

A woman with blonde hair tied back, wearing a white t-shirt and denim overalls, stands in a room with blue walls. She is holding two blue paint samples and looking at them. To her left is a wooden step ladder. In the background, there is a window with white trim and a washing machine. The floor is wooden with a patterned rug. The overall scene is a home renovation project.

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NAR's 2025 REMODELING IMPACT REPORT

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**NARI**
Remodeling Done Right.



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Presentation Content

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Introduction

- NARI: Is a national trade organization for the remodeling industry, with local state offices all through the country.
- NARI's roots go back to 1935 when President Roosevelt's National Recovery Act was passed.
- Like NAR®, NARI's members are to follow a specific required Code of Ethics and maintain a set of professional standards.
- Homeowners and renters remodel, redesign, and restructure their homes for a variety of reasons. This report takes a deep dive into why a homeowner remodels, the outcome of taking on projects, and the increased happiness in the home once a project is completed.
- To do the cost vs. return analysis:
 - NARI provided cost estimates
 - NAR® members estimated the financial returns
- Americans spent an estimated \$603 billion in 2024 on remodeling their homes. 42 percent of NARI members found a greater demand for their services during the last two years.
- Fifty-seven percent of NARI members cited that the scale of the projects increased, resulting in either a larger project or the remodeling of more than one room in the last two years.
- This matches what REALTORS® conveyed regarding buyers' expectations: 46% of home buyers are less willing to compromise on the condition of the home when purchasing.
- To gather cost data, NARI members were given the following parameters:
 - Home would be a 2,300 sqft house, which aligns with the average size according to U.S. Census data.
 - The house is a post-1978 construction with no concealed problems.
 - Remodeling materials used represent standard or typical quality, with some projects incorporating "better-quality" materials.
- NAR calculated a **Joy Score** for each project based on the happiness homeowners reported with their renovations.



Consider the following...

- Our local market conditions, supply-and-demand, inventory availability or shortage, and other similar local factors, may be somewhat different than the national perspective that this research project was conducted under.
- Also remember: this research is on “**all remodeling**” projects, **NOT** “**remodeling before I sell**” projects.





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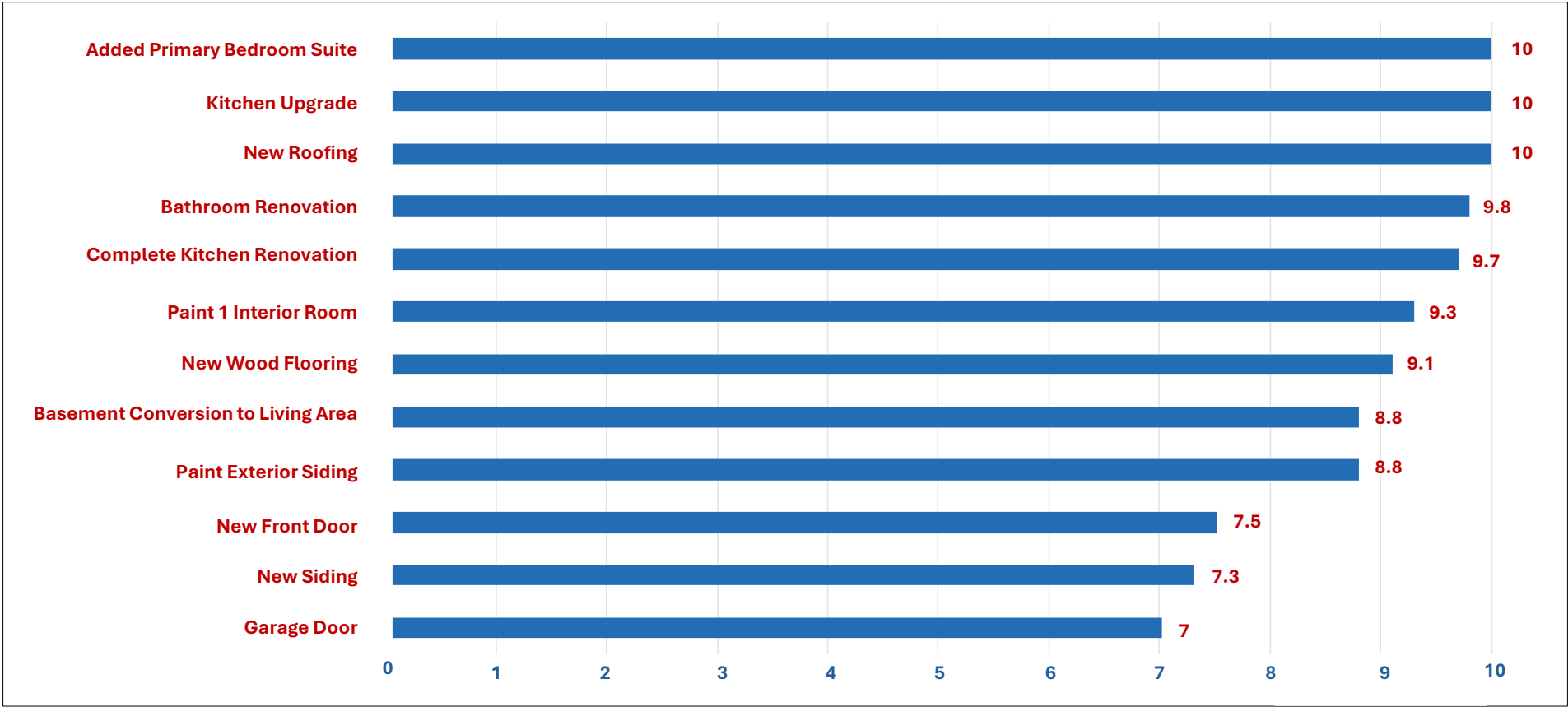
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TOP JOY SCORES

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Top Joy Score For Remodeling





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REALTOR® PERCEPTION OF DEMAND

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Dedicated to Excellence

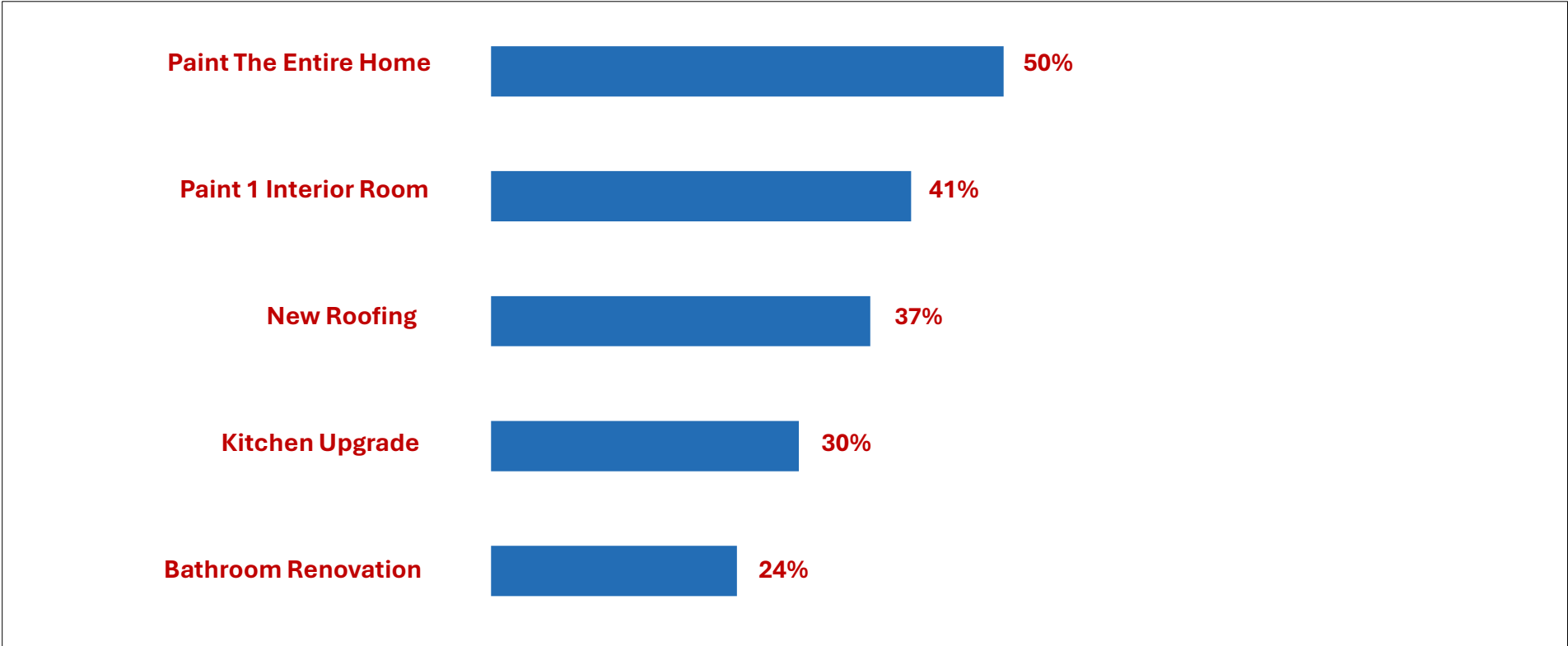
REALTOR® Perception of Demand

REALTORS® often suggest a homeowner take on a remodel project before attempting to sell their home. The top projects REALTORS® recommended potential sellers take on are painting the entire home, painting one room, and new roofing.

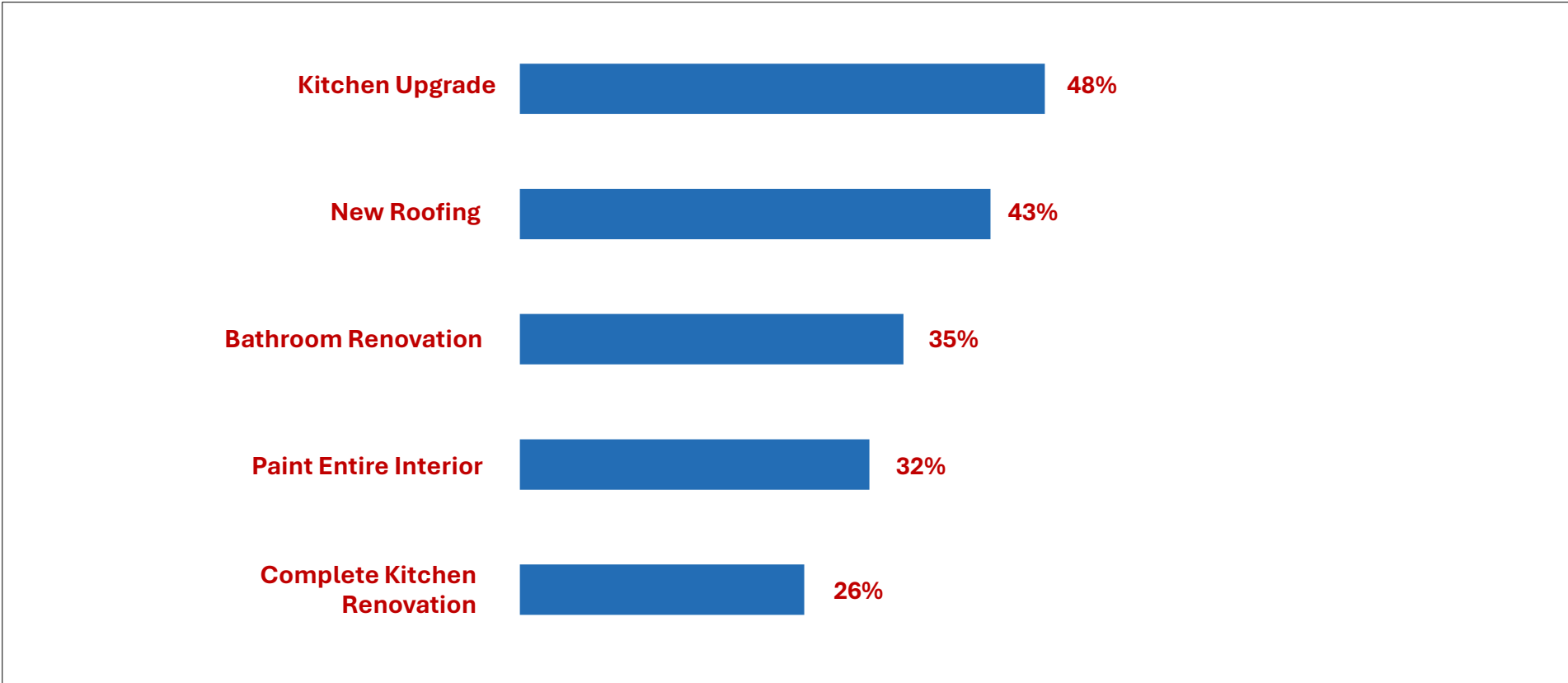
Since 2020, REALTORS® have seen home preferences shift. The top remodeled areas NAR® members have seen an increased demand for in the last two years have been kitchen upgrades, new roofing, and a bathroom renovation.



Top Remodeling Projects REALTORS® Recommend Sellers Do Before Selling



Last Two Years REALTORS® Have Seen Increased Demand For ...





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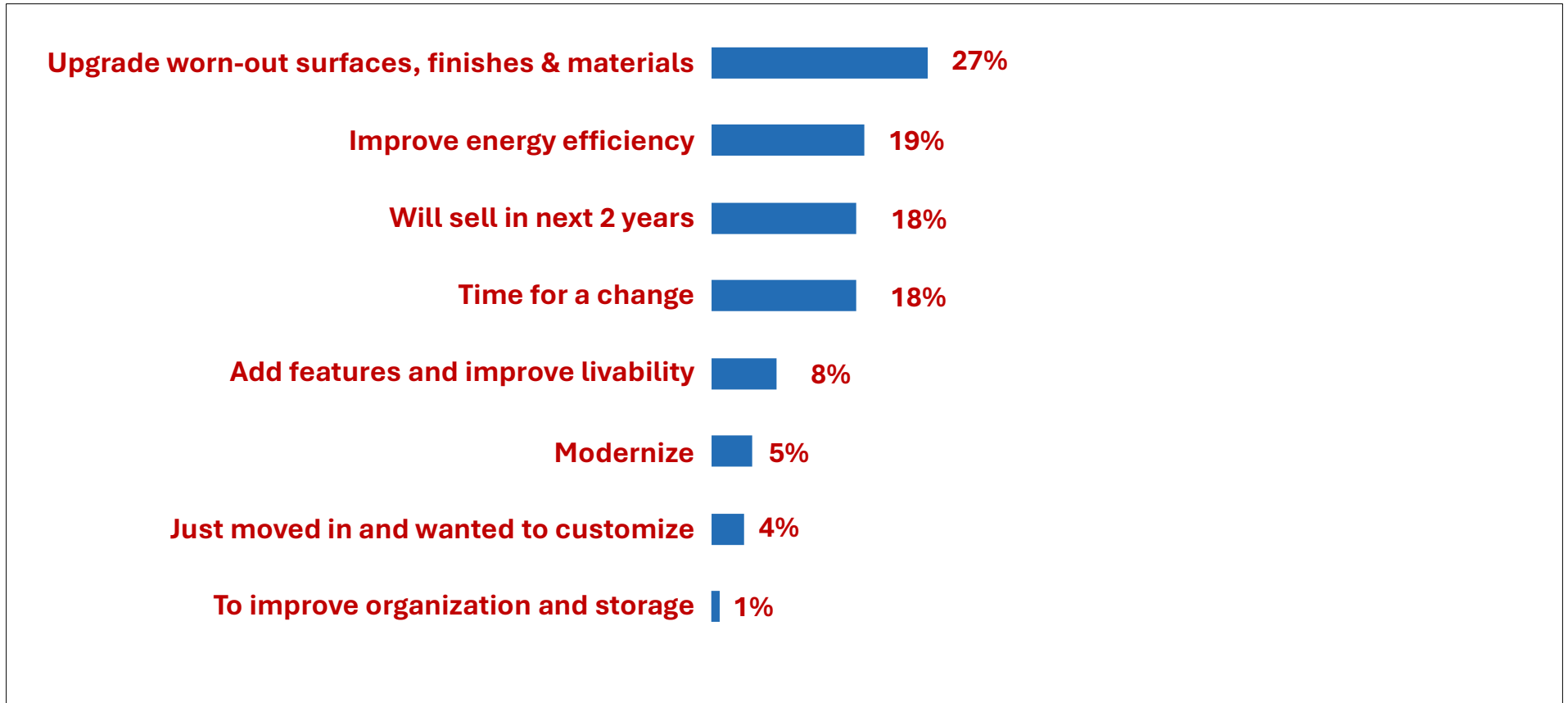
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**CONSUMER APPROACHES
TO REMODELING**

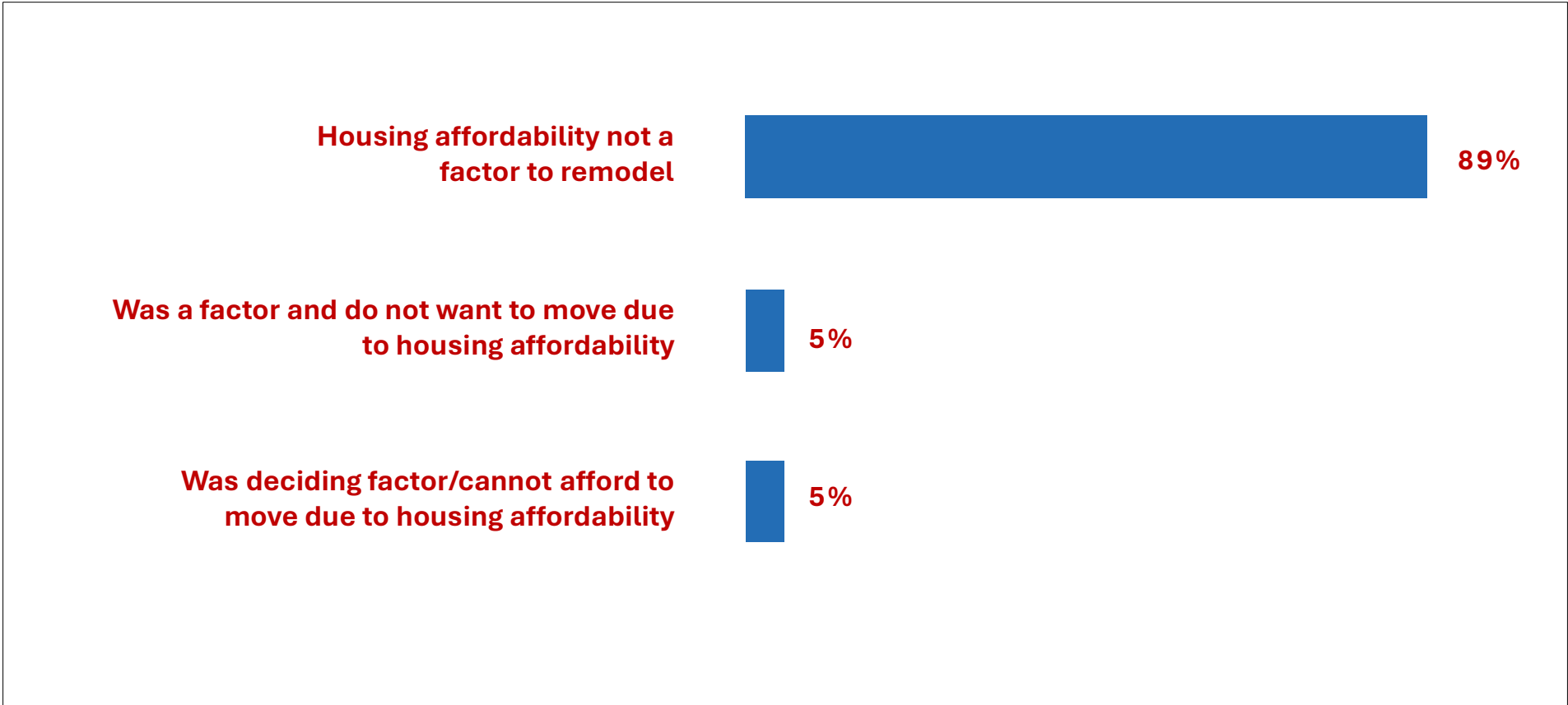
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Remodeling Done Right.

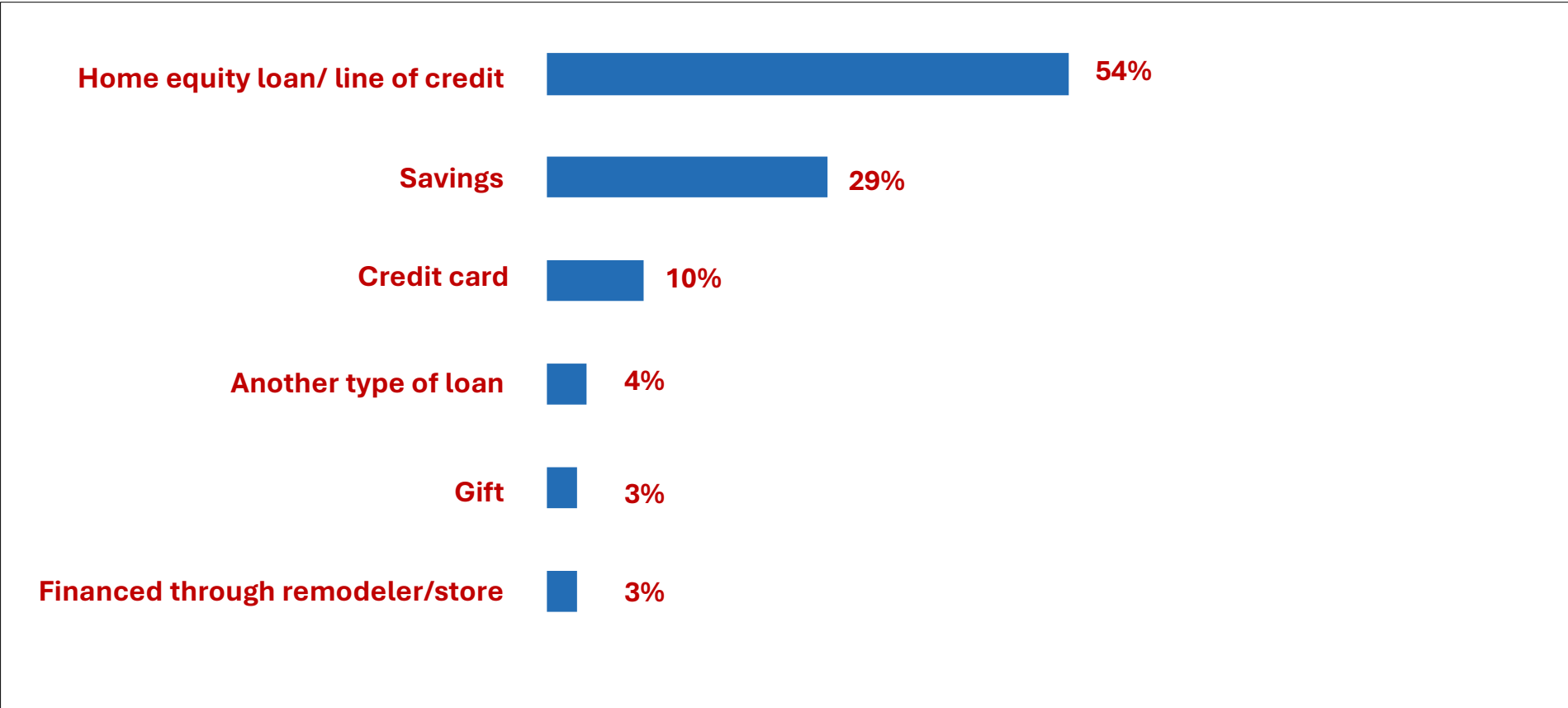
Primary Reason for Completing the Remodeling Project



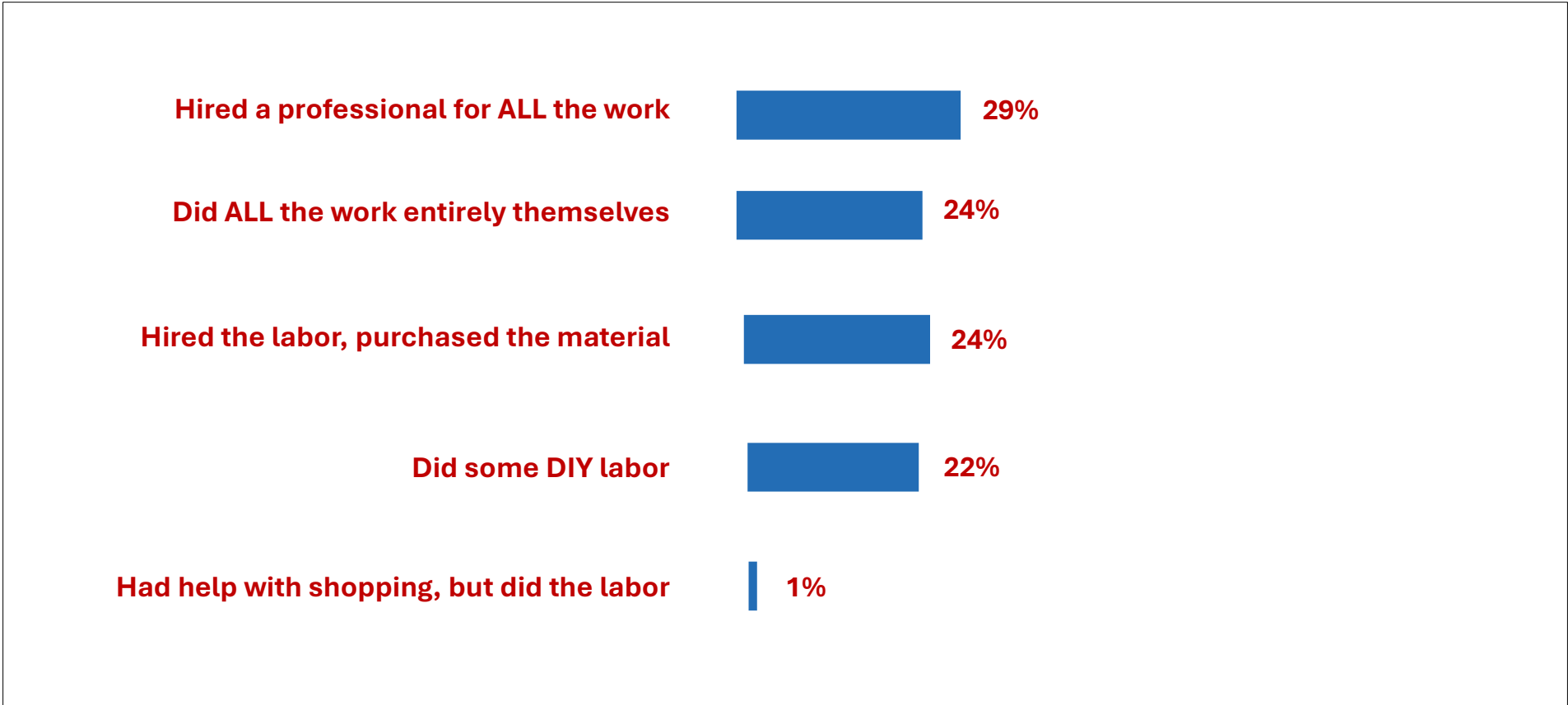
Impact of Housing Affordability on Decision to Remodel



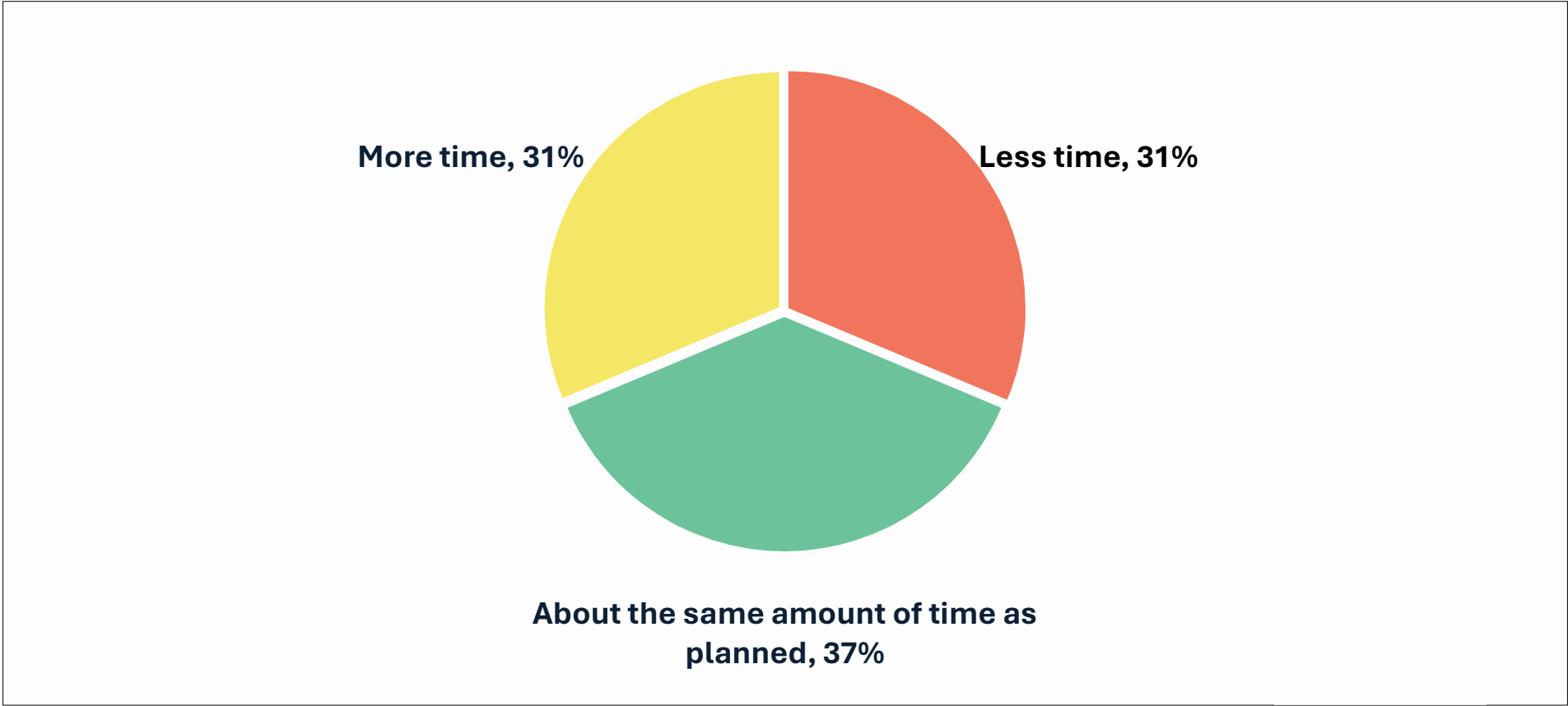
How Project Was Paid For



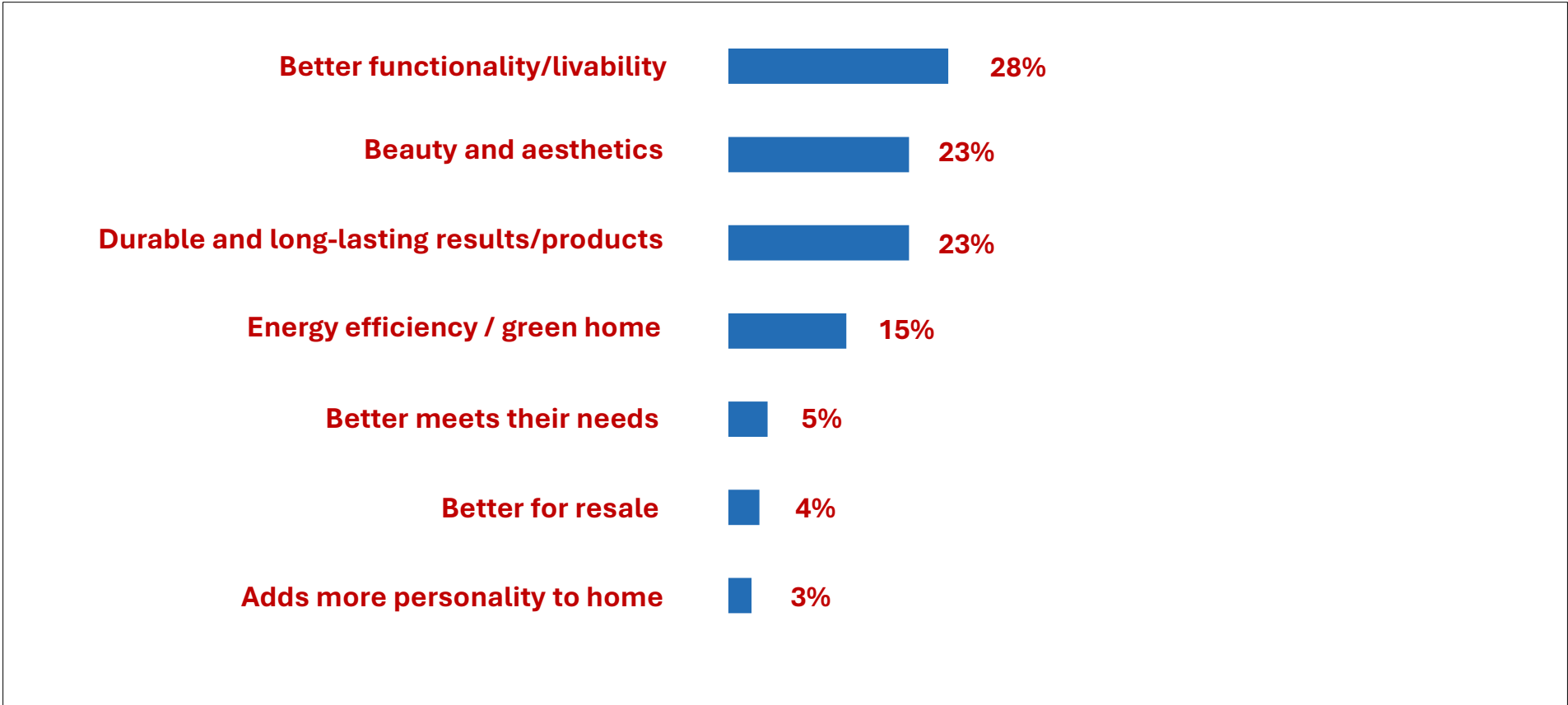
Who Did the Work



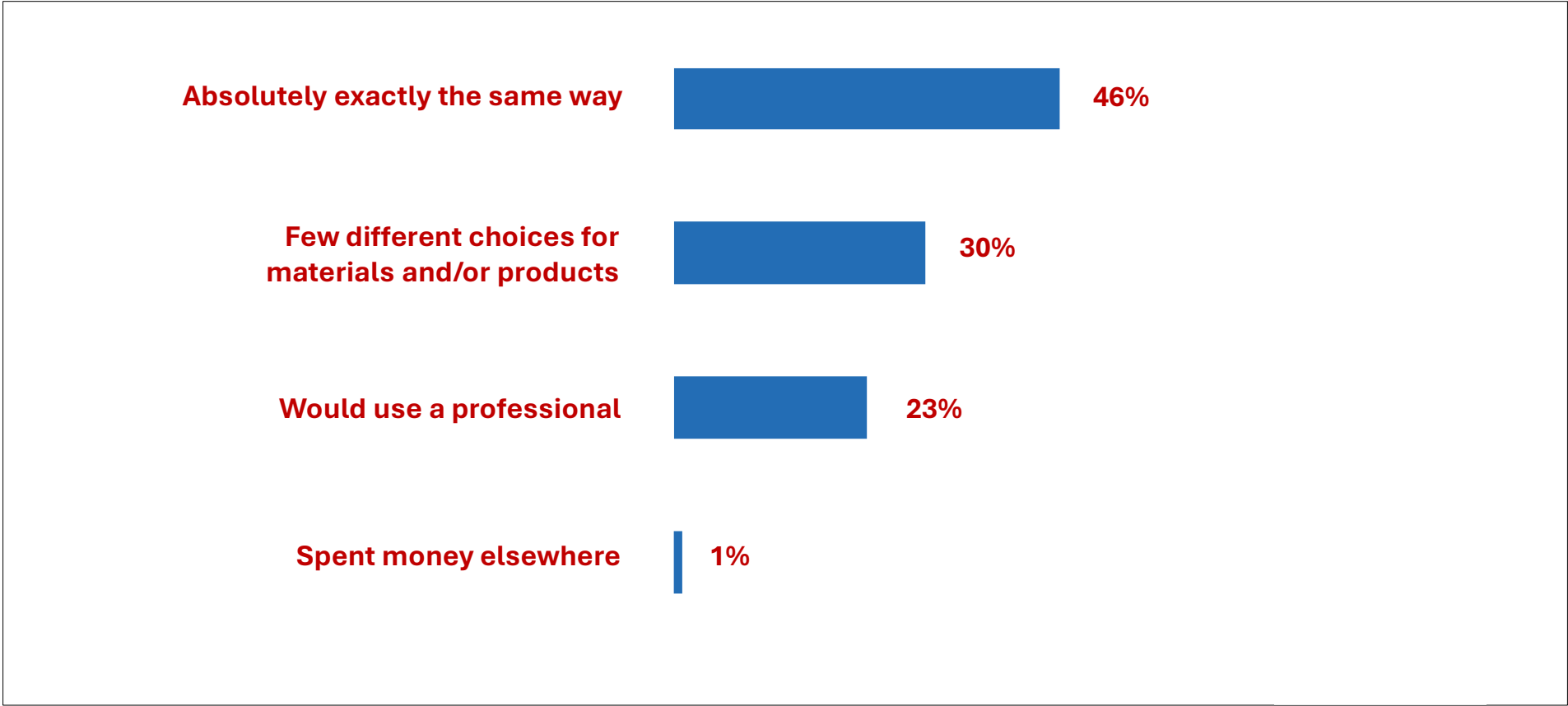
Completed in Time as Planned



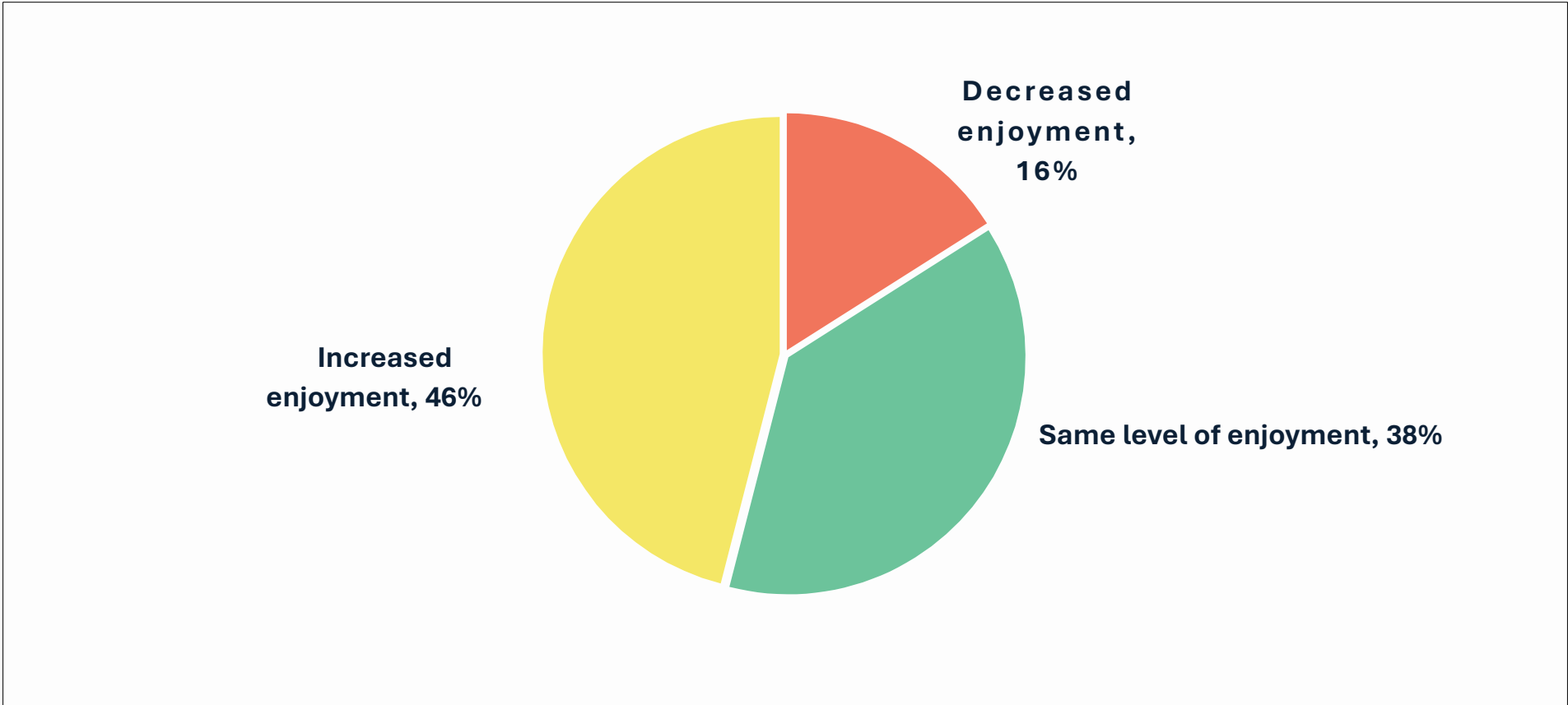
Most Important Results of Remodeling Project



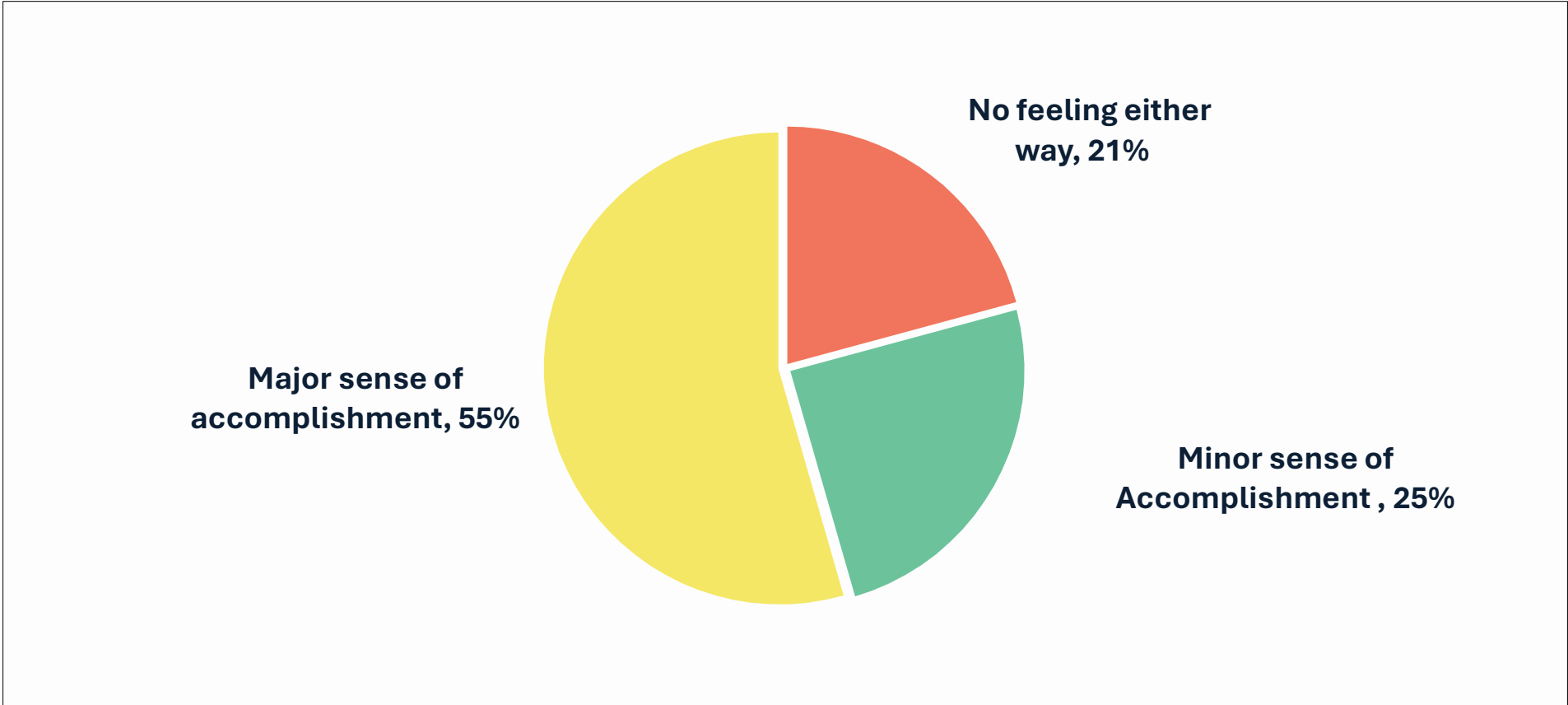
Would Do the Project the Same Way



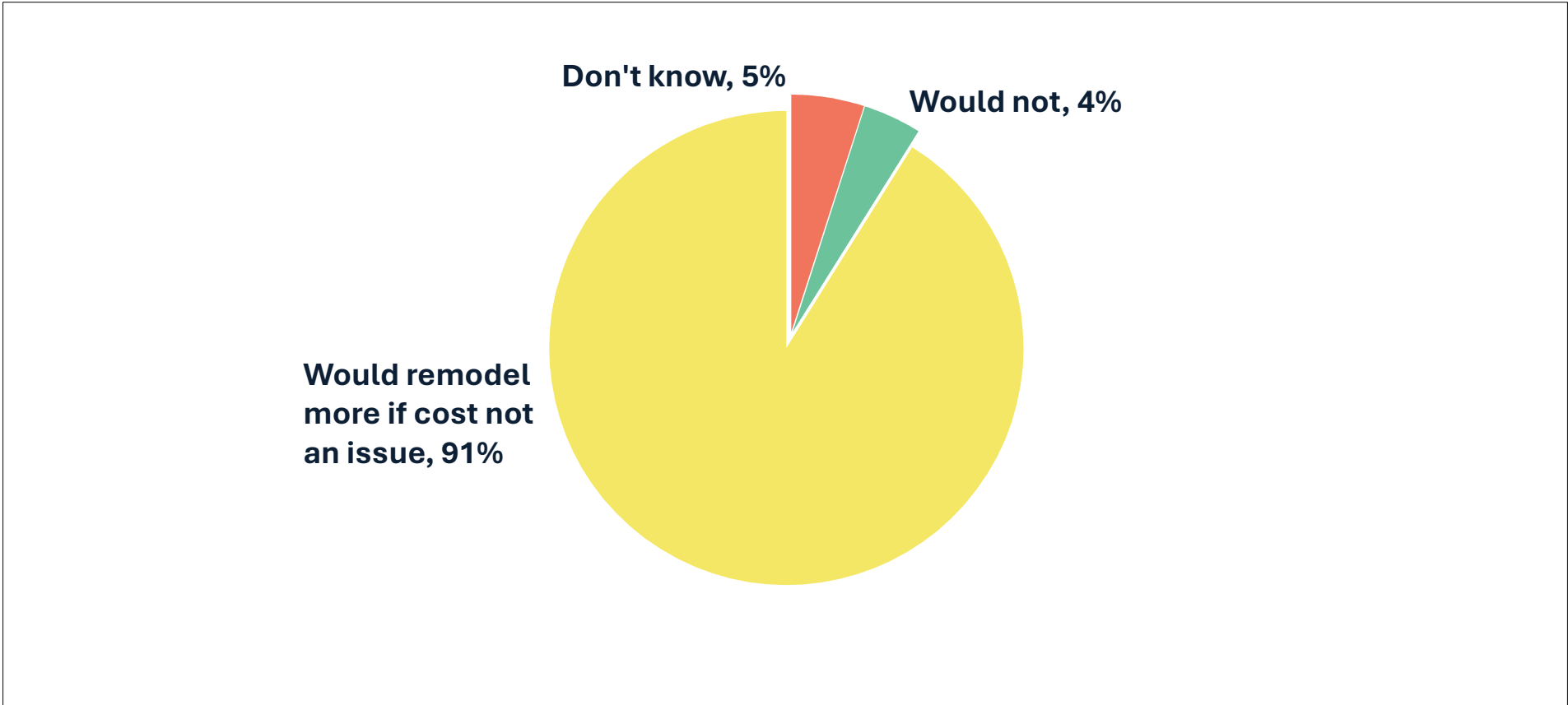
Effects of the Remodeling, in Summary ...



Sense of Accomplishment



Would Consumer Remodel Other Areas of Home?





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COST RECOVERY / RETURN

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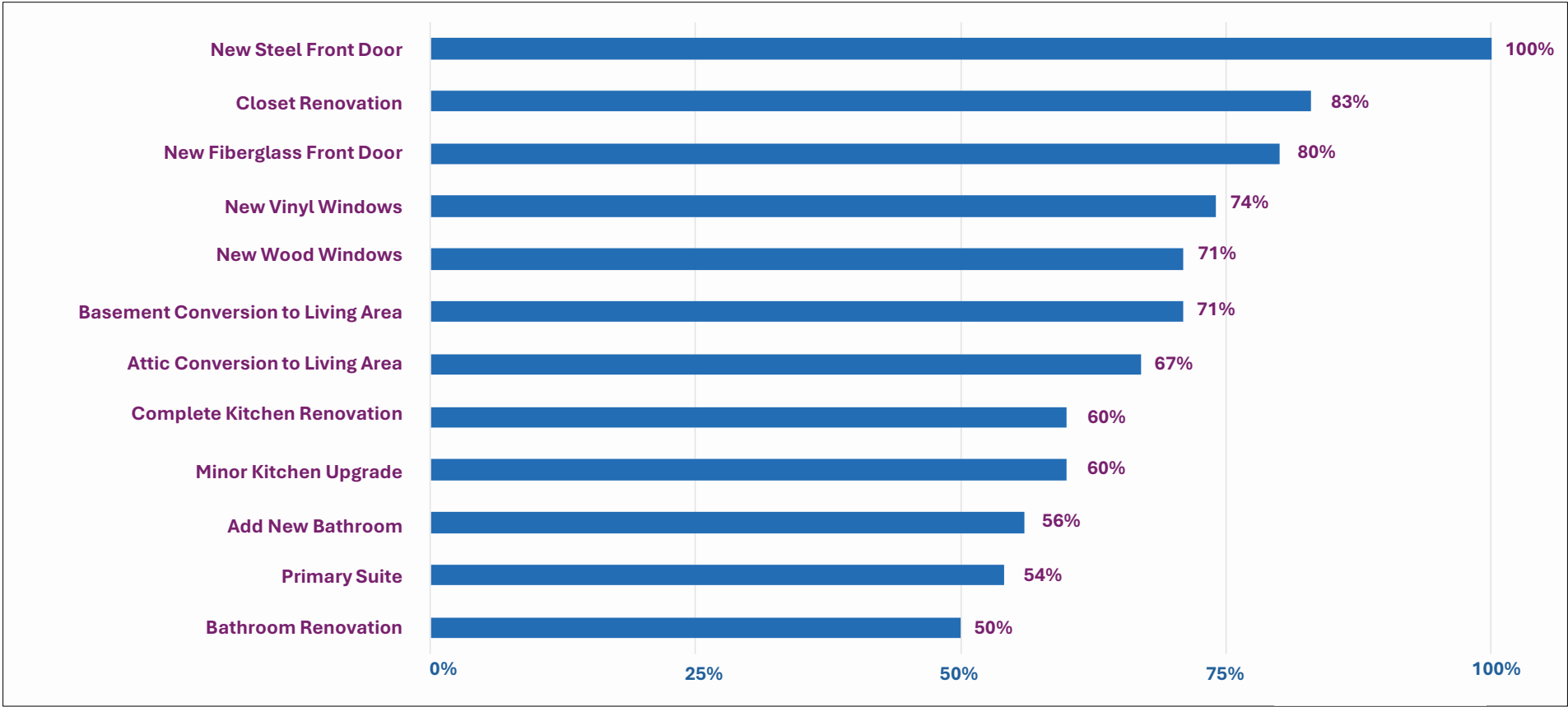
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Consider the following...

- Our local market conditions, supply-and-demand, inventory availability or shortage, and other similar local factors, may be somewhat different than the national perspective that this research project was conducted under.
- Also, this research is “item specific” in its remodeling project’s focus.
- Nevertheless, you will find the following **cost-recovery** or **return ratios**, as guidelines that you can refer to in your practice, with considerations for local market adjustments.



Top Cost Recovery For Remodeling Projects



A woman with blonde hair in a bun, wearing a white t-shirt and denim overalls, stands in a room with blue walls. She is holding two blue paint samples and looking at them. A wooden ladder is leaning against a white washing machine in the background. The floor is wooden with a patterned rug. The scene is brightly lit by a window.

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THANK YOU!

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