

Remodeling Market Index 2014 Steady at Historical High

January 23, 2014 - According to the National Association of Home Builders (NAHB), the Remodeling Market Index (RMI) held steady at 57 in the fourth quarter of 2013. This is the same level as the third quarter of 2013 and the highest reading since the first quarter of 2004.

An RMI above 50 indicates that more remodelers report market activity is higher (compared to the prior quarter) than report it is lower. The overall RMI averages ratings of current remodeling activity with indicators of future remodeling activity.

“The remodeling industry ends 2013 on a high note as remodeler confidence holds steady at a historically high level,” said NAHB Remodelers Chairman Bill Shaw, GMR, GMB, CGP, a remodeler from Houston. “We expect to keep this positive momentum going in 2014 as more home owners will continue to take on remodels and repairs that had been postponed in the downturn.”

The RMI’s future market conditions index rose from 56 in the previous quarter to 58, the highest reading since the inception of the series in 2005. Three of the four major components of the RMI’s future market conditions index increased in the final quarter of 2013. Calls for bids increased from 56 to 59, the amount of work committed for the next three months from 52 to 54 and appointments for proposals from 55 to 59. The backlog of remodeling jobs fell one point to 59.

The current market conditions component of the RMI declined two points to 56 this quarter.

“Steady existing home sales, historically favorable interest rates for home buyers and rising home equity have combined to release some of the pent up demand for home remodeling from the past few years,” said NAHB Chief Economist David Crowe. “This quarter’s RMI reading shows that the slow but steady improvement in the remodeling market will continue in 2014.”

For more information about remodeling, visit www.nahb.org/remodel.