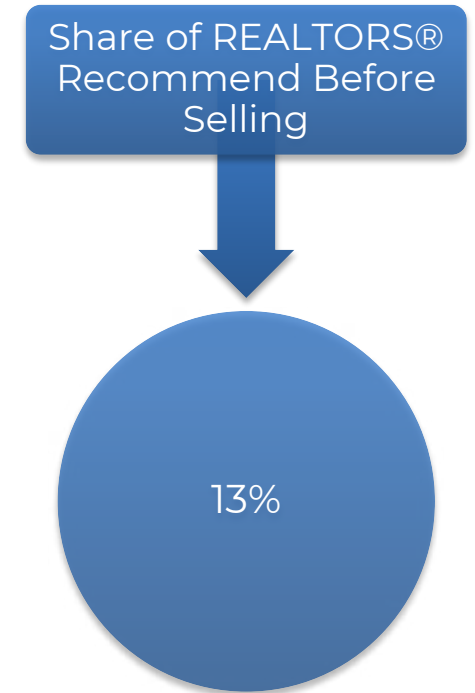
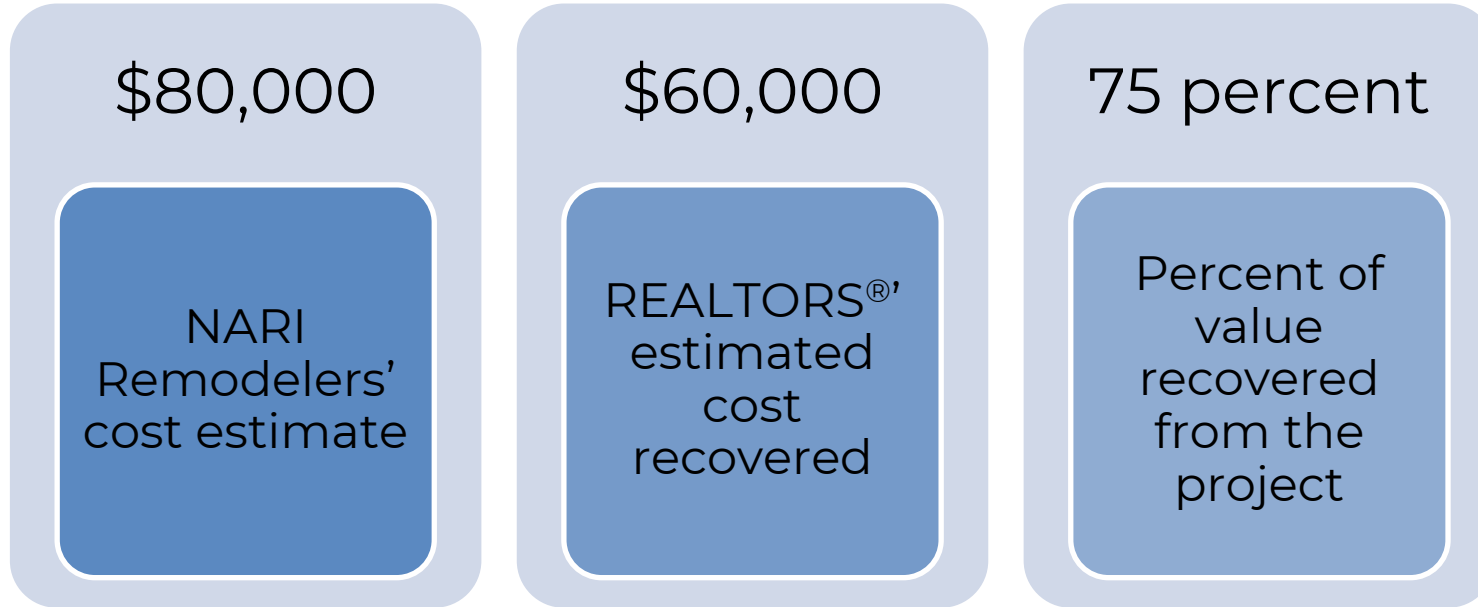
- 25% { To add features and improve livability
- 25% { Upgrade worn-out surfaces, finishes, and materials

94%	Have a greater desire to be home since completing the project
86%	Have an increased sense of enjoyment when they are at home
85%	Feel a major sense of accomplishment when they think of the project

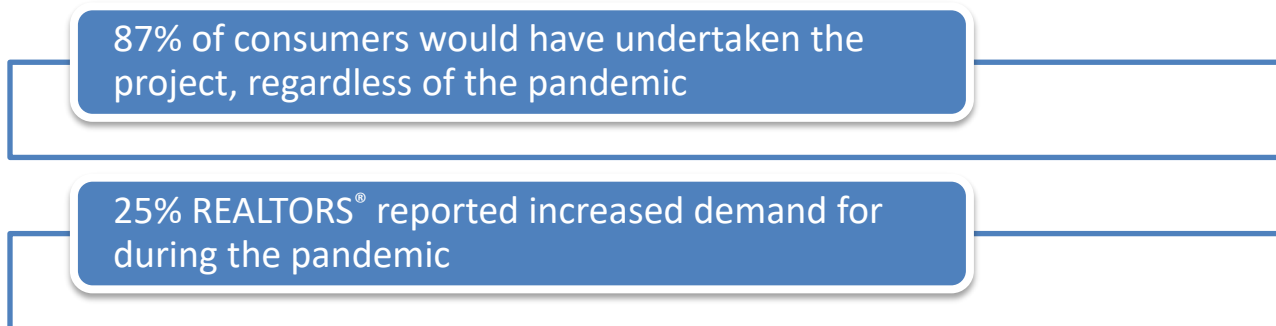


Complete Kitchen Renovation

Cost Recovery:

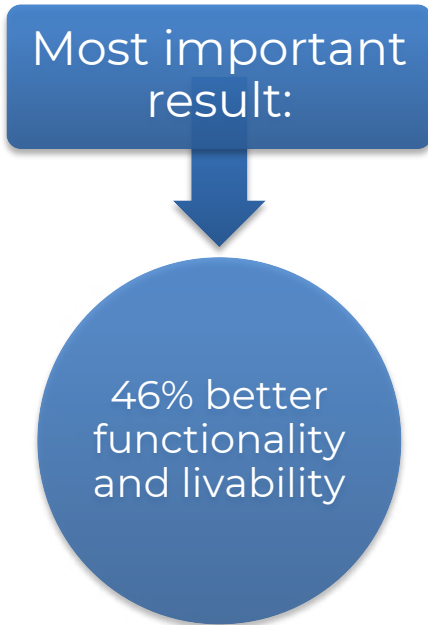


Pandemic Influence:



Bathroom Renovation

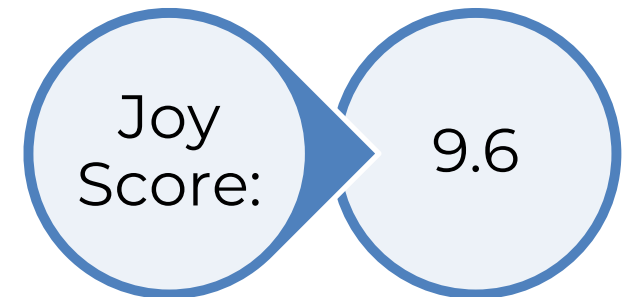
Consumers' Viewpoint After Completing the Project:



Top two reasons for doing the project:

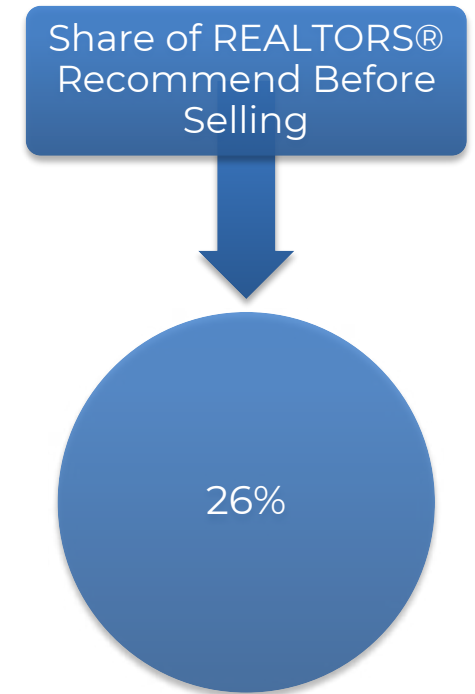
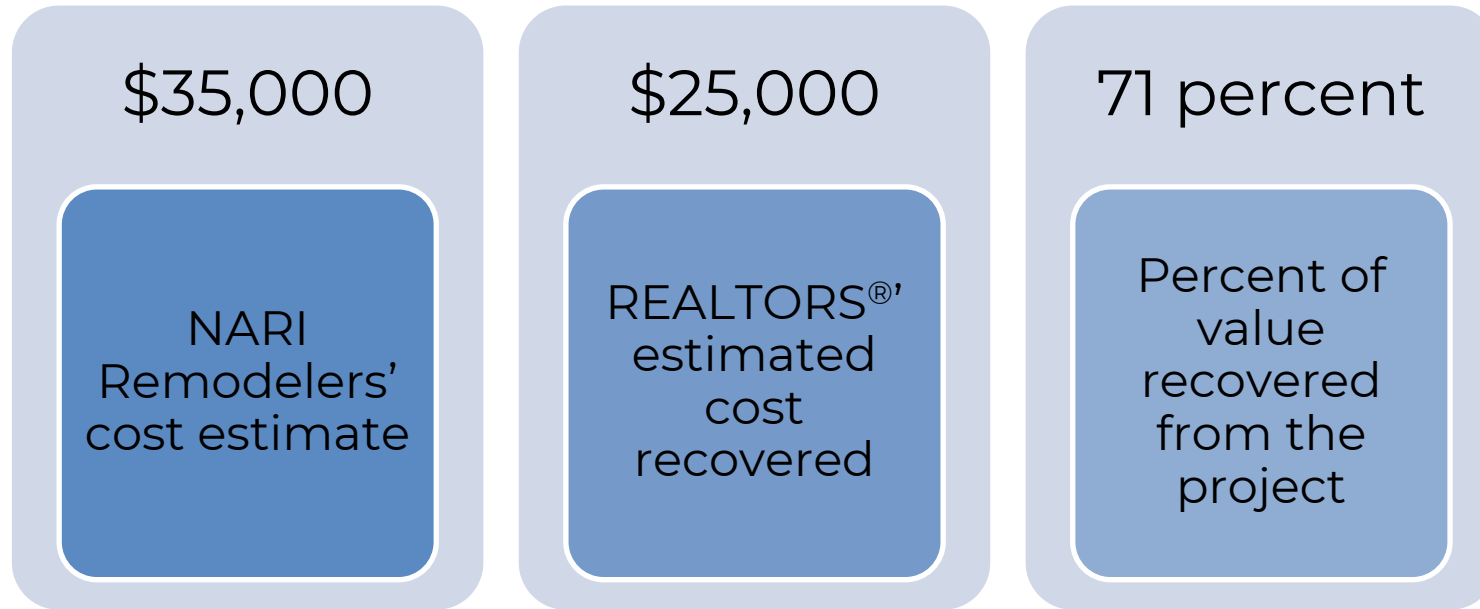
- 43% { Upgrade worn-out surfaces, finishes, and materials
- 15% { To add features and improve livability

- 73% Have a greater desire to be home since completing the project
- 61% Have an increased sense of enjoyment when they are at home
- 64% Feel a major sense of accomplishment when they think of the project

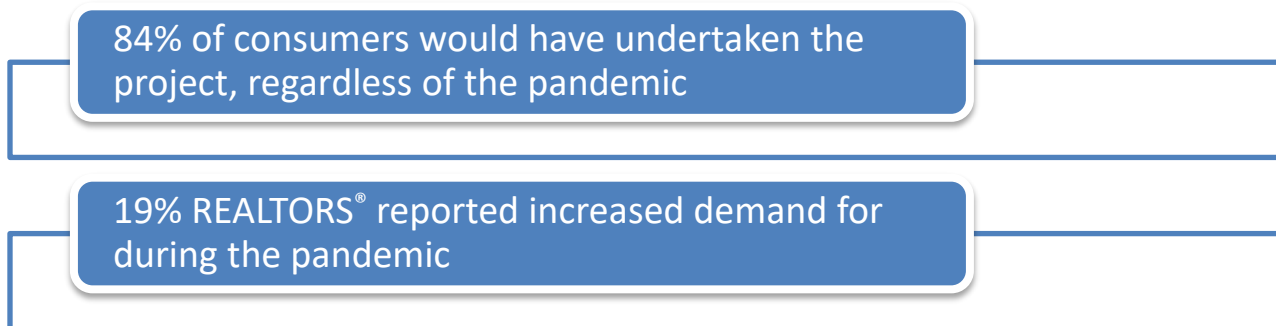


Bathroom Renovation

Cost Recovery:

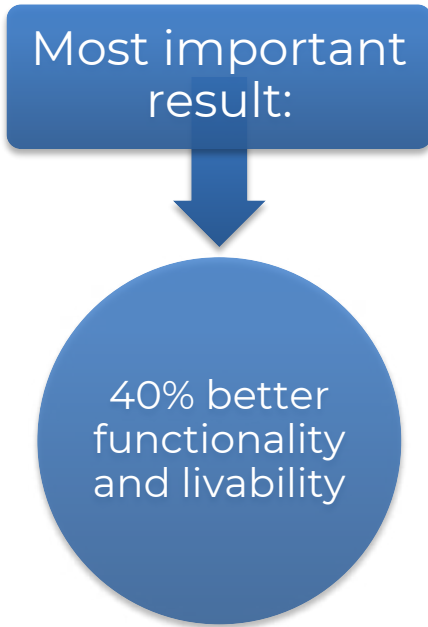


Pandemic Influence:



Kitchen Upgrade

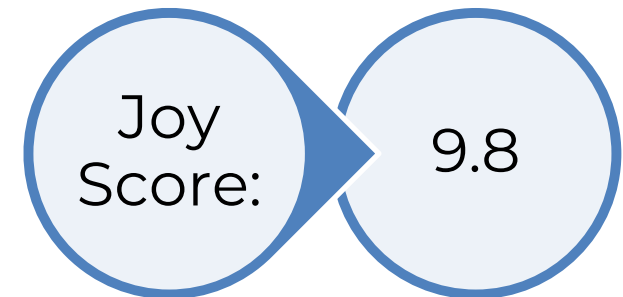
Consumers' Viewpoint After Completing the Project:



Top two reasons for doing the project:

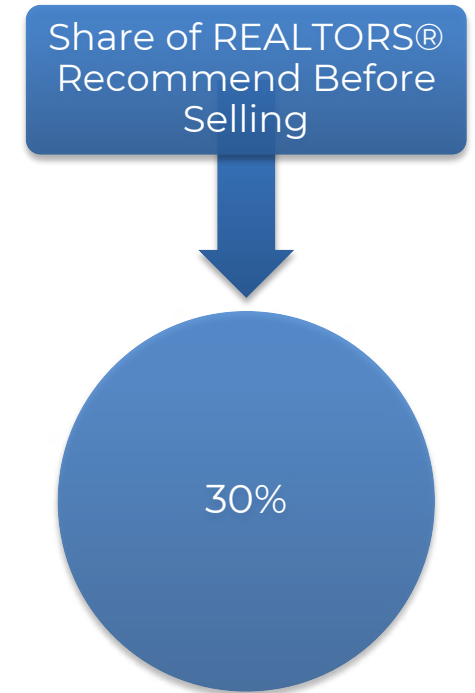
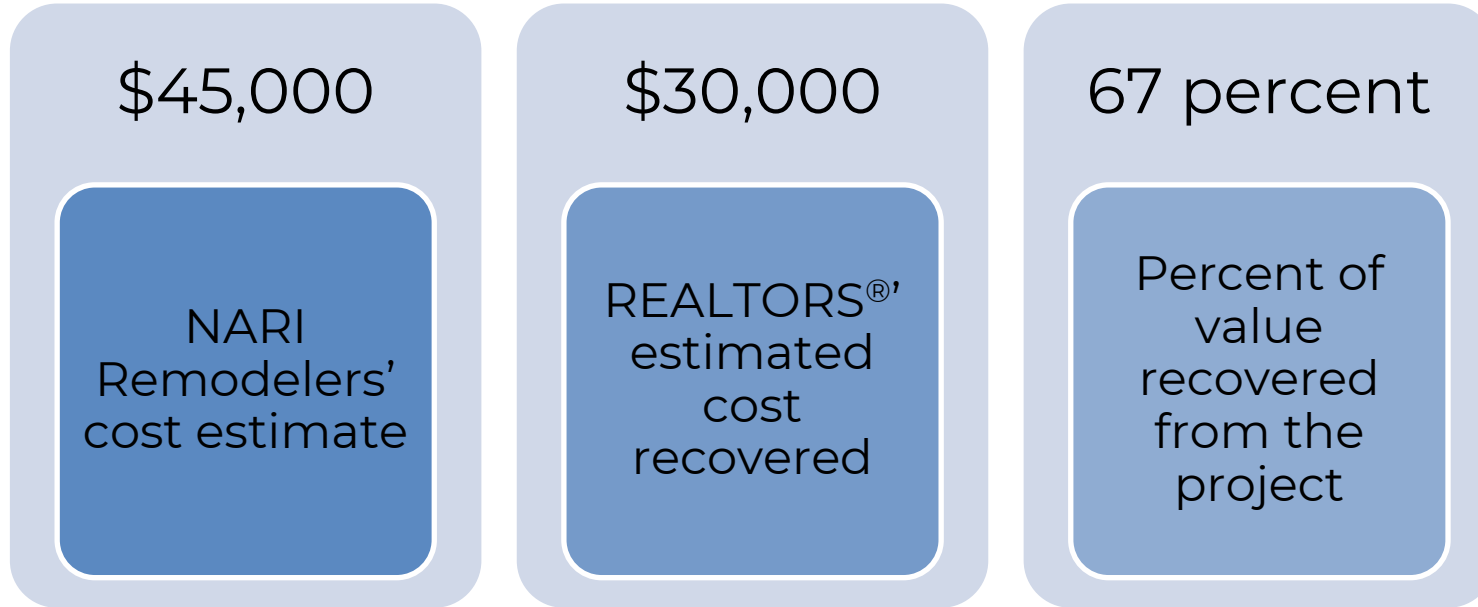
- 32% { Upgrade worn-out surfaces, finishes, and materials
- 20% { To add features and improve livability

- 86% Have a greater desire to be home since completing the project
- 78% Have an increased sense of enjoyment when they are at home
- 77% Feel a major sense of accomplishment when they think of the project

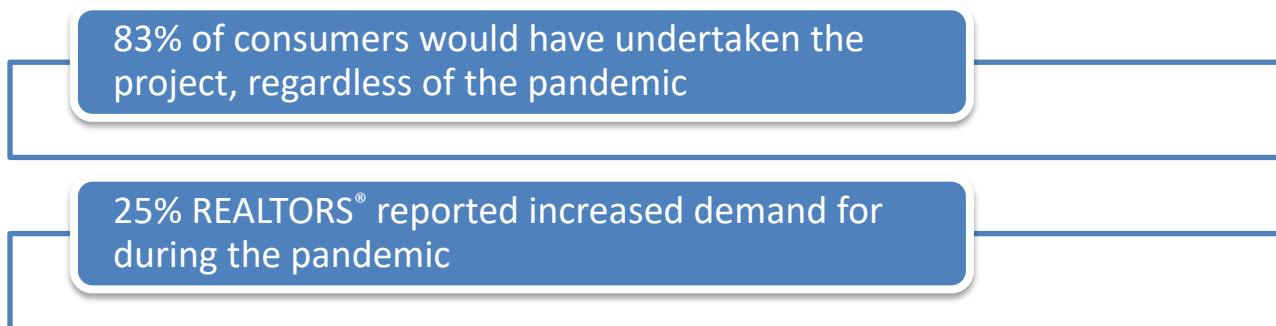


Kitchen Upgrade

Cost Recovery:

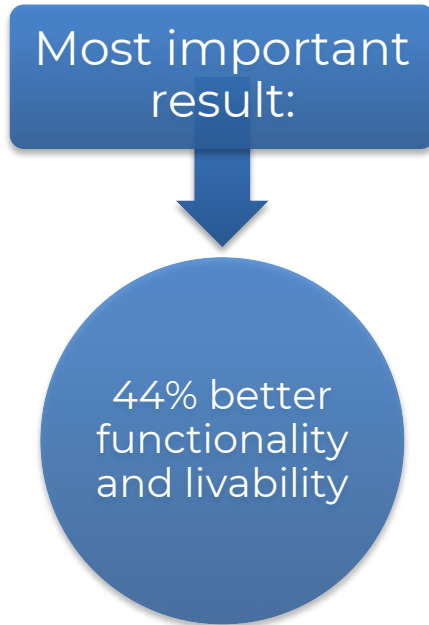


Pandemic Influence:



Add New Bathroom

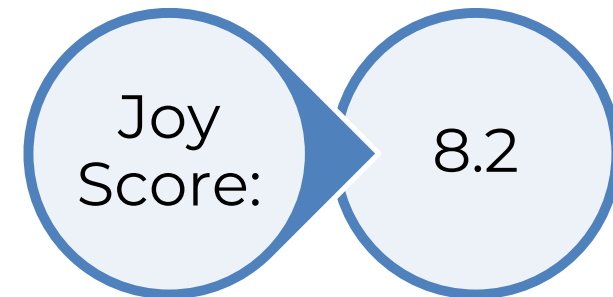
Consumers' Viewpoint After Completing the Project:



Top two reasons for doing the project:

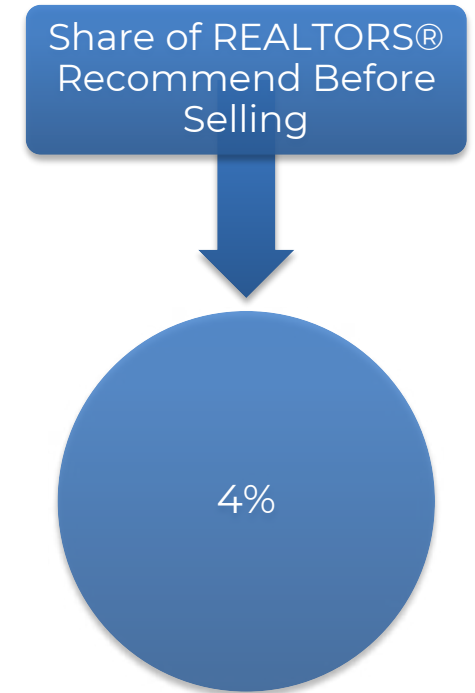
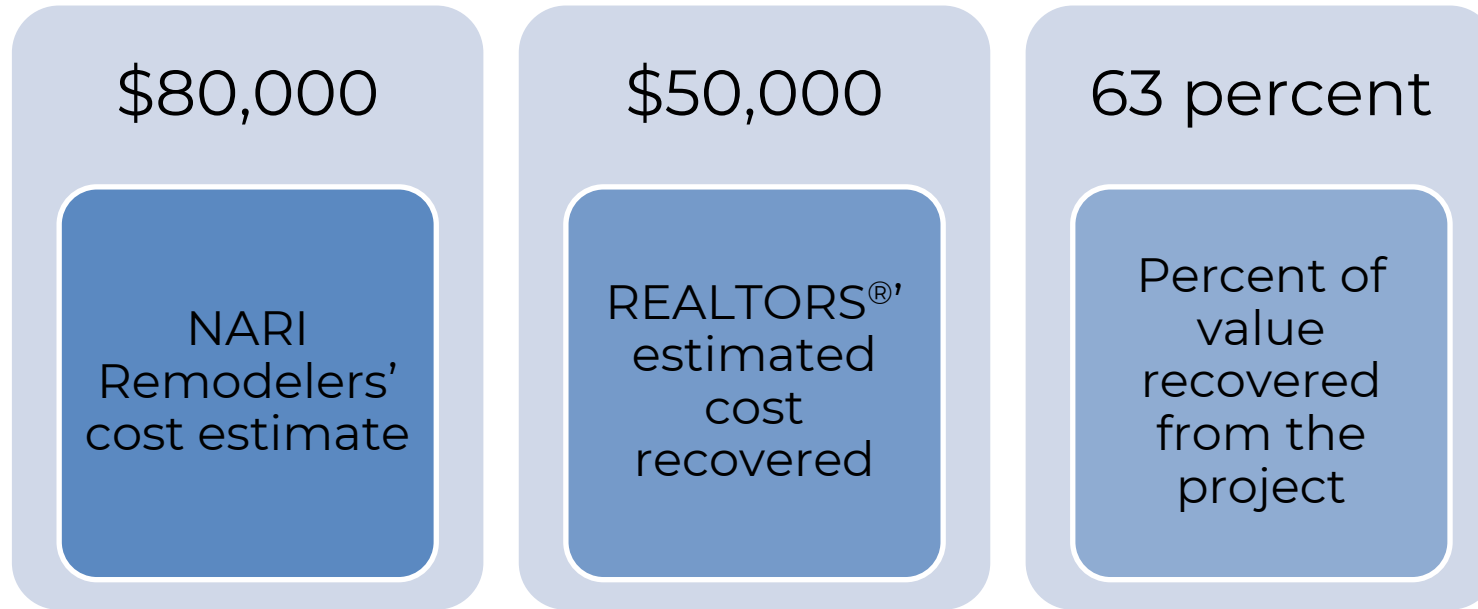
- 52% { To add features and improve livability
- 17% { Selling the home in the next two years

- 82% Have a greater desire to be home since completing the project
- 44% Have an increased sense of enjoyment when they are at home
- 48% Feel a major sense of accomplishment when they think of the project

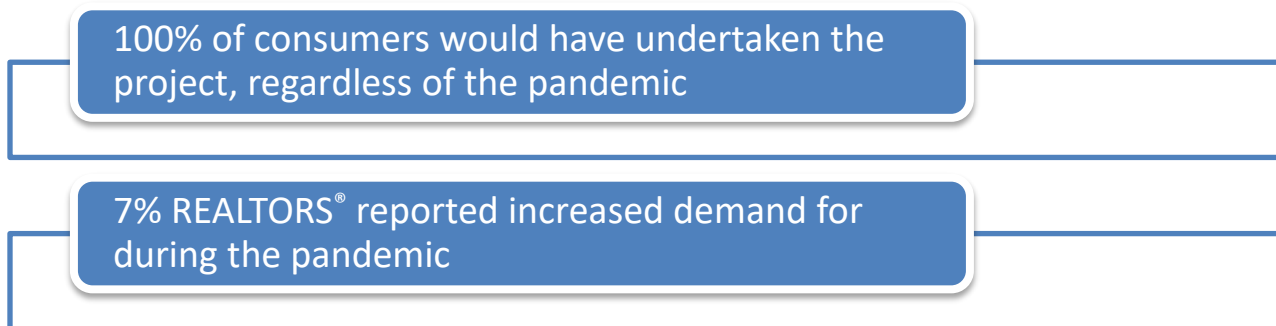


Add New Bathroom

Cost Recovery:

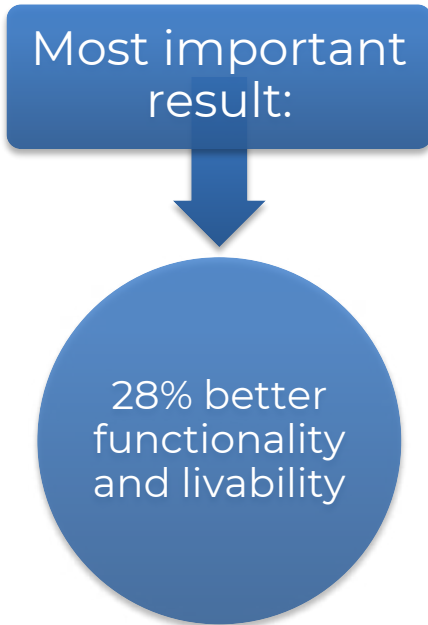


Pandemic Influence:



Add New Primary Bedroom Suite

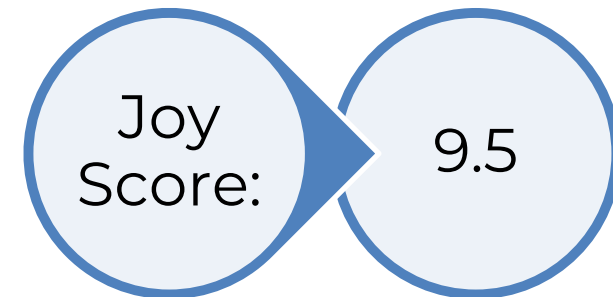
Consumers' Viewpoint After Completing the Project:



Top two reasons for doing the project:

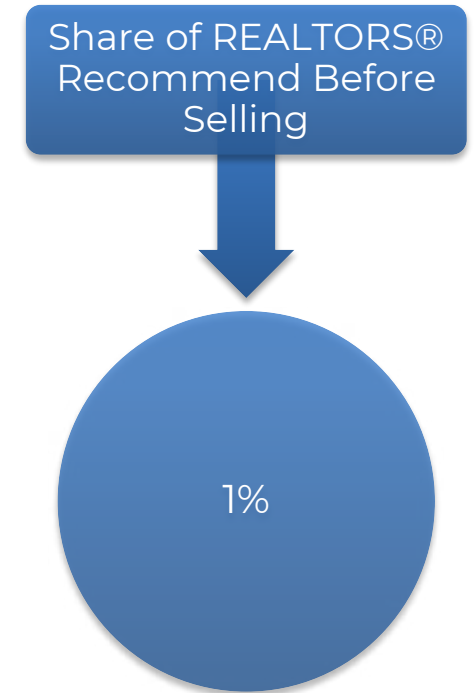
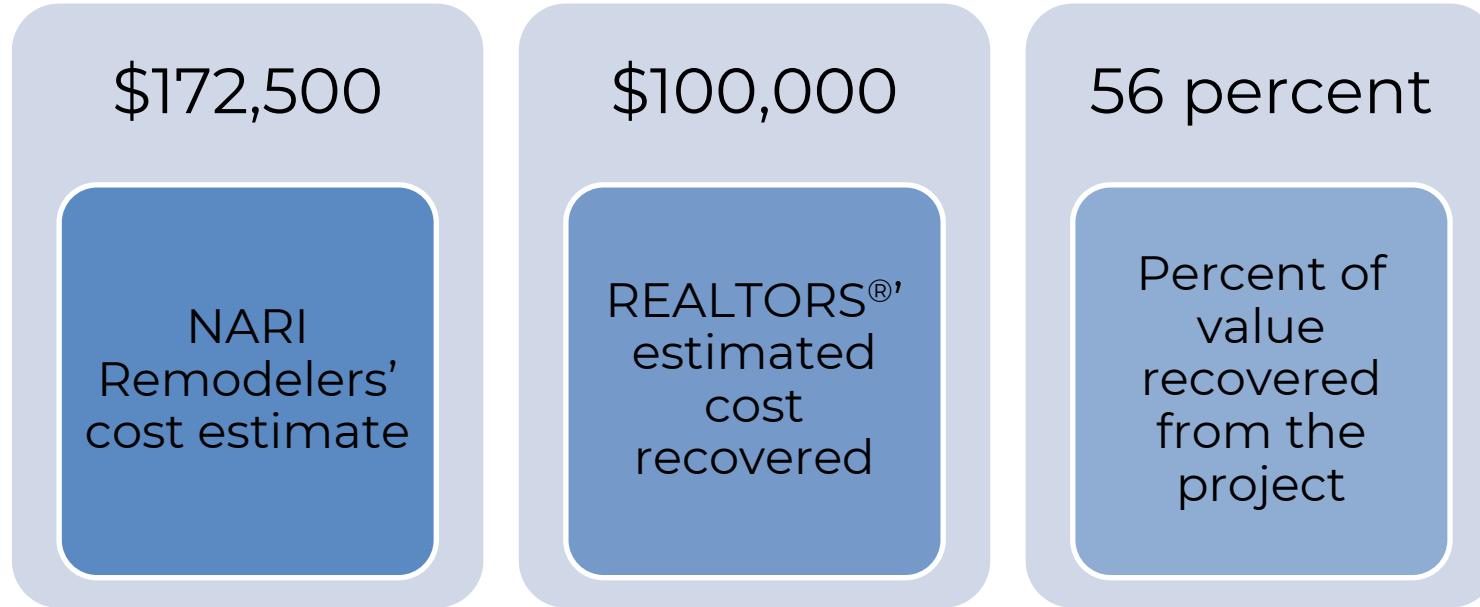
- 38% • Time for a change
- 23% • To add features and improve livability

- 93% Have a greater desire to be home since completing the project
- 78% Have an increased sense of enjoyment when they are at home
- 76% Feel a major sense of accomplishment when they think of the project

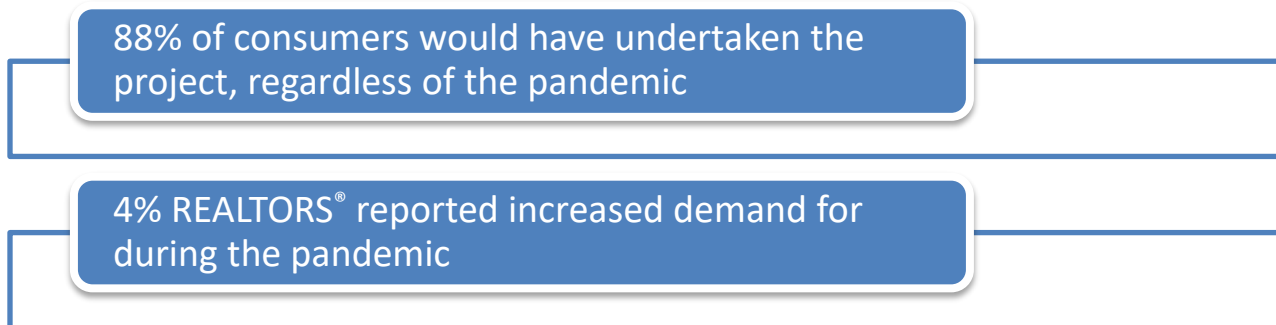


Add New Primary Bedroom Suite

Cost Recovery:

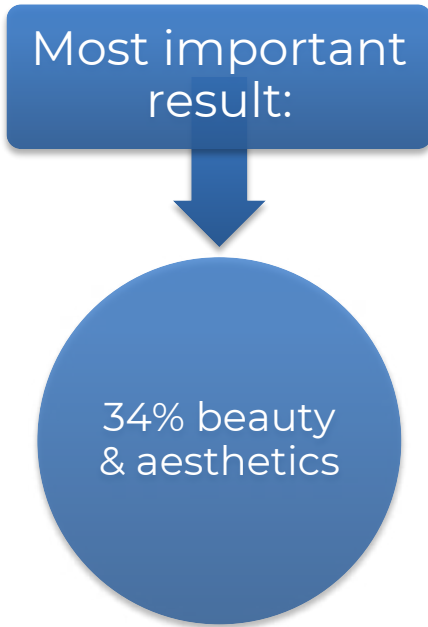


Pandemic Influence:

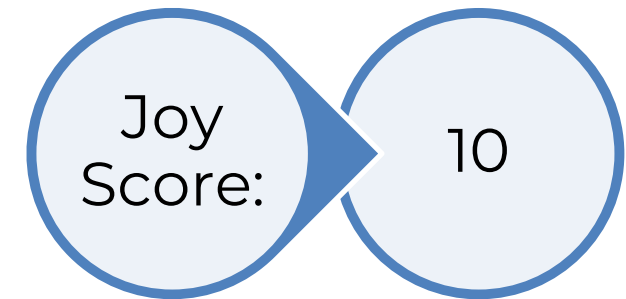
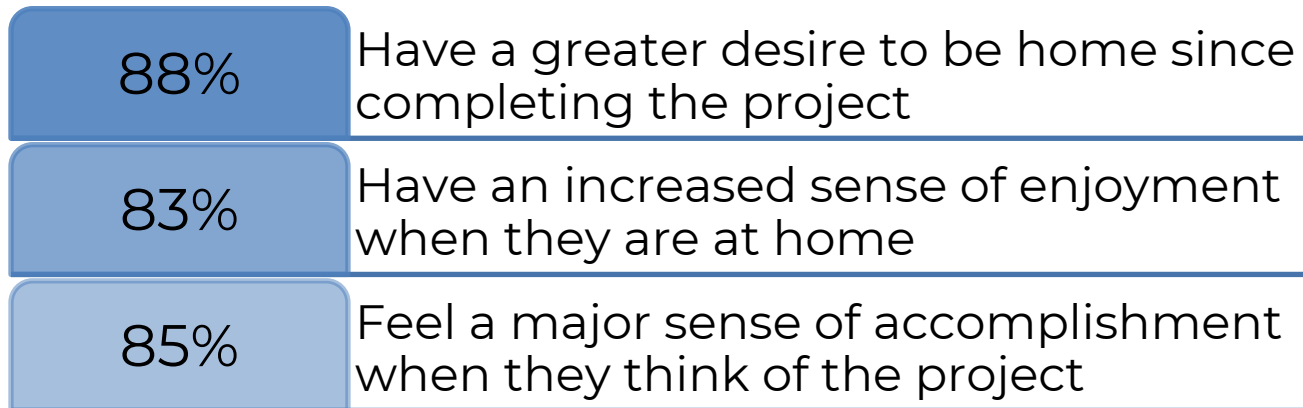
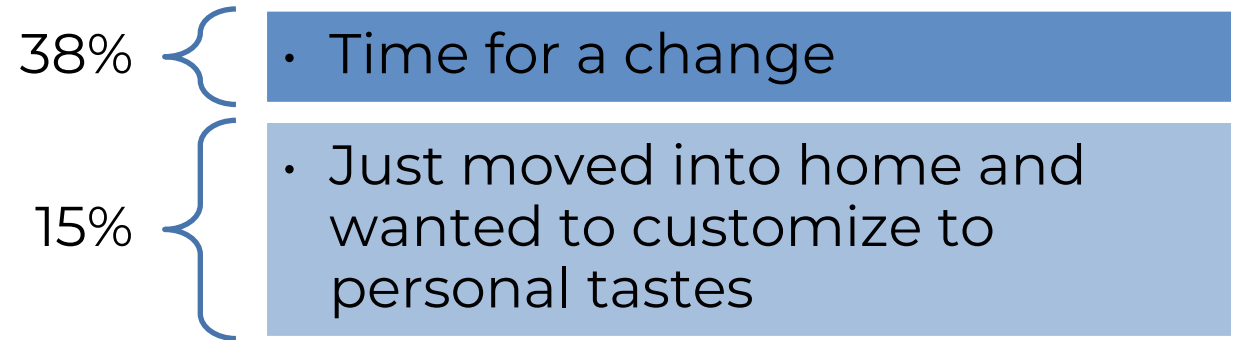


Paint Entire Interior Home

Consumers' Viewpoint After Completing the Project:

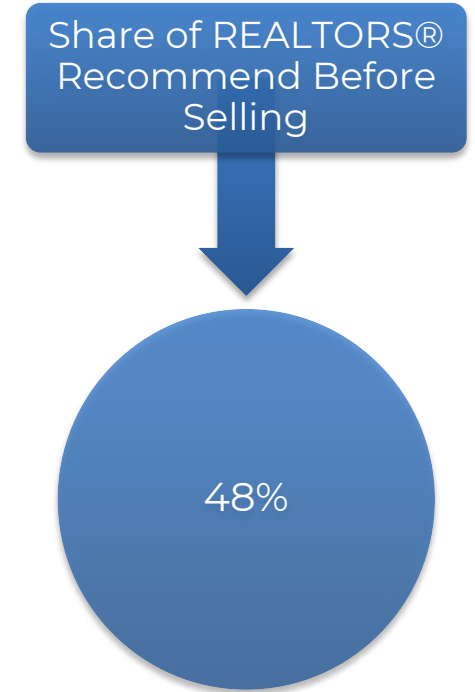
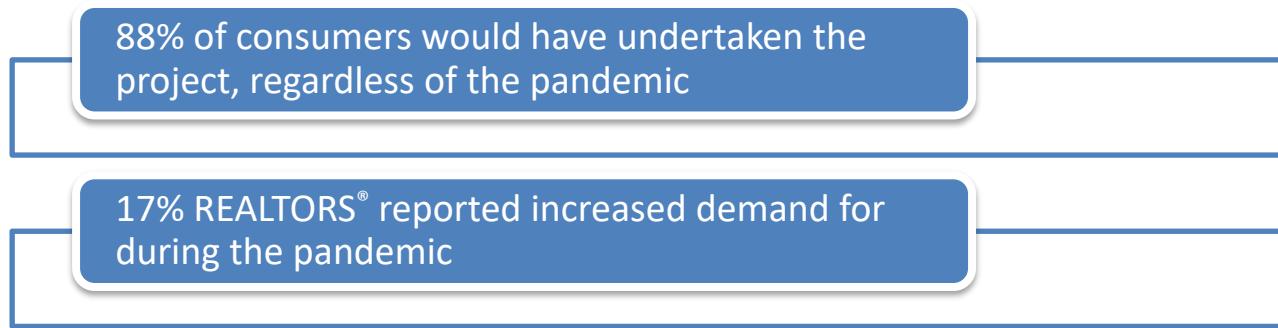


Top two reasons for doing the project:



Paint Entire Interior Home

Pandemic Influence:



Paint 1 Interior Room

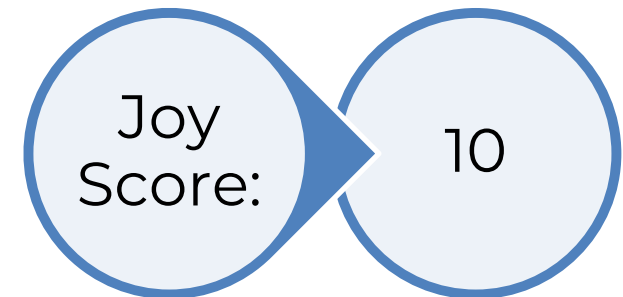
Consumers' Viewpoint After Completing the Project:



Top two reasons for doing the project:

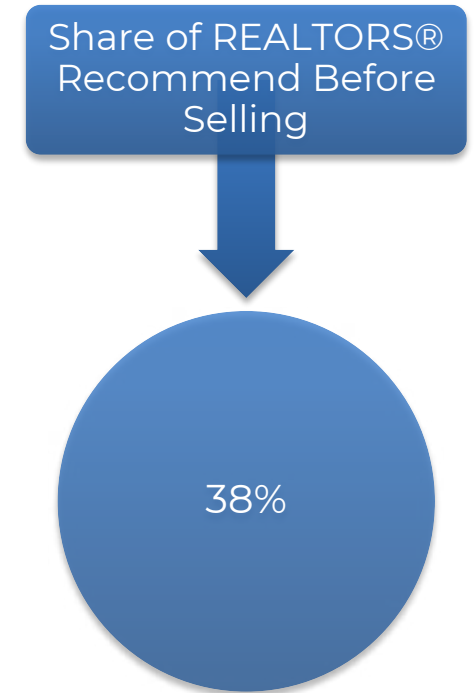
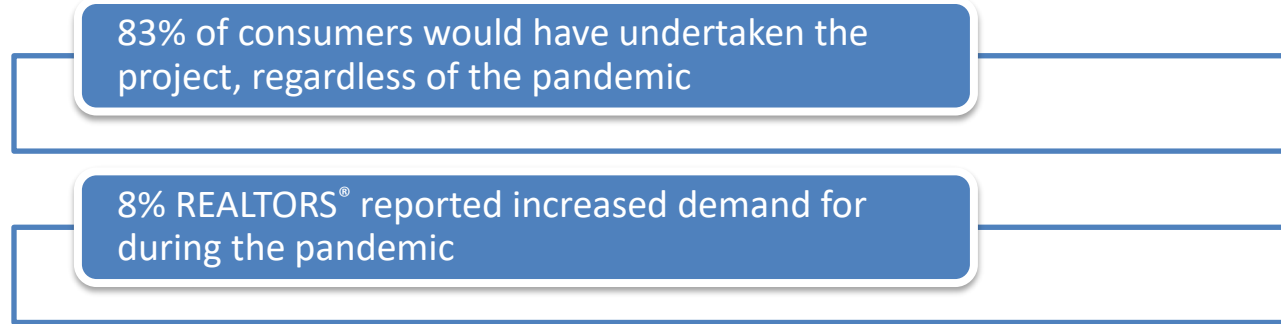
- 52% { • Time for a change
- 28% { • Upgrade worn-out surfaces, finishes, and materials

- 73% Have a greater desire to be home since completing the project
- 63% Have an increased sense of enjoyment when they are at home
- 67% Feel a major sense of accomplishment when they think of the project



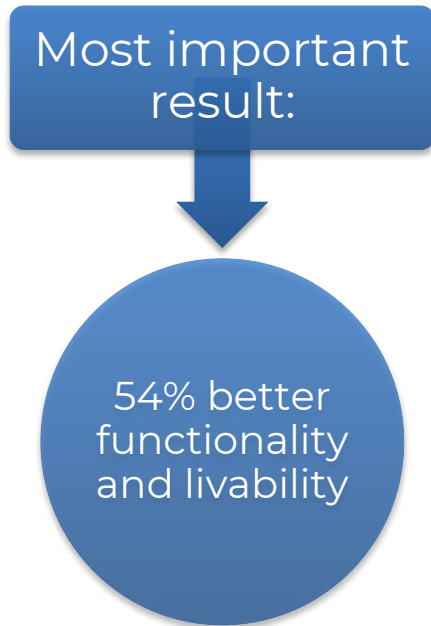
Paint 1 Interior Room

Pandemic Influence:



Add New Home Office

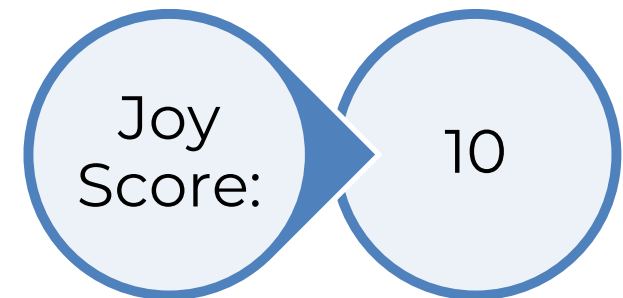
Consumers' Viewpoint After Completing the Project:



Top two reasons for doing the project:

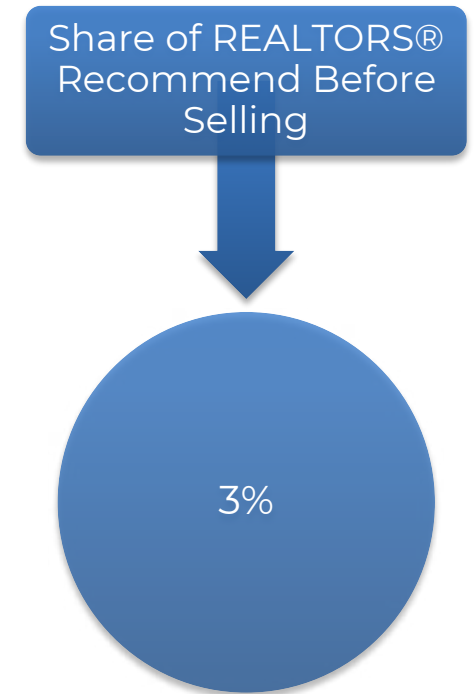
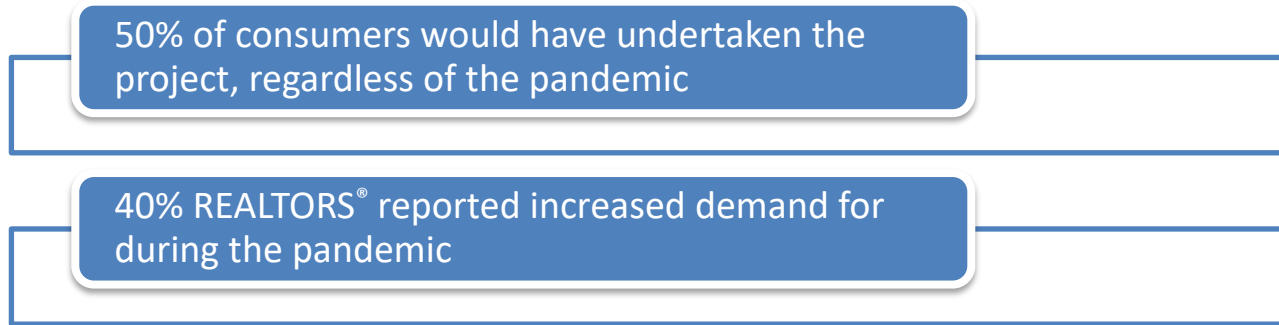
- 33% { To add features and improve livability
- 25% { To improve organization / storage
- Just moved into home and wanted to customize to personal tastes

- 91% Have a greater desire to be home since completing the project
- 73% Have an increased sense of enjoyment when they are at home
- 55% Feel a major sense of accomplishment when they think of the project



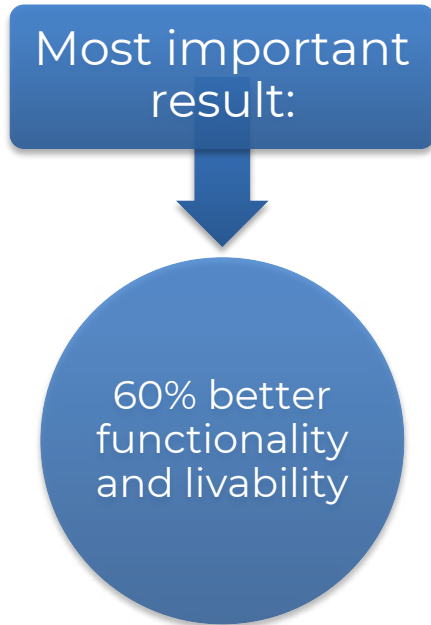
Add New Home Office

Pandemic Influence:



Add/Upgrade Laundry Area

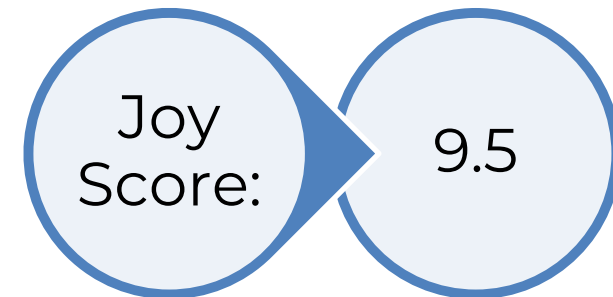
Consumers' Viewpoint After Completing the Project:



Top two reasons for doing the project:

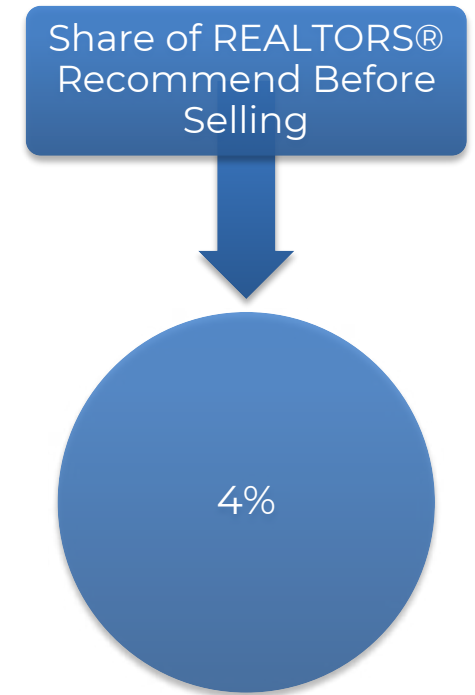
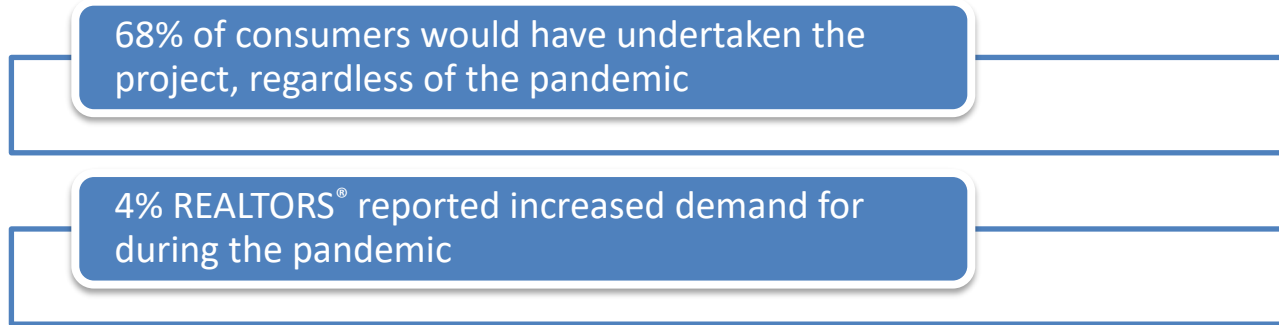
- 40% { • To add features and improve livability
- 20% { • Just moved into home and wanted to customize to personal tastes

- 84% Have a greater desire to be home since completing the project
- 68% Have an increased sense of enjoyment when they are at home
- 79% Feel a major sense of accomplishment when they think of the project



Add/Upgrade Laundry Area

Pandemic Influence:



Exterior Remodeling Projects



Exterior Analysis

There are many ways for homeowners to approach remodeling projects and even more ways to analyze the projects' successful outcome.

A Joy Score was calculated for each project based on the happiness homeowners reported with their renovations. Exterior projects with the highest Joy Scores were for painting exterior siding, new vinyl or wood windows, and new steel or fiberglass doors. In comparison, to interior projects, no project received a perfect Joy Score of 10.

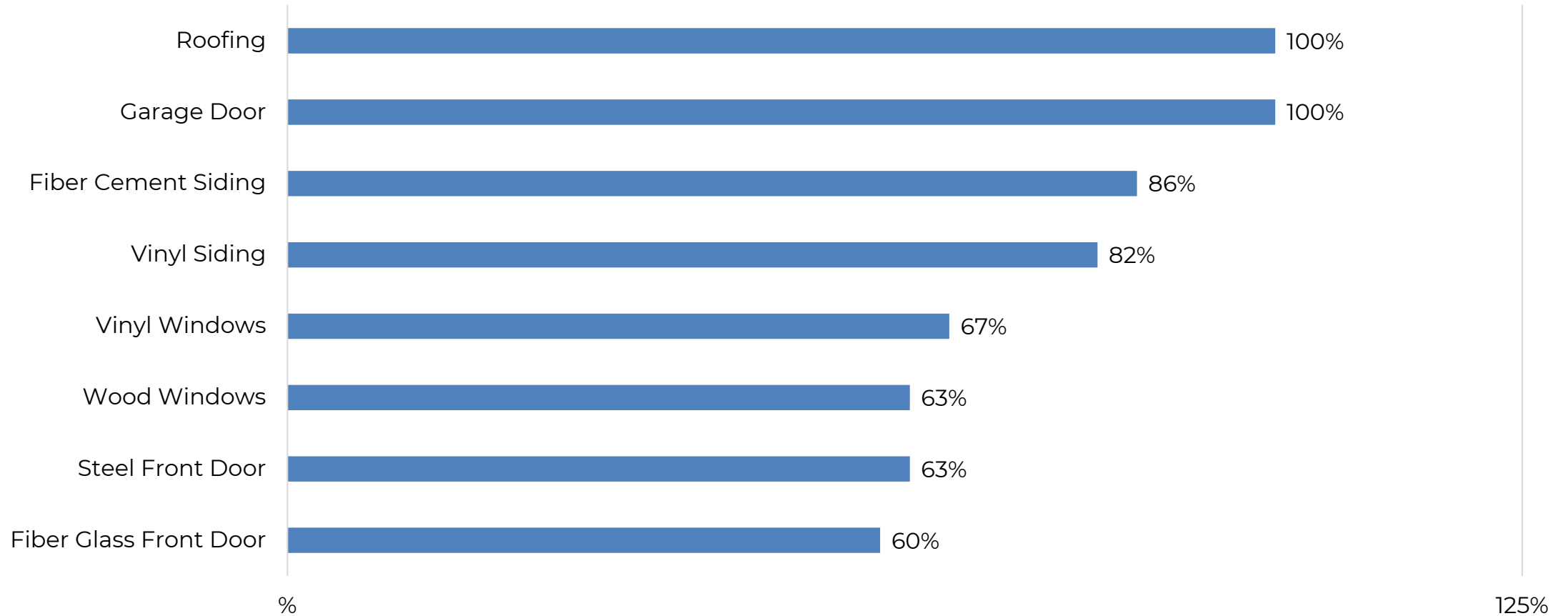
REALTORS® provided an estimate of the likely dollar value each project would add to the house at resale. In comparing that dollar value to the estimated cost of each project provided by NARI members, a Recovered Project Cost percentage was calculated.

For exterior projects, the highest percentage cost recovered was from new roofing and new garage door both at 100 percent. Fiber cement siding recovered 86 percent of the cost spent and vinyl siding recovered 82 percent.

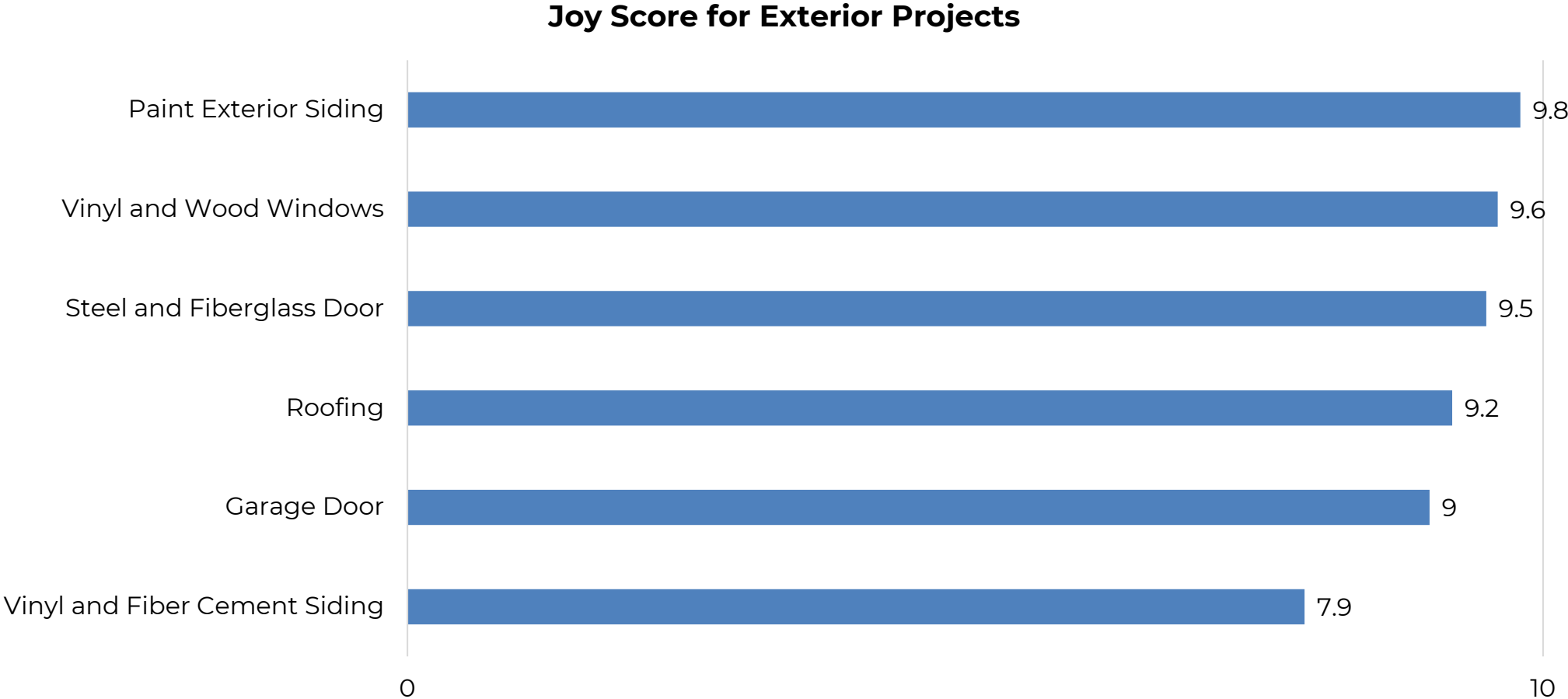


Cost Recovery for Exterior Remodeling Projects

Cost Recovery On Exterior Projects

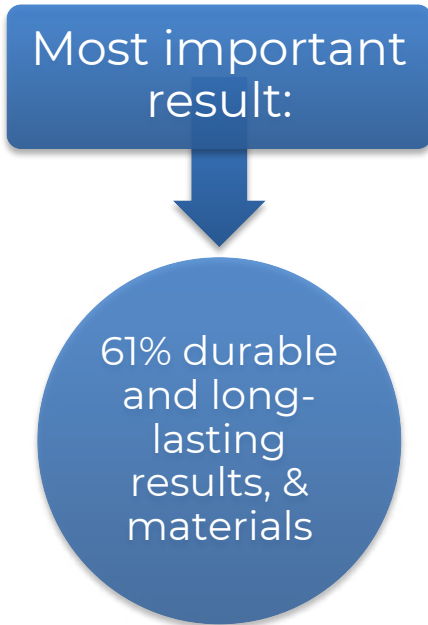


Joy Score For Exterior Remodeling Projects



New Roofing

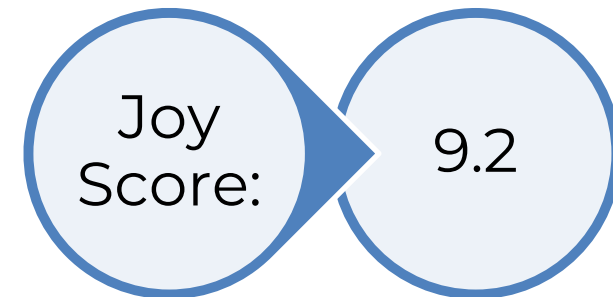
Consumers' Viewpoint After Completing the Project:



Top two reasons for doing the project:

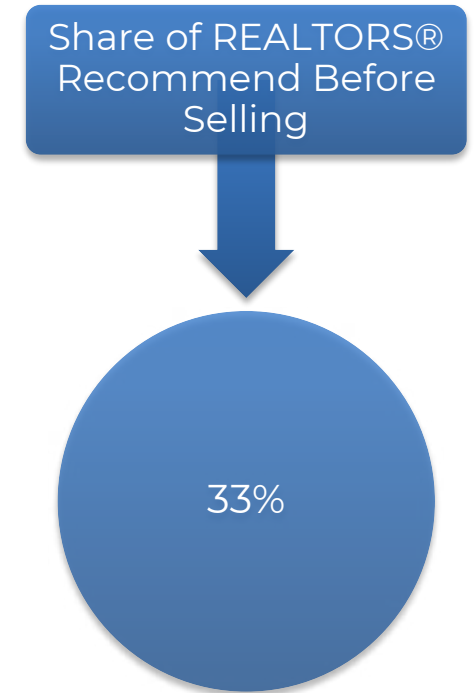
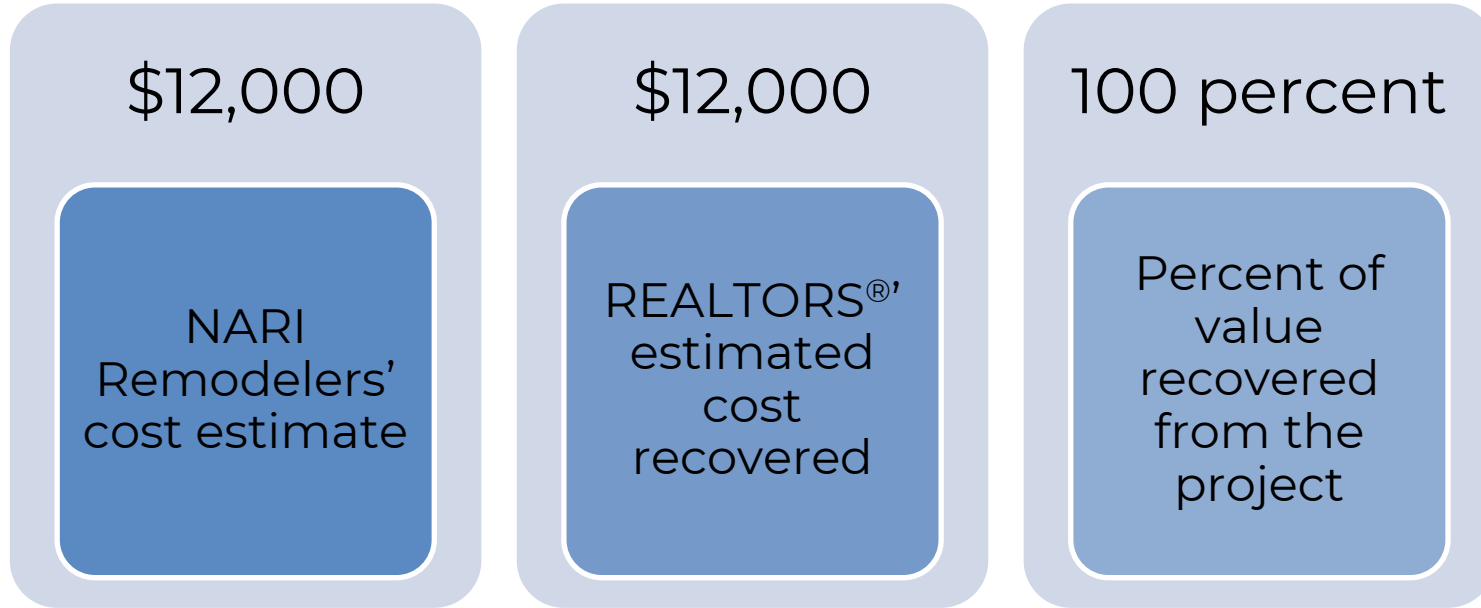
- 51% { Upgrade worn-out surfaces, finishes, and materials
- 21% { To add features and improve livability

- 87% Have a greater desire to be home since completing the project
- 54% Have an increased sense of enjoyment when they are at home
- 63% Feel a major sense of accomplishment when they think of the project

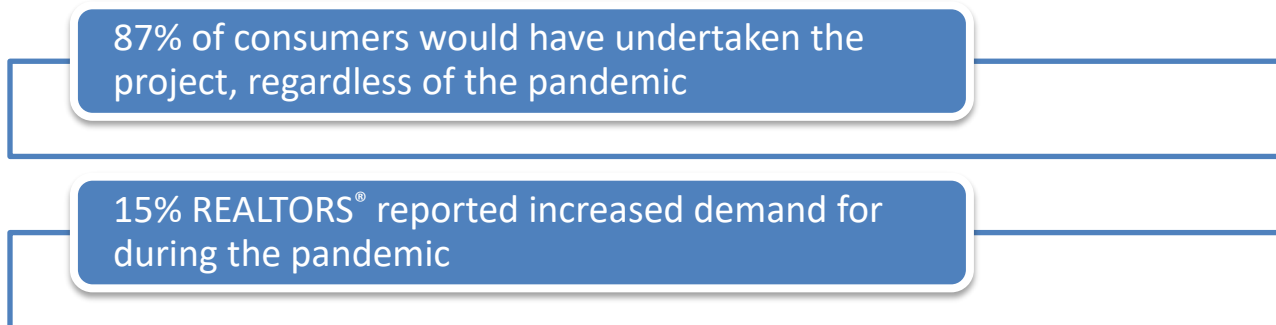


New Roofing

Cost Recovery:

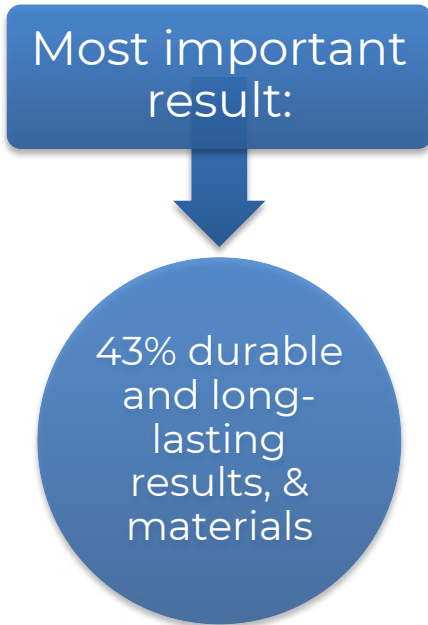


Pandemic Influence:



Garage Door

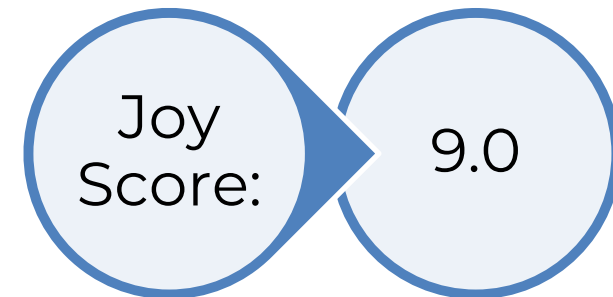
Consumers' Viewpoint After Completing the Project:



Top two reasons for doing the project:

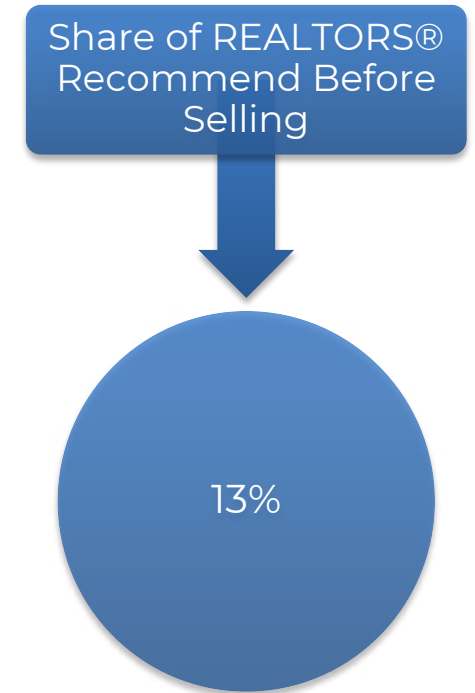
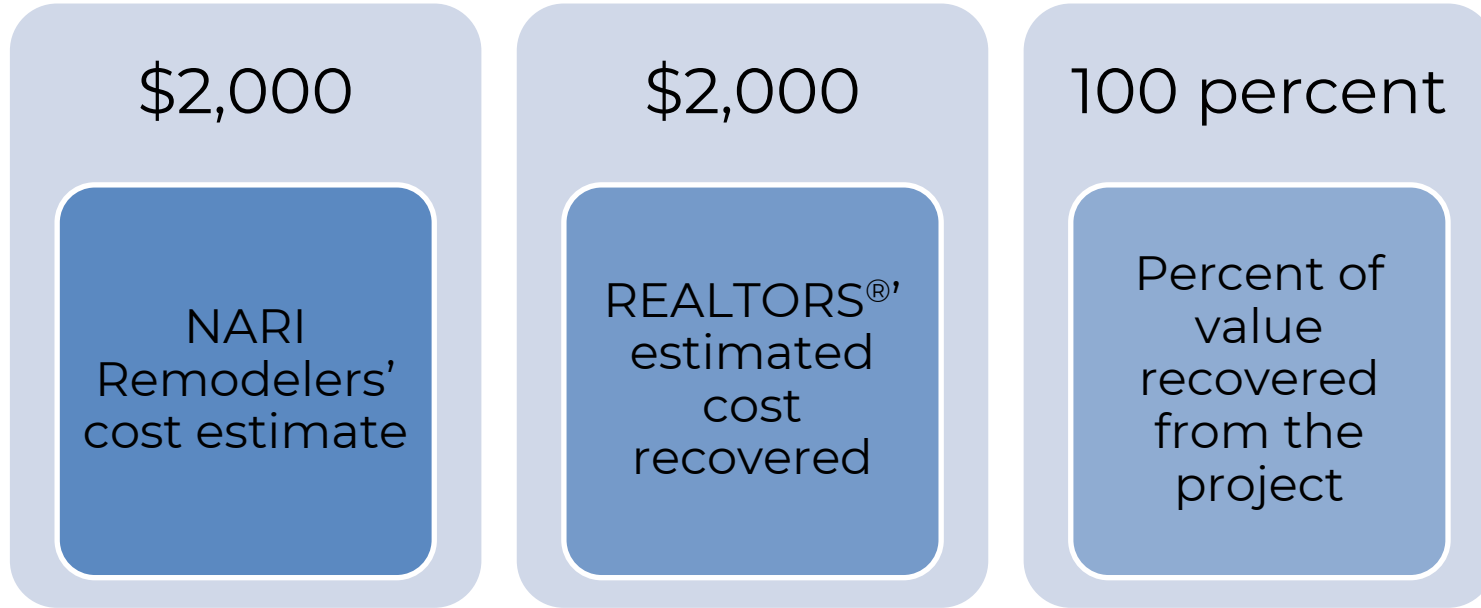
- 23% { Selling the home in the next two years
- 17% { Upgrade worn-out surfaces, finishes, and materials

- 80% Have a greater desire to be home since completing the project
- 37% Have an increased sense of enjoyment when they are at home
- 47% Feel a major sense of accomplishment when they think of the project

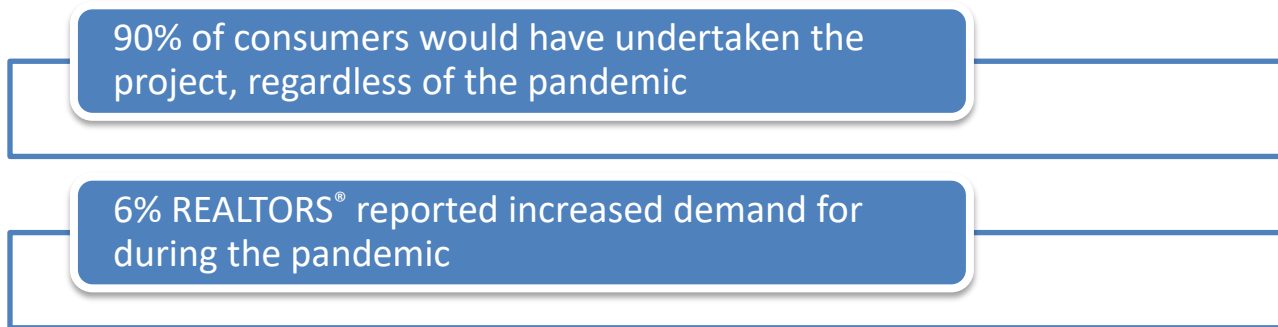


Garage Door

Cost Recovery:

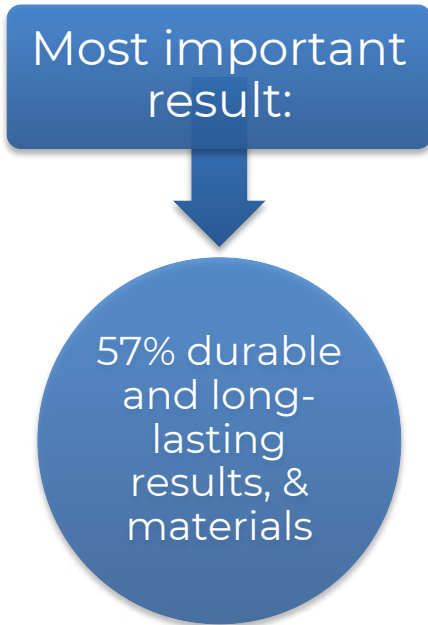


Pandemic Influence:



New Siding (Vinyl and Fiber Cement)

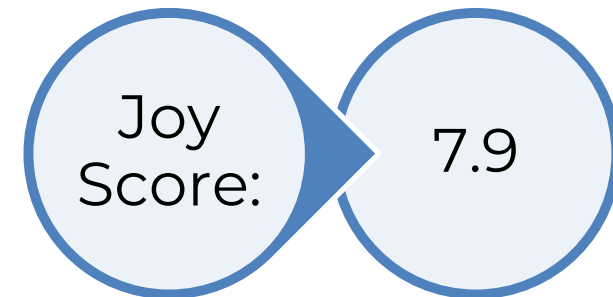
Consumers' Viewpoint After Completing the Project (Vinyl and Fiber Cement):



Top two reasons for doing the project:

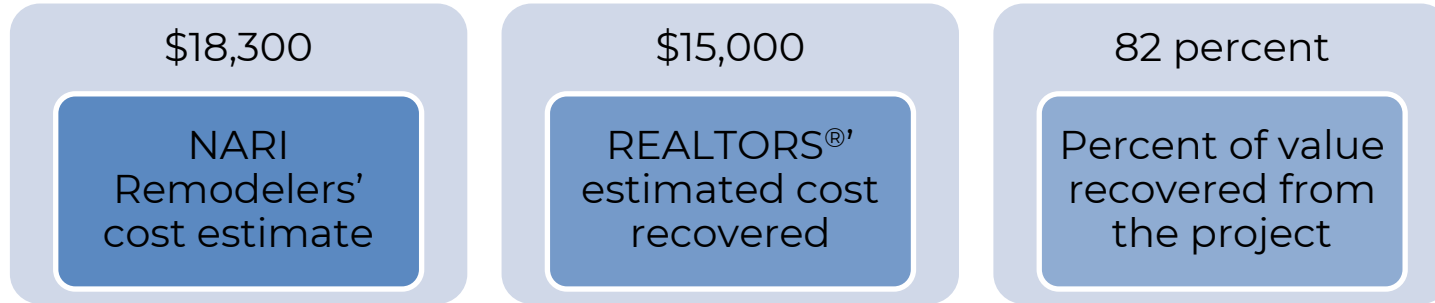
- 53% • Upgrade worn-out surfaces, finishes, and materials
- 13% • Selling the home in the next two years

- 93% Have a greater desire to be home since completing the project
- 57% Have an increased sense of enjoyment when they are at home
- 67% Feel a major sense of accomplishment when they think of the project



New Siding (Vinyl and Fiber Cement)

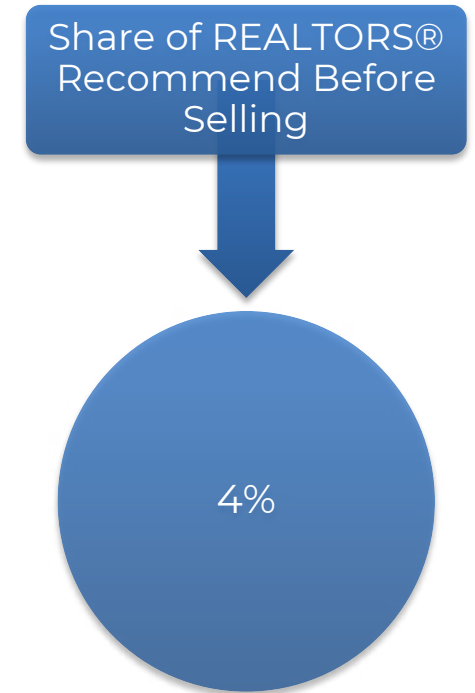
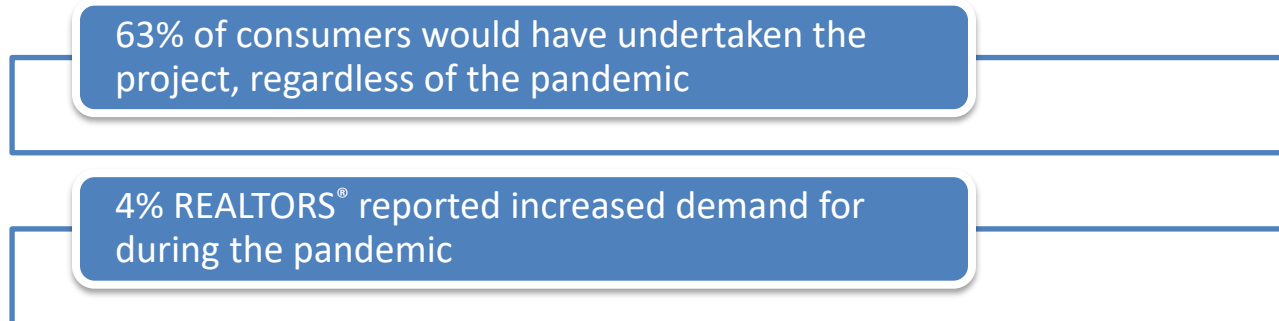
Cost Recovery Vinyl Siding:



Cost Recovery Fiber Cement Siding:

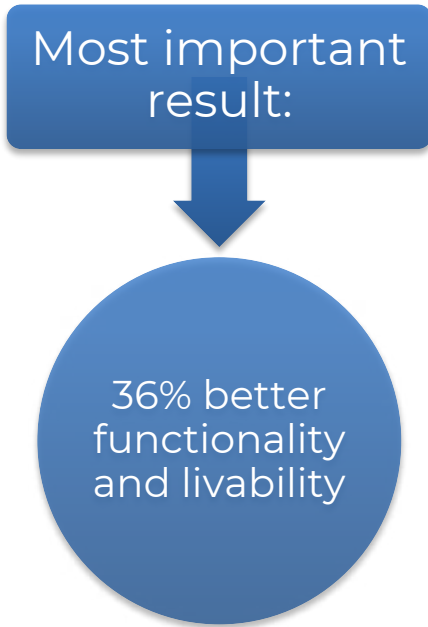


Pandemic Influence:



New Windows (Vinyl and Wood)

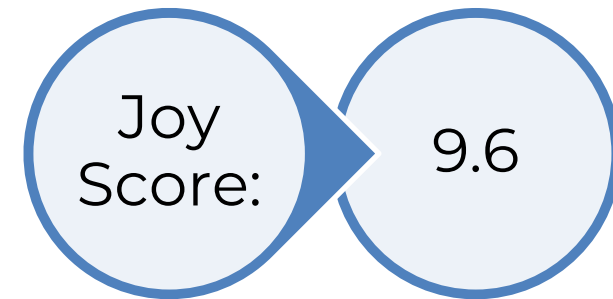
Consumers' Viewpoint After Completing the Project (Vinyl and Wood):



Top two reasons for doing the project:

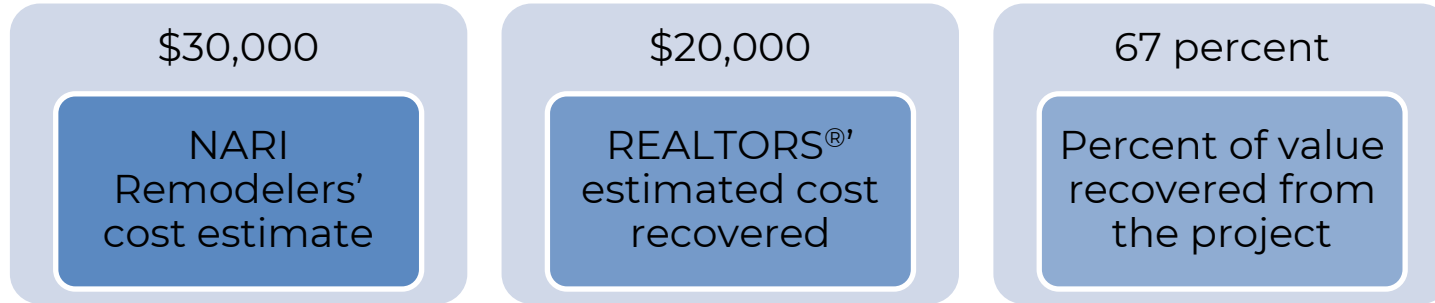
- 36% { Upgrade worn-out surfaces, finishes, and materials
- 18% { Improve energy efficiency

- 71% Have a greater desire to be home since completing the project
- 73% Have an increased sense of enjoyment when they are at home
- 52% Feel a major sense of accomplishment when they think of the project

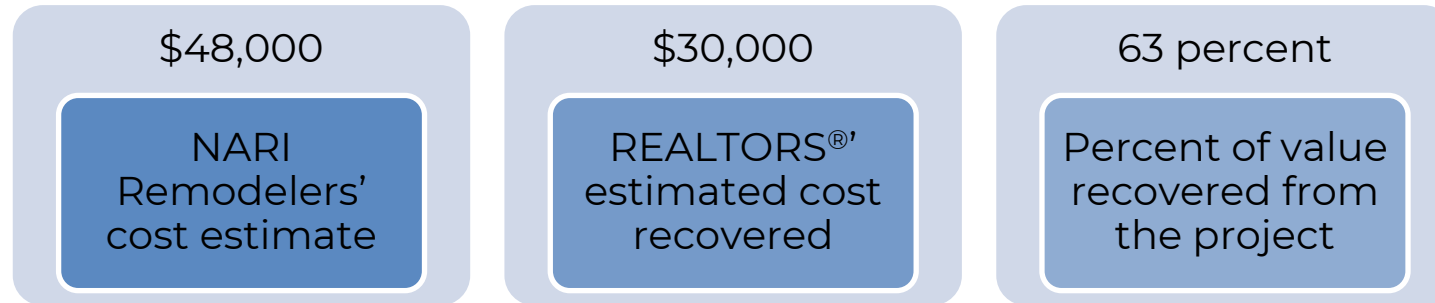


New Windows (Vinyl and Wood)

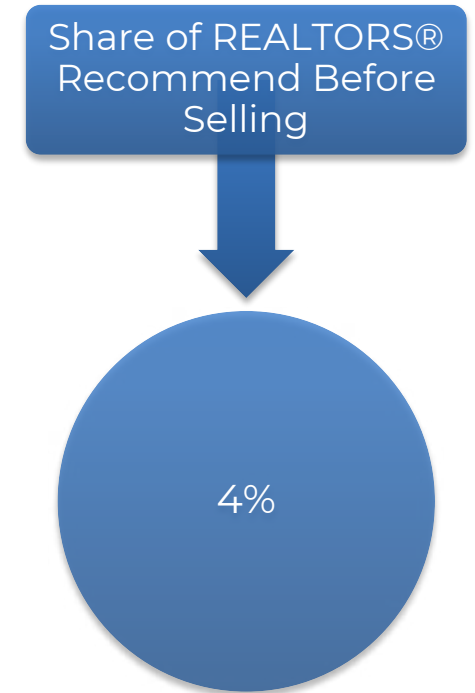
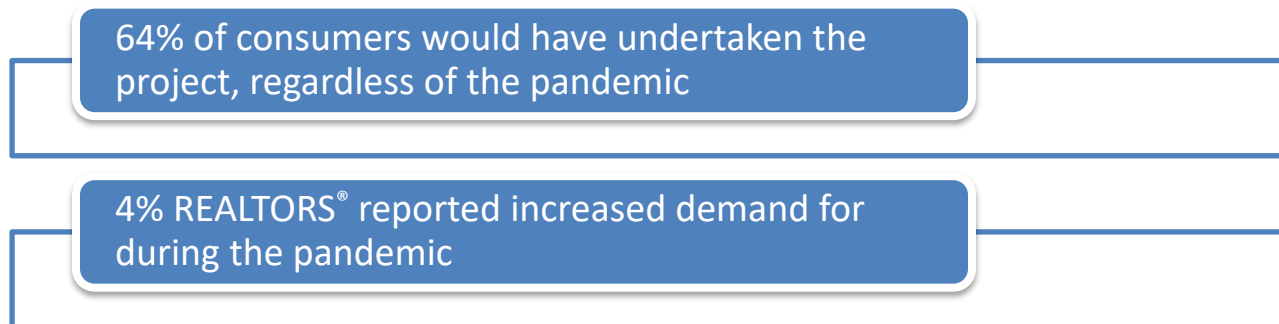
Cost Recovery Vinyl Windows:



Cost Recovery Wood Windows:

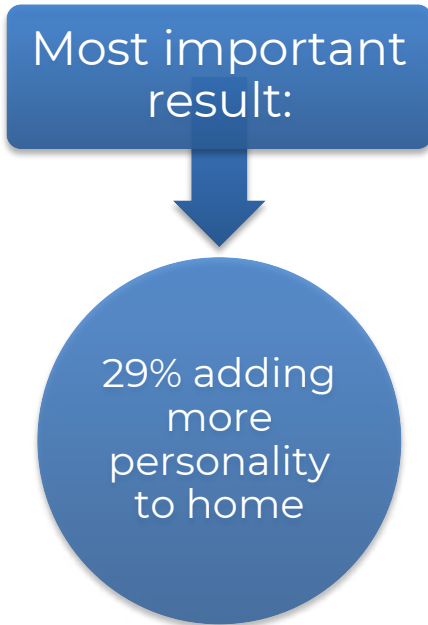


Pandemic Influence:



New Front Door (Steel and Fiberglass)

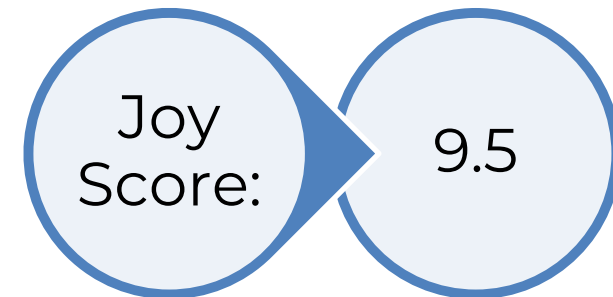
Consumers' Viewpoint After Completing the Project (Steel and Fiberglass):



Top two reasons for doing the project:

- 29% • Time for a change
- 24% • Modernize

- 91% Have a greater desire to be home since completing the project
- 67% Have an increased sense of enjoyment when they are at home
- 67% Feel a major sense of accomplishment when they think of the project



New Front Door (Steel and Fiberglass)

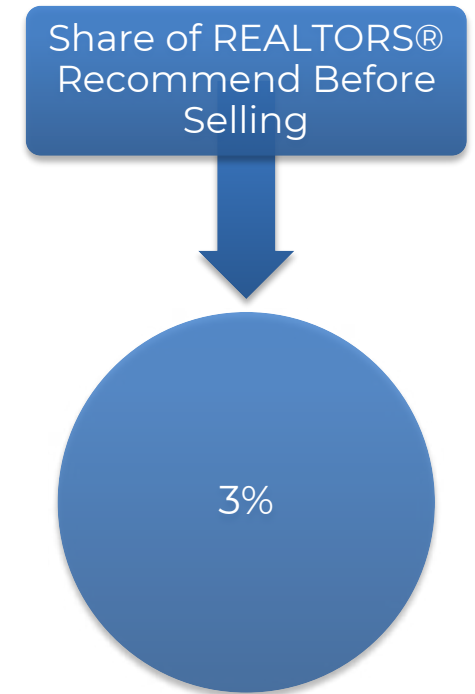
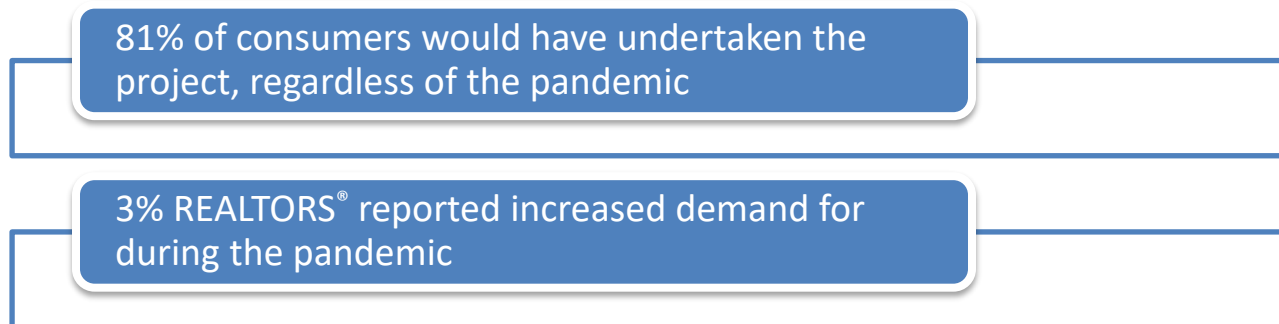
Cost Recovery Steel Front Door:



Cost Recovery Fiberglass Door:

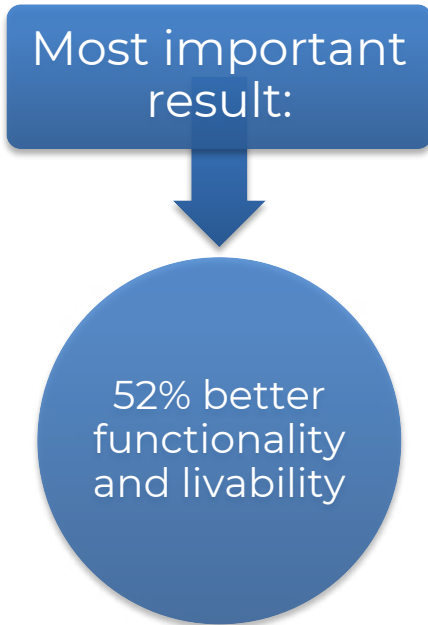


Pandemic Influence:



Paint Exterior Siding

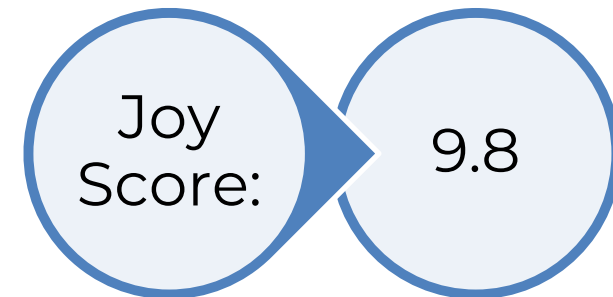
Consumers' Viewpoint After Completing the Project:



Top two reasons for doing the project:

- 72% { Upgrade worn-out surfaces, finishes, and materials
- 12% { Time for a change

- 88% Have a greater desire to be home since completing the project
- 86% Have an increased sense of enjoyment when they are at home
- 47% Feel a major sense of accomplishment when they think of the project



Methodology

Survey of Consumers Who've Completed Remodeling Projects:

In Autumn of 2021, homeownership site HouseLogic.com surveyed consumers about the last remodeling project they undertook. A total of 1,182 respondents took the online survey. The Joy Score was calculated by combining the share who were happy and those who were satisfied when seeing their completed project and dividing the share by 10 to create a ranking between 1 and 10. Higher Joy Scores indicate greater joy from the project.

National Association of the Remodeling Industry Cost Survey:

In Autumn of 2021, NARI emailed a cost survey to its 5,778 members companies. A total of 210 responses were received. The survey had an adjusted response rate of 3.6%. Respondents were asked to take the following into consideration: "For each project, please

assume the house is in good condition. There are no surprises that will impact the cost. Generally, assume a 2,495 sq. ft. house--the average size according to U.S. Census data --and that the house is a post-1981-built home with no hidden issues. To ensure the most applicability, projects and materials represent standard or typical quality; a few projects feature "better-quality" materials. But there are no top-of-the-line projects."

National Association of REALTORS® Value Survey:

In February 2022, NAR emailed an interior remodeling project survey to a random sample of 47,907 members. A total of 2,287 responses were received. The survey had an adjusted response rate of 4.8%. Respondents were asked to take the following into consideration: "Based on a survey from the National Association of the Remodeling Industry, we have included the median cost of each professional remodeling project. Generally, assume a 2,495 sq. ft. home based on U.S. Census data.

Methodology

We accounted for code requirements in designing projects. To ensure the most applicability, projects and materials represent standard or typical quality; a few projects feature “better quality” materials. But there are no top-of-the-line projects.”

In February 2022, NAR e-mailed an exterior remodeling project survey to a random sample of 48,014 members. A total of 2,505 responses were received. The survey had an adjusted response rate of 5.2%. Respondents were asked to take the following into consideration: “Based on a survey from the National Association of the Remodeling Industry, we have included the median cost of each professional remodeling project. Generally, assume a 2,495 sq. ft. home based on U.S. Census data. We accounted for code requirements in designing projects. To ensure the most applicability, projects and materials represent standard or typical quality; a few

projects feature “better quality” materials. But there are no “top-of-the-line projects.”

The primary measure of central tendency used throughout this report is the median, the middle point in the distribution of responses to a particular question or, equivalently, the point at which half of the responses are above and half are below a particular value.





The National Association of REALTORS® is America's largest trade association, representing more than 1.6 million members, including NAR's institutes, societies and councils, involved in all aspects of the real estate industry. NAR membership includes brokers, salespeople, property managers, appraisers, counselors and others engaged in both residential and commercial real estate.

The term REALTOR® is a registered collective membership mark that identifies a real estate professional who is a member of the National Association of REALTORS® and subscribes to its strict Code of Ethics.

Working for America's property owners, the National Association provides a facility for professional development, research and exchange of information among its members and to the public and government for the purpose of preserving the free enterprise system and the right to own real property.

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NATIONAL ASSOCIATION OF REALTORS®

Research Group

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About NARI ...

The National Association of the Remodeling Industry, or NARI, provides residential remodelers with tools that enable them to perform at a higher level. NARI members' annual sales are nearly three times the industry average because of the knowledge, networking and support that they receive as members. In addition, NARI connects homeowners with its professional members, so consumers have a positive remodeling experience with a professional, qualified remodeler. NARI members pledge to follow the nation's strictest code of ethics for remodelers so homeowners can feel confident that their remodeling job will be done right when they hire a NARI member. NARI's website, remodelingdoneright.com, contains a searchable list of NARI members that homeowners can use to find a NARI remodeler near them.