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Slow housing market may have minimal effects of remodeling industry

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The National Association of Home Builders recently reported that it expects the remodeling industry to be in a steady decline for the next decade. According to the association, this is due to the slowing housing market. In a slowing marketing, homeowners have less incentive to remodel their homes if the values of their homes are dropping.

Regardless of the slowing housing market, there is reason to believe the remodeling industry will only suffer minimal effects. First, it seems as though the housing slump is primarily affecting the middle class. The affluent market is not feeling the effect as much, since there is more disposable income. During a recession, the affluent market tends to carry the industry.

According to Harvard University's Joint Center for Housing Studies, the remodeling industry has doubled in size since 1996, and spending is expected to grow 19 percent between 2005 and 2015, reaching an estimated \$268 billion. Despite the current housing market, **Dewhurst & Associates**, a family-based custom homebuilding and remodeling company celebrating its 79th year in business, believes the remodeling industry will remain strong.

Not enough time

Second, nearly half of American families have both parents working, and this is a growing number. Therefore, many people and families do not have time to take on large remodeling projects by themselves, as they did in the past. Quality remodeling takes a lot of time, and most people do not have the extra time to take on large projects and would rather hire out the work -- and find a company to do the work right.

Different homes

Another indicator of a strong future for remodeling is within the structures of the house itself. Houses built in the 1950s and '60s were smaller and built with simple materials like aluminum siding, asphalt roofs and mill finish aluminum windows. There were fewer choices; nothing was too complex and not much could go wrong.

Today's house contains many times the number of distinct materials, has more complex architectural details and requires more specialized labor than ever before. Between expanding and upgrading older housing stock and maintaining newer homes, there will be plenty of remodeling activity to go around.

Generation X

Americans have a renewed focus on their homes. Since 9/11, people have placed a stronger value on their family and their home. The same is also true for Generation Xers, who are now between 28 and 44 years old.

Generation X is the up and coming demographic group for home remodeling. New on the homeowner scene, this generation will make a difference in the coming years. Family life is of extreme importance to this generation, because they saw their parents' relationships end in divorce. Family ties will make this generation an important one to focus on, as they will want homes to bring their families together -- spacious living areas and large kitchens. Also, the slowdown in home sales means people will be staying in their homes longer -- so they will choose to remodel over buying a new home.

Baby boomers

According to the National Association of the Remodeling Industry, baby boomers are an economic force certain to exert a strong impact on the remodeling industry.

Baby boomers represent nearly 45 percent of the American population and are in their peak earning years, with financial resources to make even more discretionary home improvements. And improve they will.

As baby boomers get older and their disposable incomes grow, they will be less likely to do the work themselves. That means more will turn to professional contractors for home improvements. Studies also show that baby boomers are more stressed, so having comfortable homes is a priority. In fact, boomers spend more on housing than any other age group.

During a time when the housing market seems to be spiraling downward, Dewhurst & Associates sees light at the end of the tunnel. There is always going to be a demand in the remodeling market and the future looks bright. Just because it may not be a good time to purchase a new home, remodeling homes will always be a booming industry, and Dewhurst & Associates plans to remain a major player in the remodeling market.

Dewhurst is a project manager with Dewhurst & Associates.