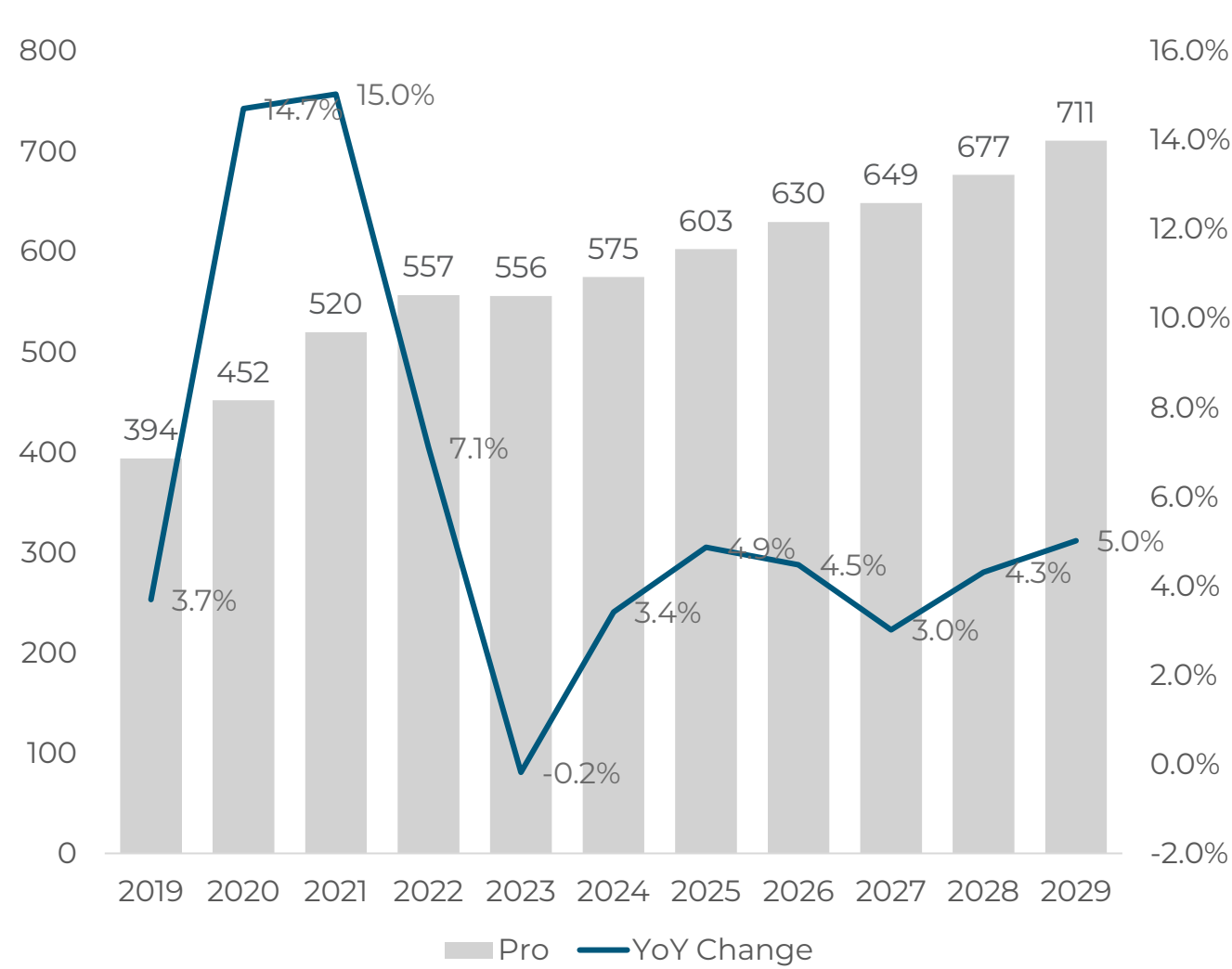


Nailing the Future: What's Next in the Home Improvement Market

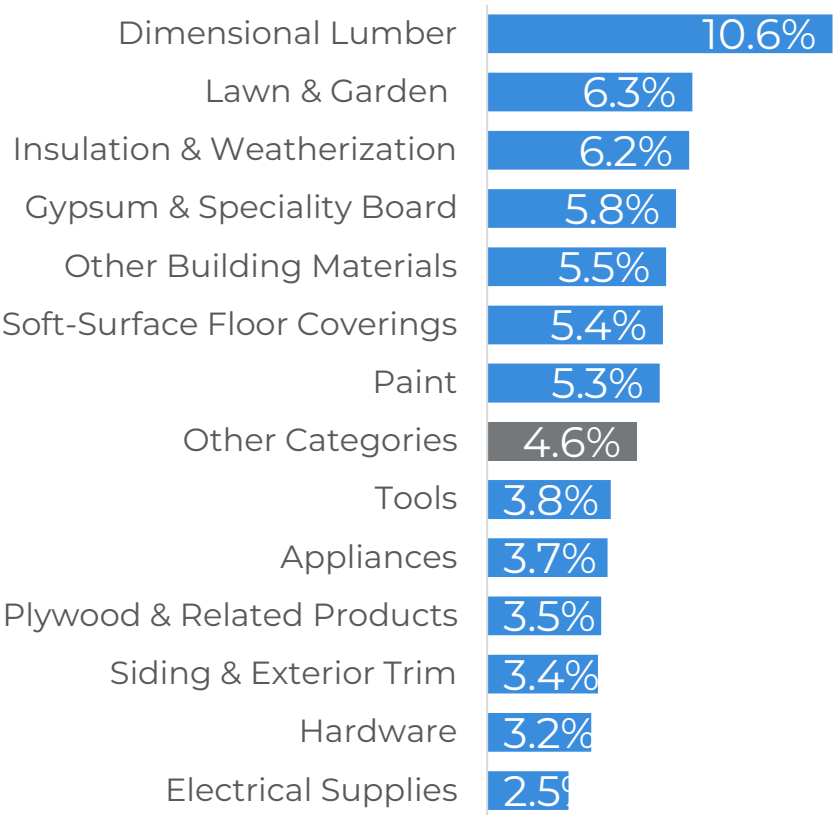
Presentation : **May 21, 2025** | Location: **Hardware Marketing Conference**



Building Product Sales

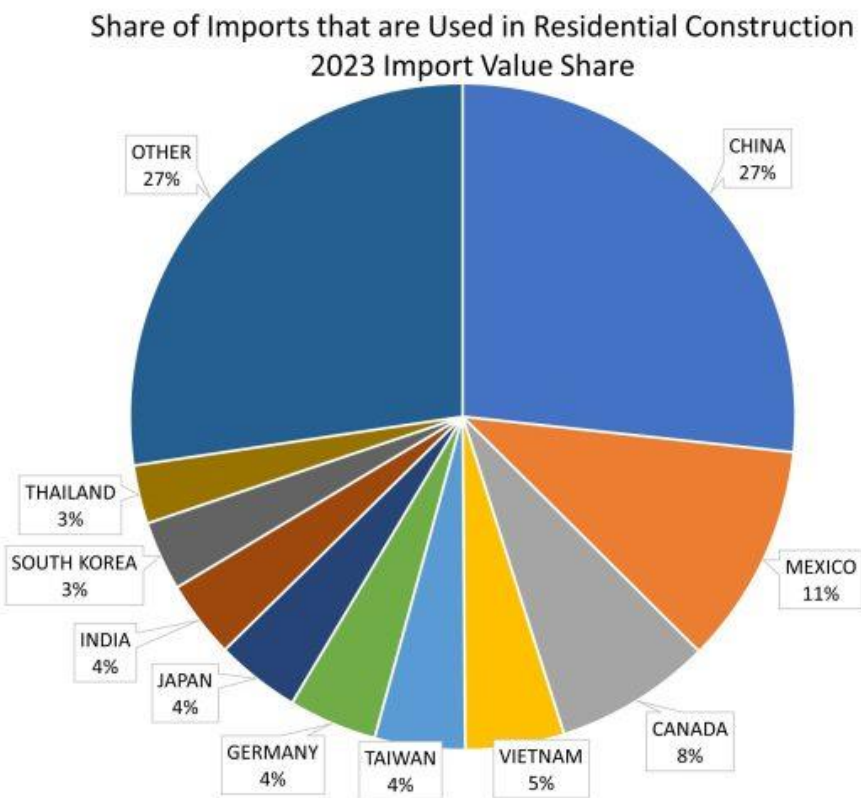
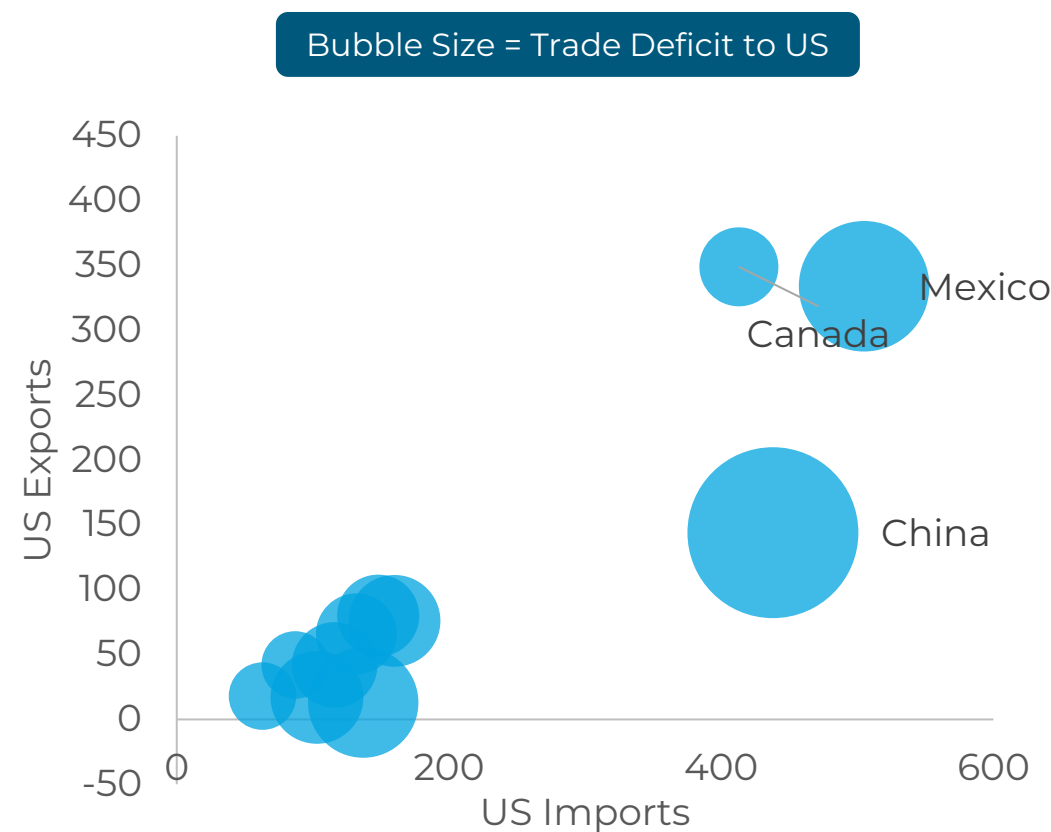


2025 Growth Rate



Tariffs by Country

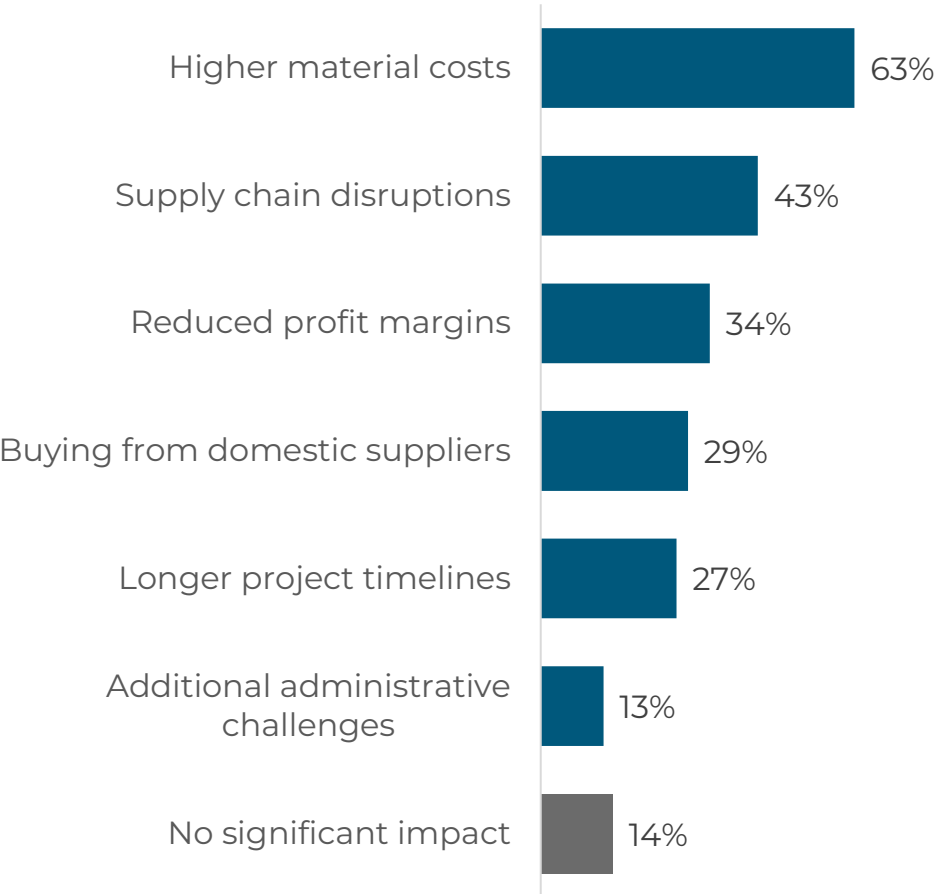
US Imports, Exports and Trade Deficit with Select Countries



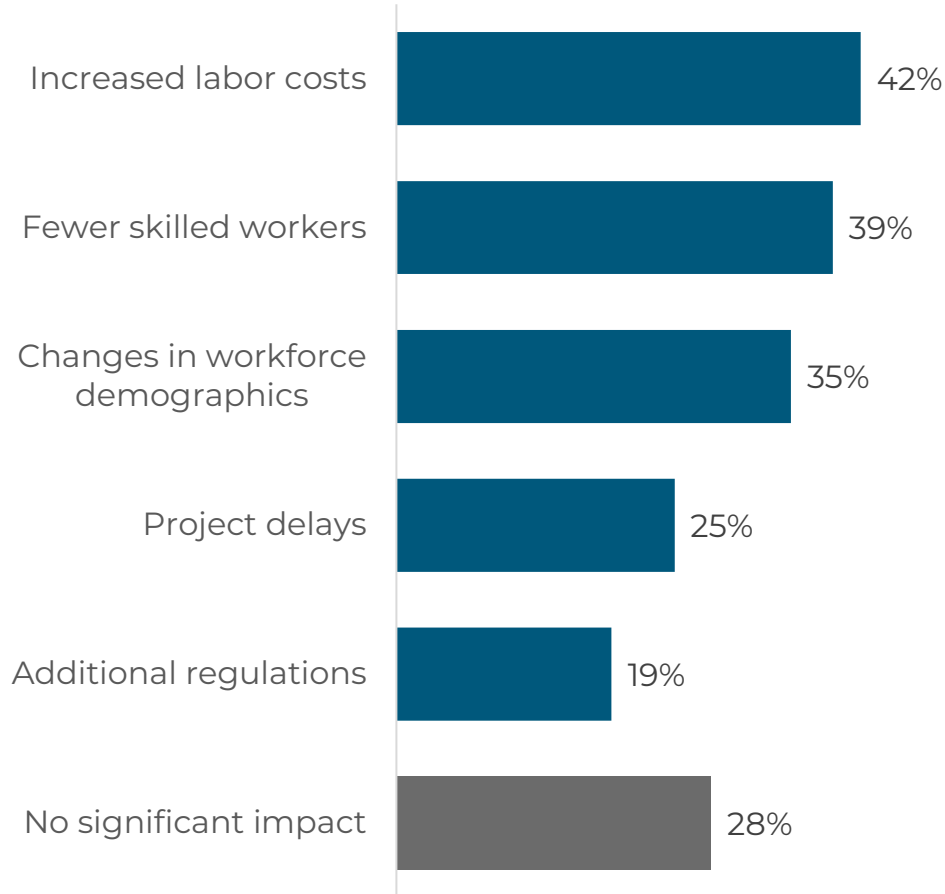
Source: BEA.gov 2024 estimates as of 03/2025; NAHB

Contractor's Perception on Tariff and Immigration Policy Impact

Impacts from Tariffs

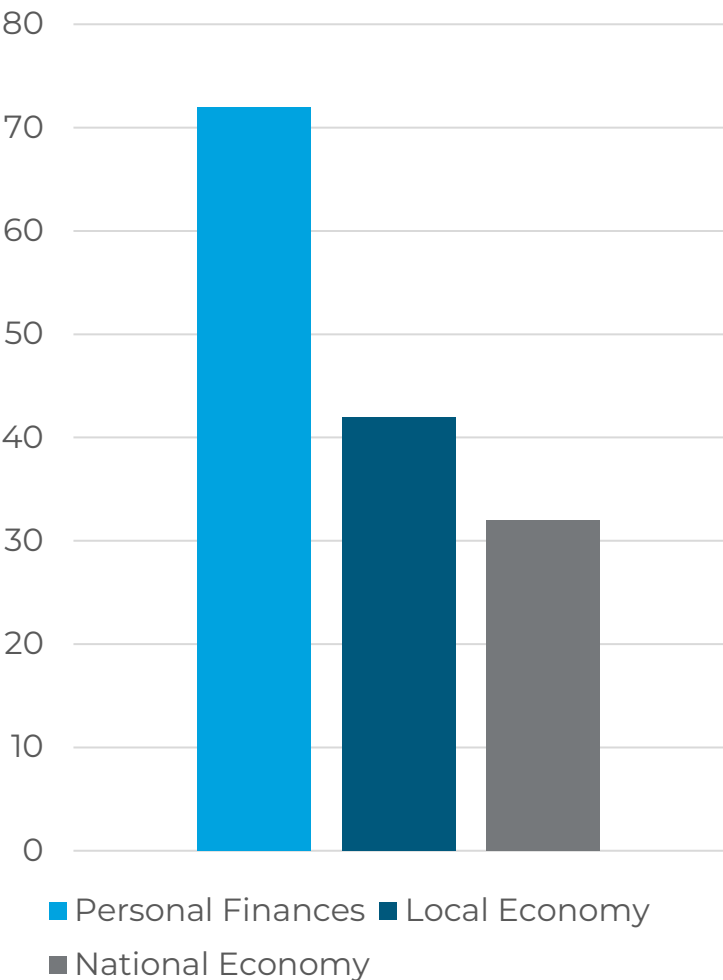


Impacts from Immigration Policy Changes

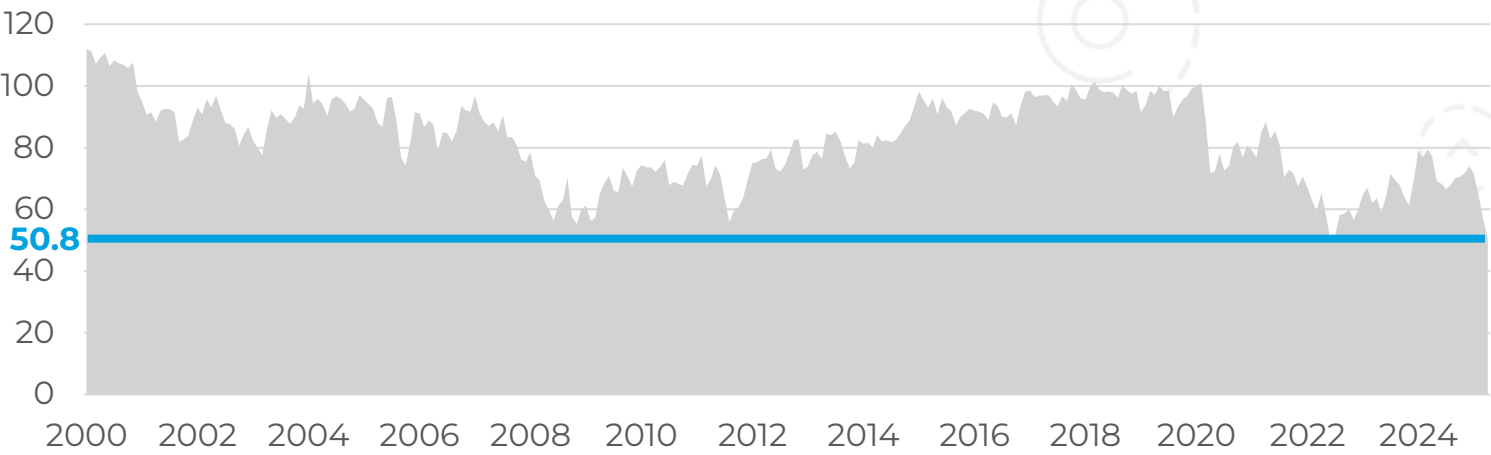


Economic Concerns, Consumer Sentiment and Disposable Income

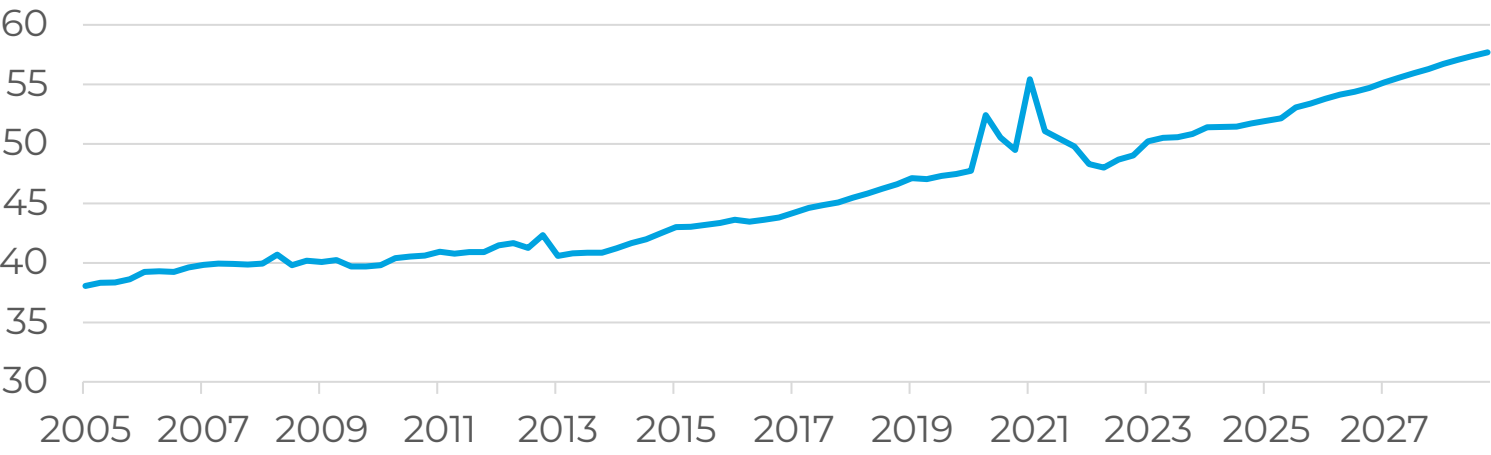
% Responding Positively On...



Consumer Sentiment

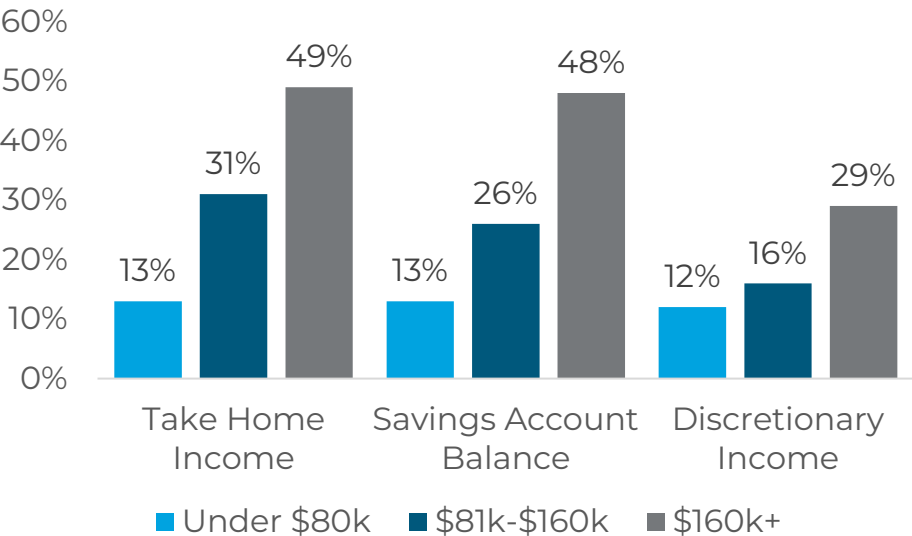


Per Capita Real Disposable Income

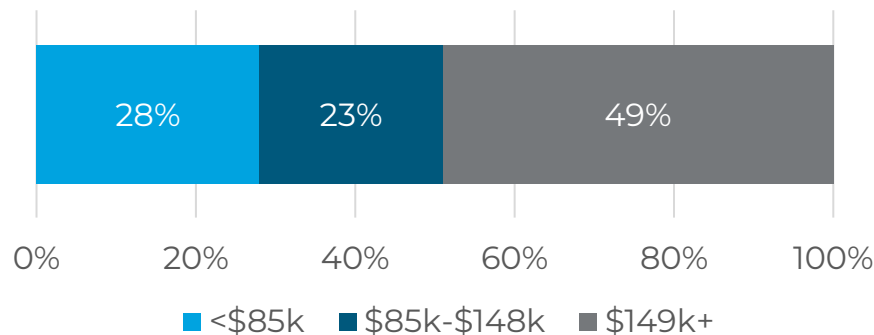


Income Drives Spending

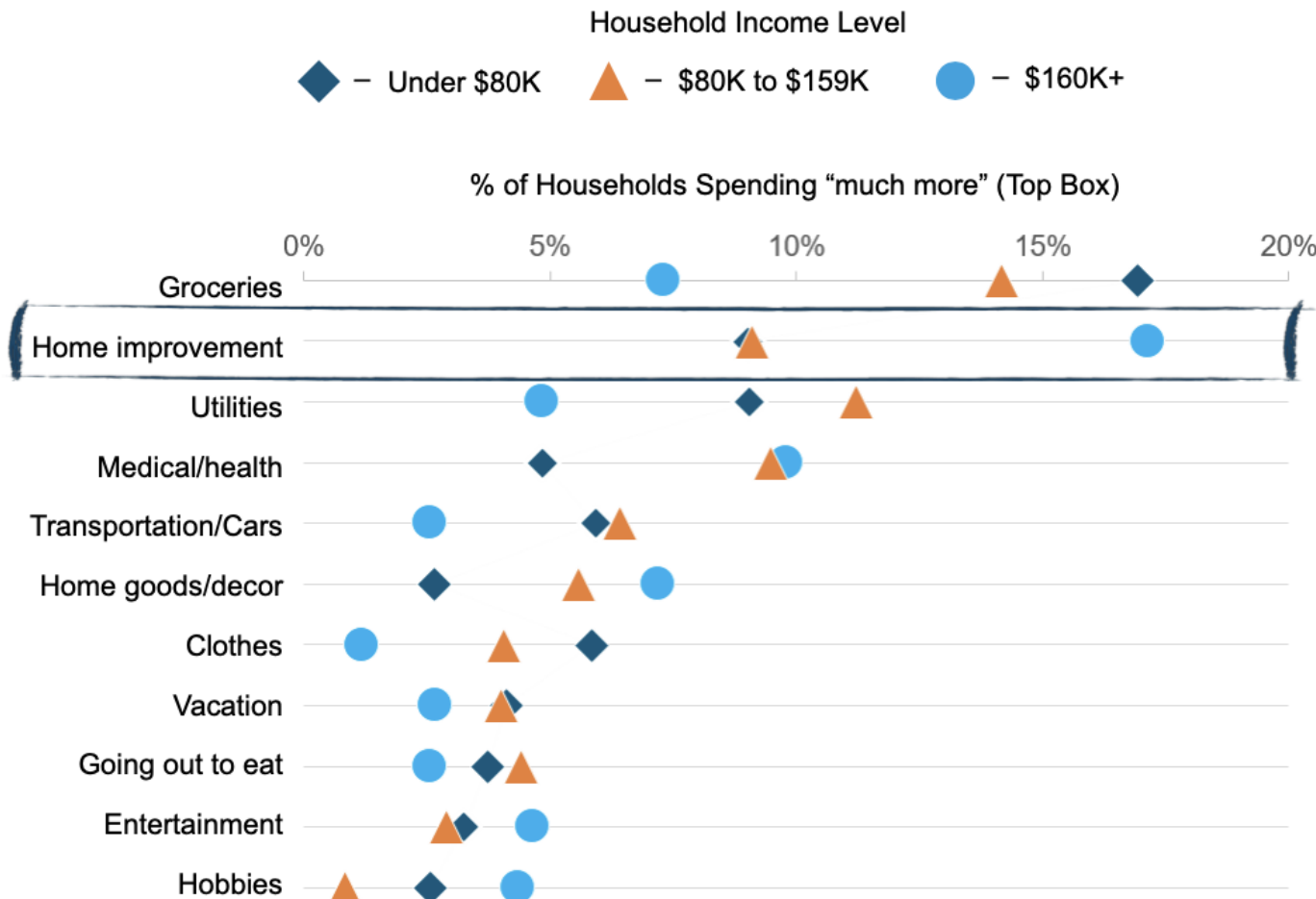
Those Seeing Financial Improvement



2023-2024 HI Spend



Household Spending “Much More”



Current Environment

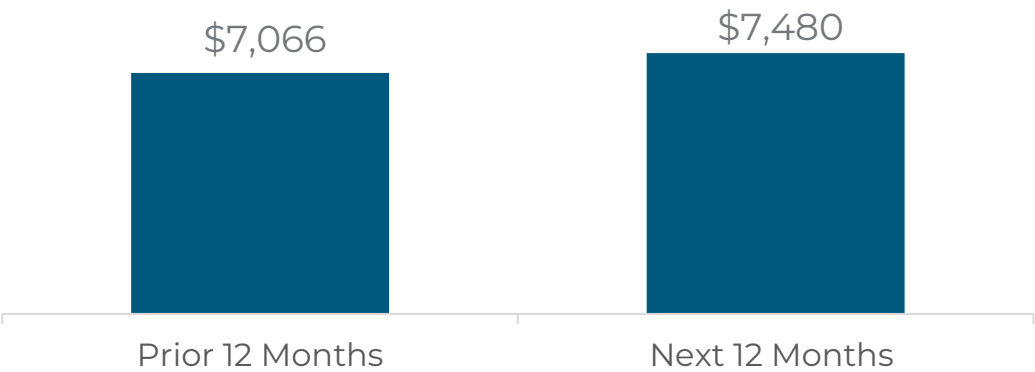


HIRI

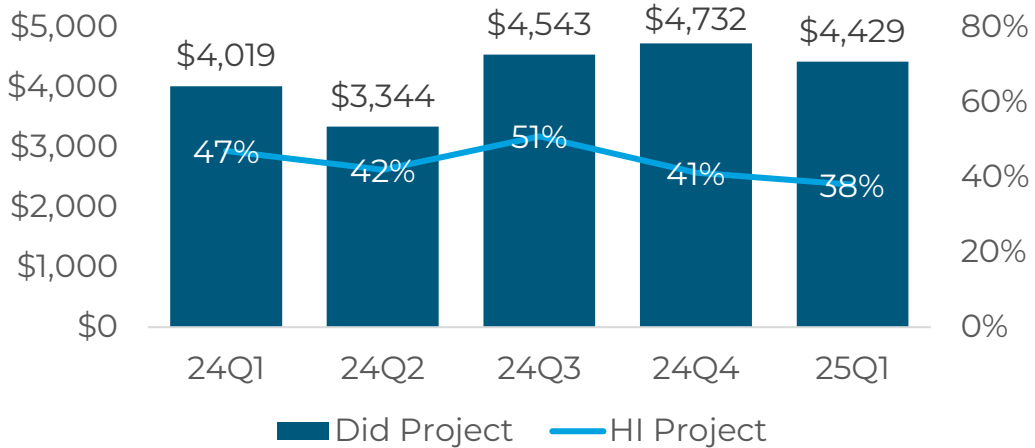
HOME IMPROVEMENT
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Home Improvement Activity and Planned Spend

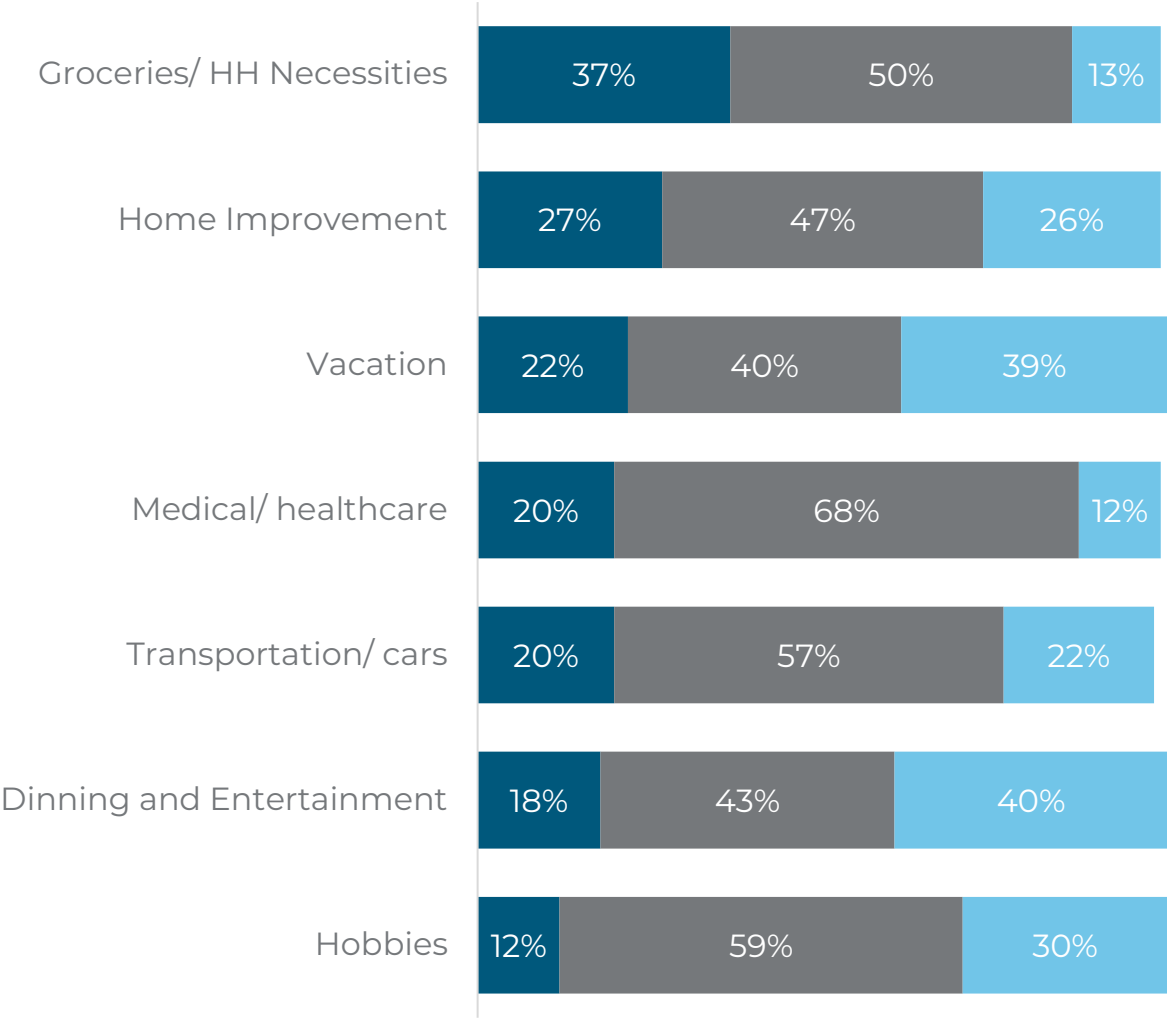
HI Spend: Past and Planned



HI Activity Last 90 Days



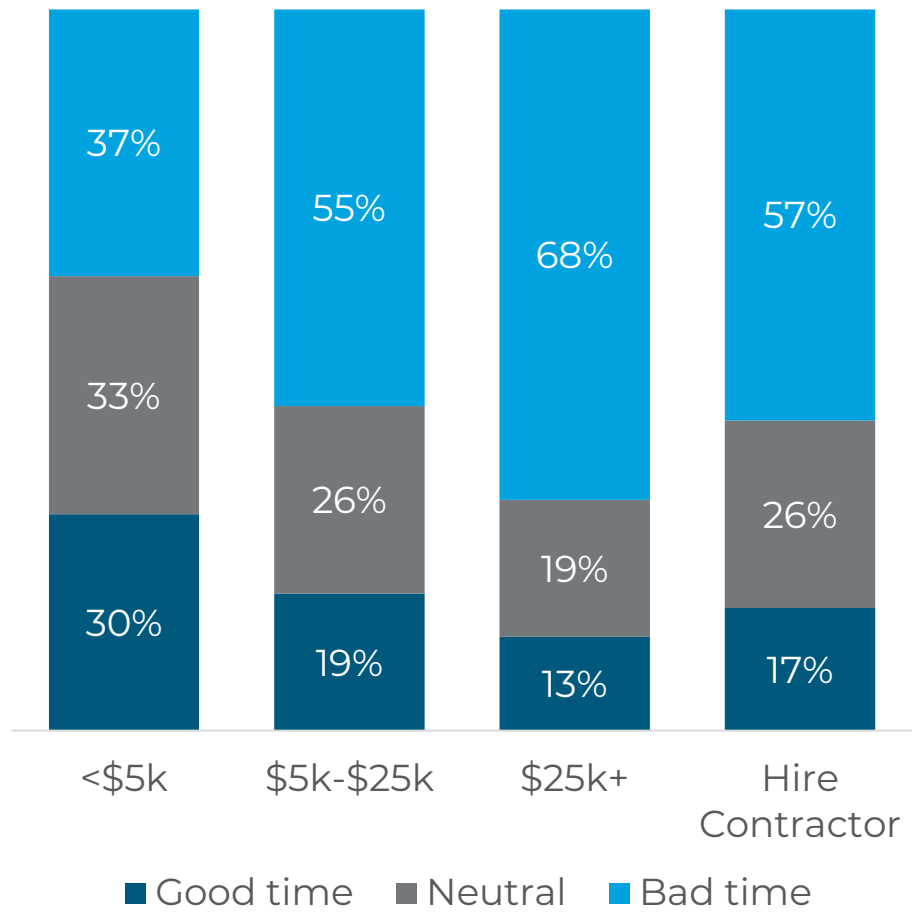
Planned Household Spend (Next 12 Months)



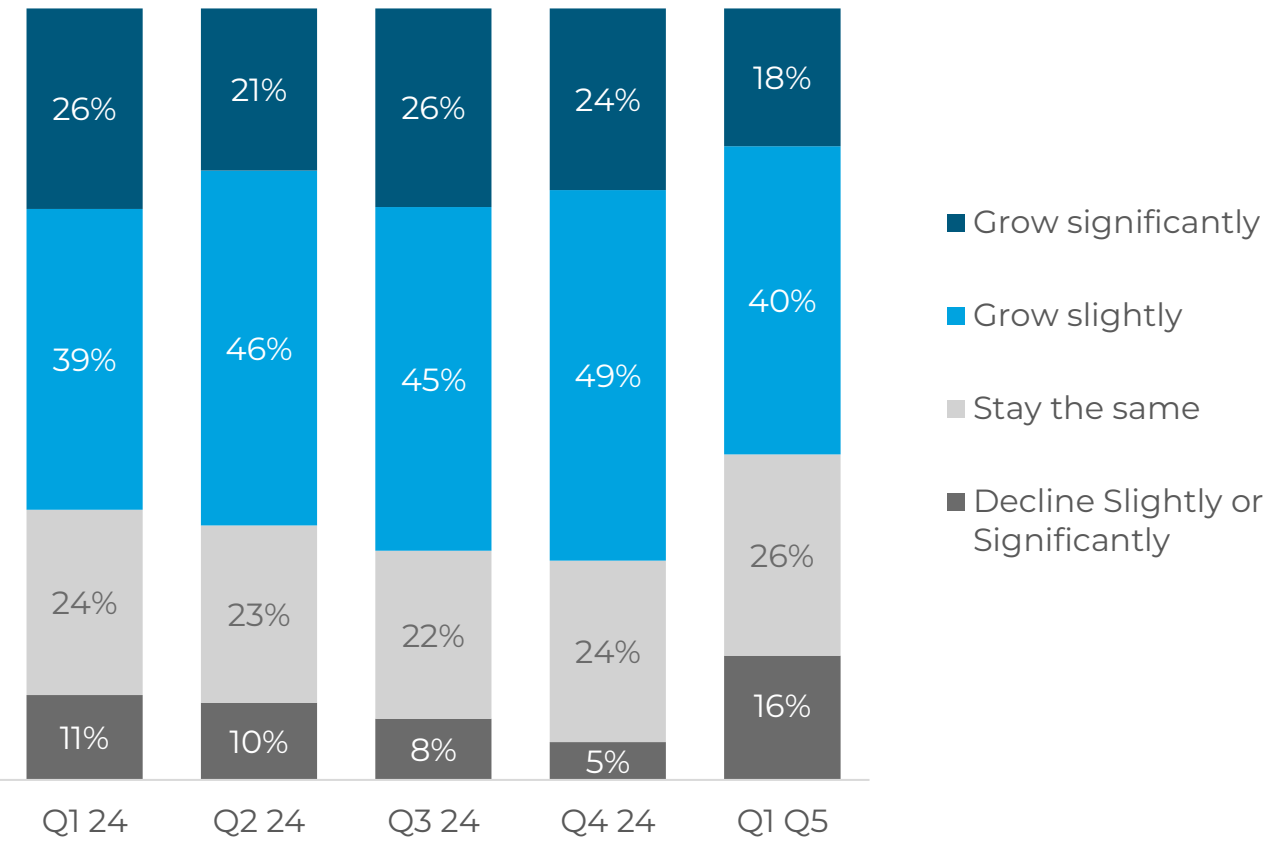
■ Spend more ■ Same ■ Spend less

Homeowner and Contractor Market Outlook

Homeowner Good time to do HI...



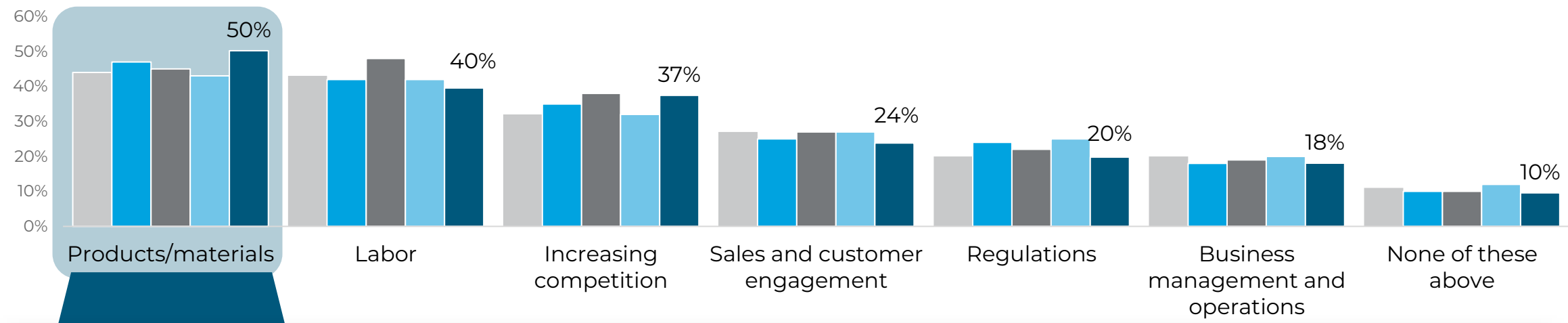
Contractor Market Growth Outlook by Quarter



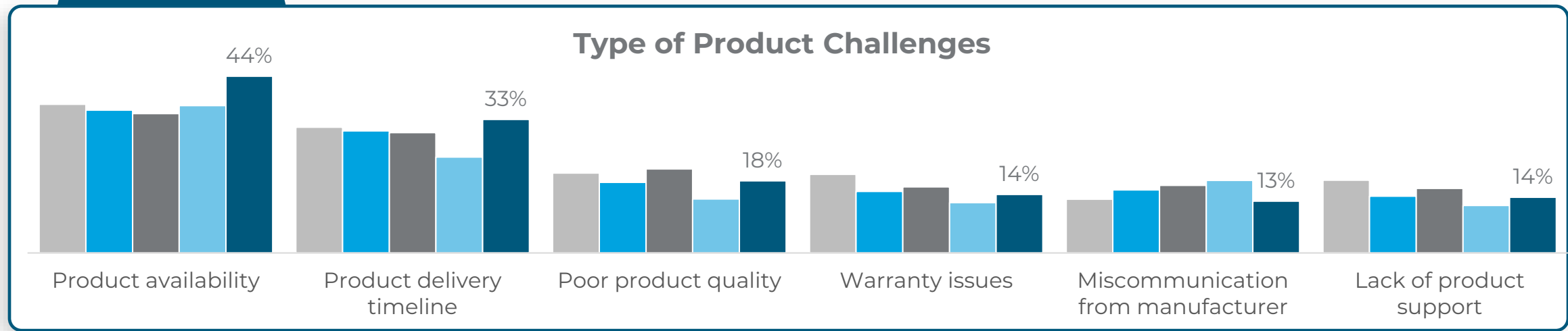
Contractor Challenges

Challenges Experienced

24Q1 24Q2 24Q3 24Q4 25Q1



Type of Product Challenges



Housing Inventory (Existing Home Sales and New Home Starts)

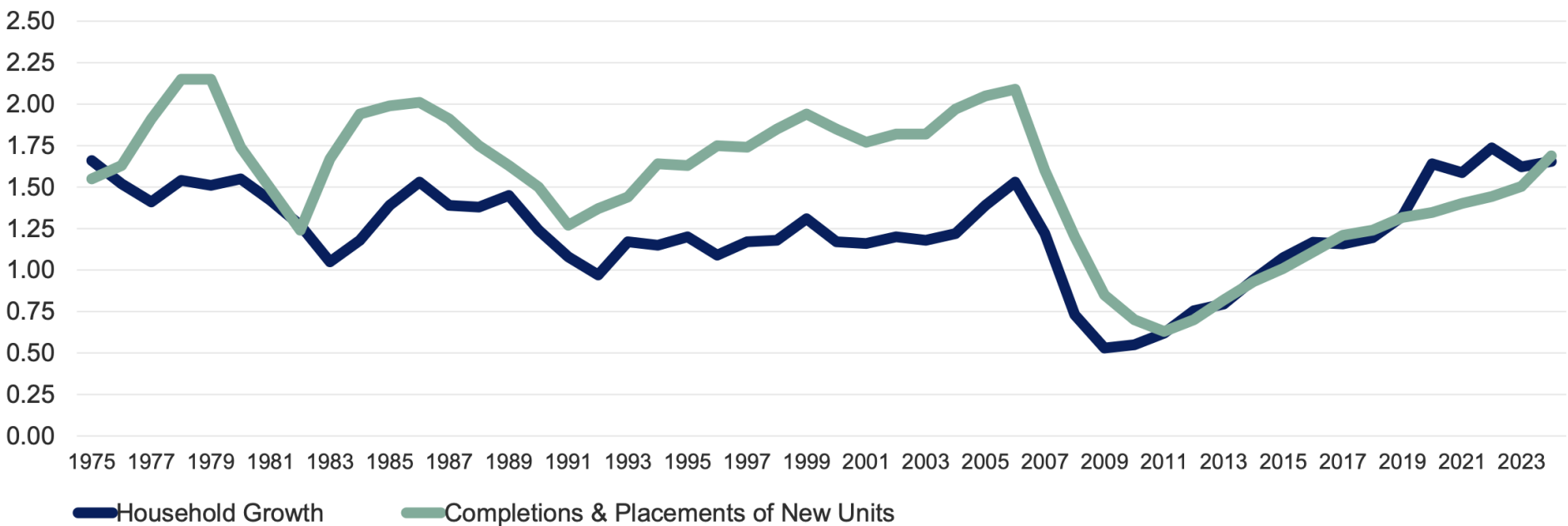
Housing Shortage

Millions of Homes



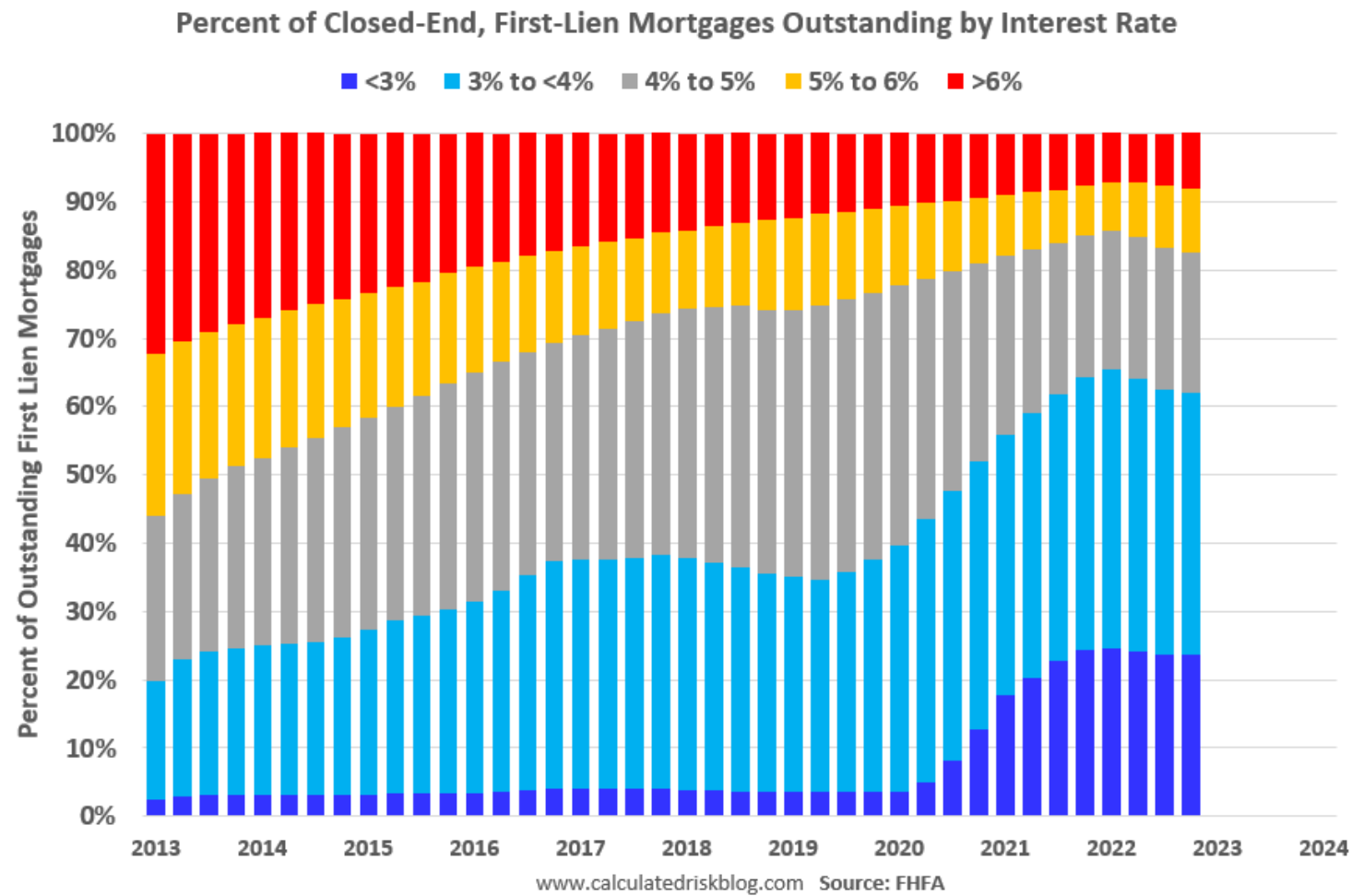
Household Growth and New Unit Completions

Units (Millions)

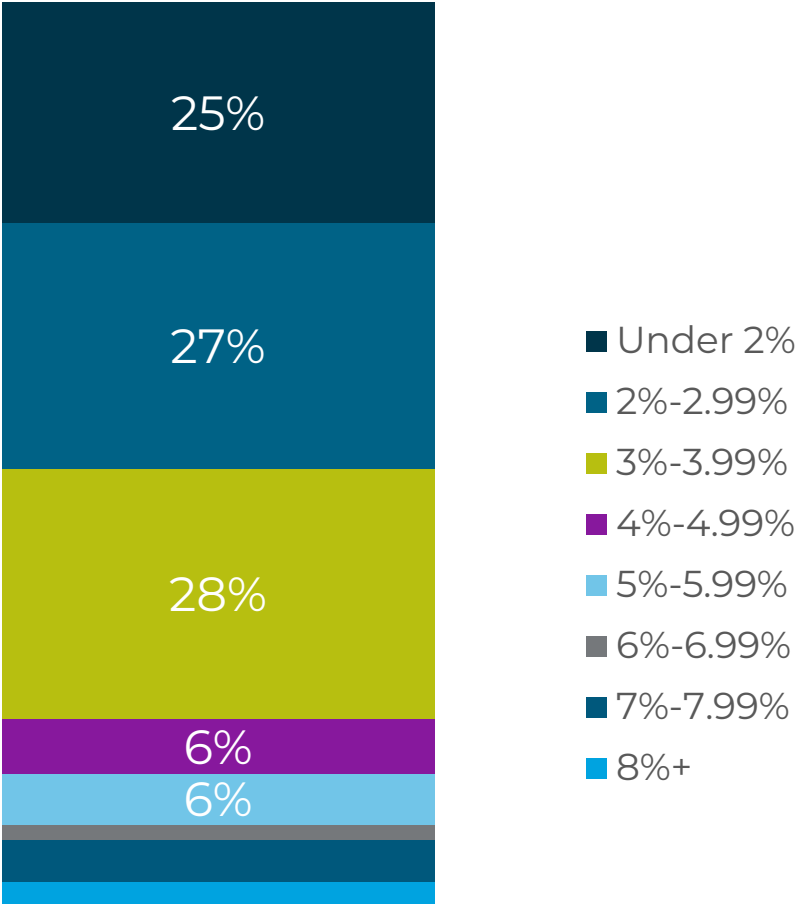


Existing Mortgage Rate and Rate Needed to Move

Current Mortgage Rates



Interest Rate Needed to Move



10-Year Growth Outlook

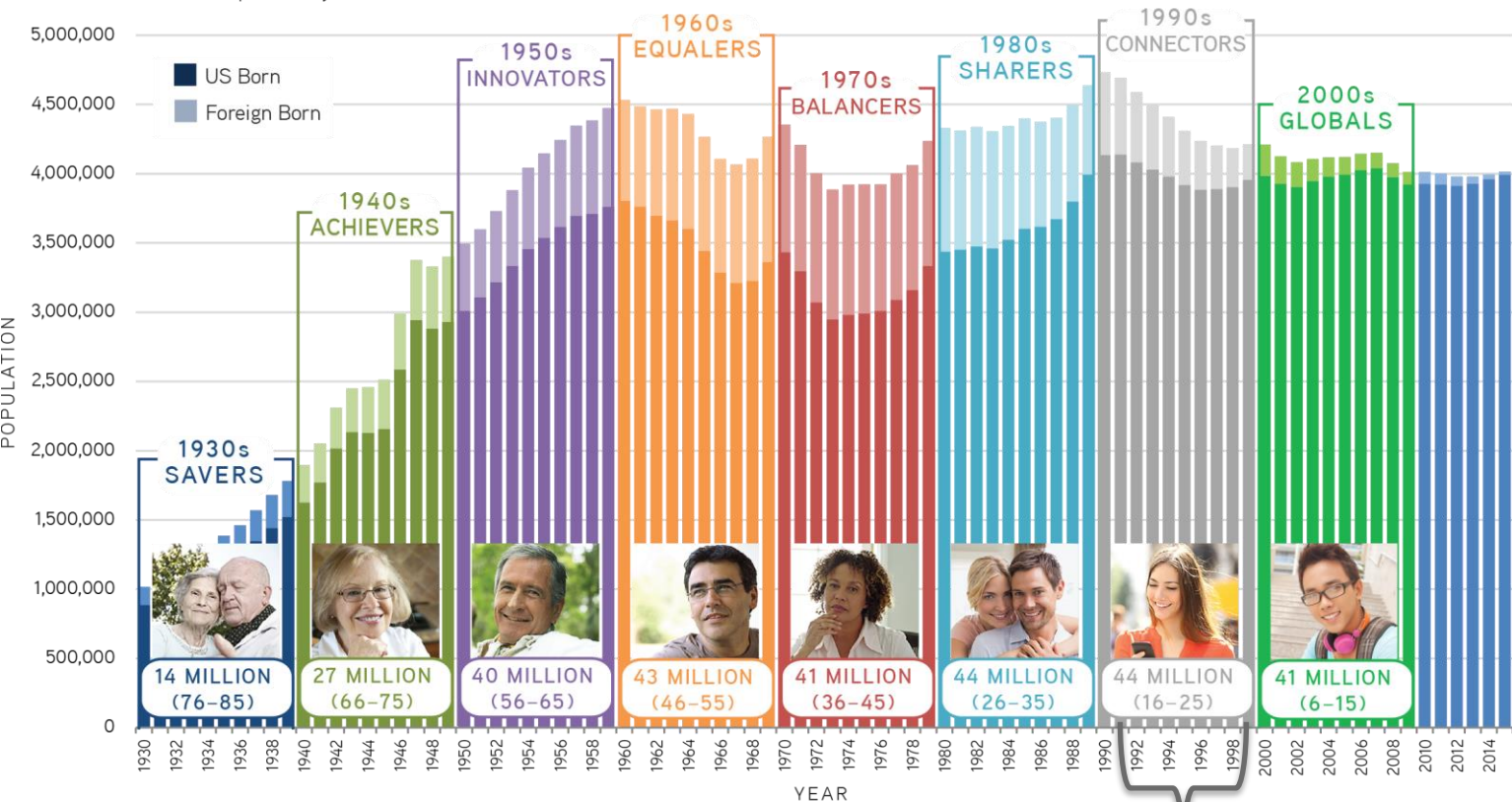


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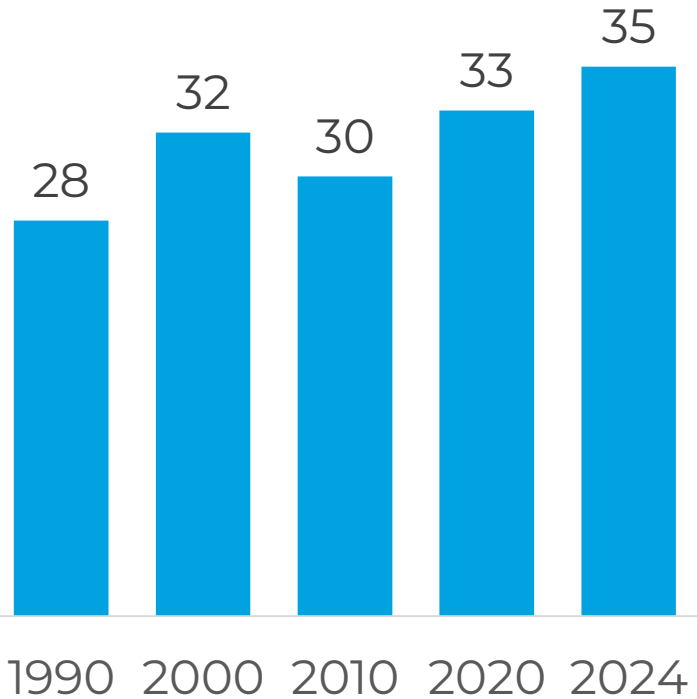
Demographic Shifts and Immigration

EVERY DECADE SINCE THE 1940s HAS 40-44 MILLION PEOPLE LIVING IN AMERICA
FIGURE 1.1 2015 Population by Year Born



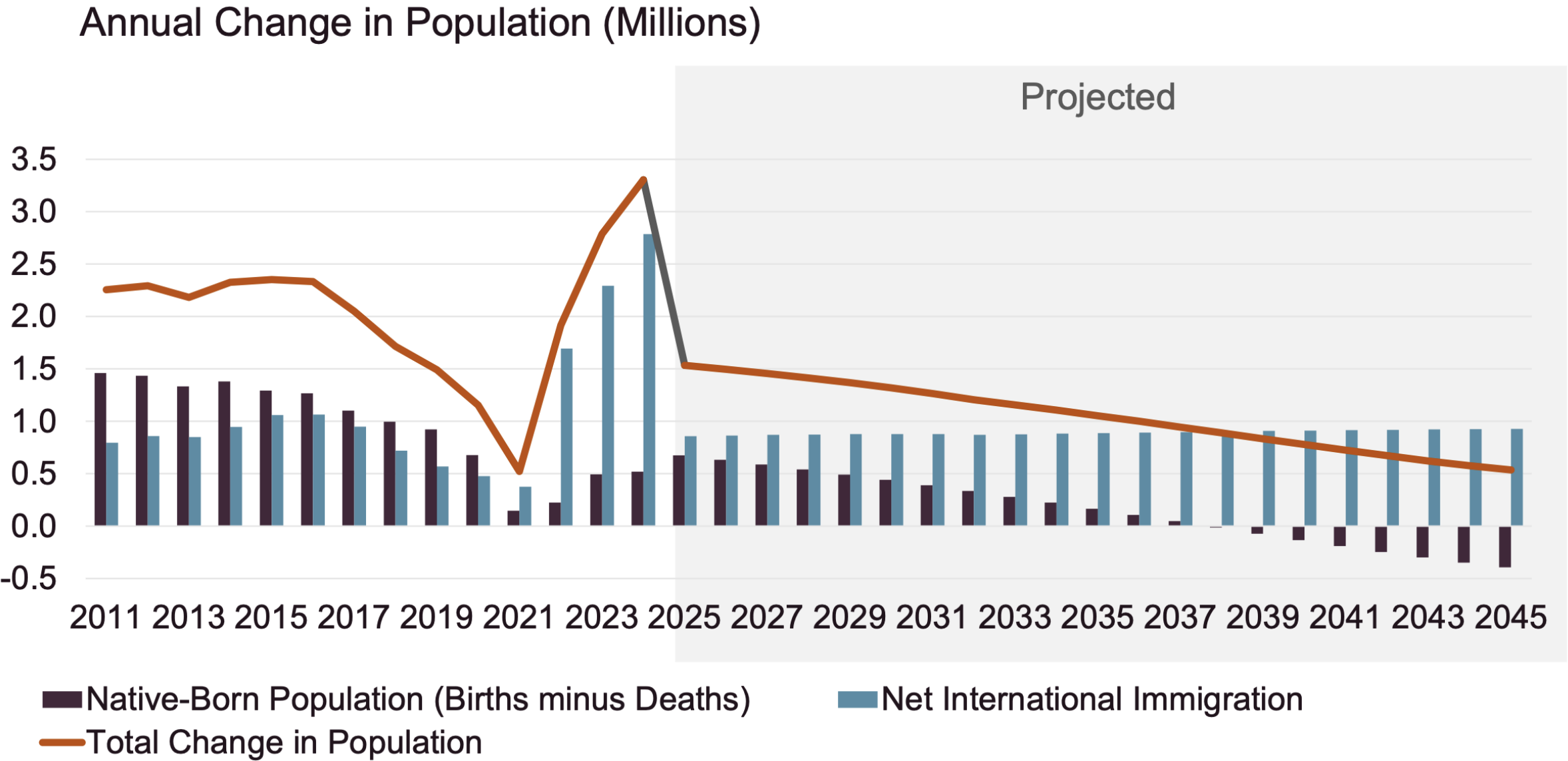
Source: John Burns Real Estate Consulting, LLC calculations of US Census Bureau 2014 National Projections

Median Age of First Home Purchase



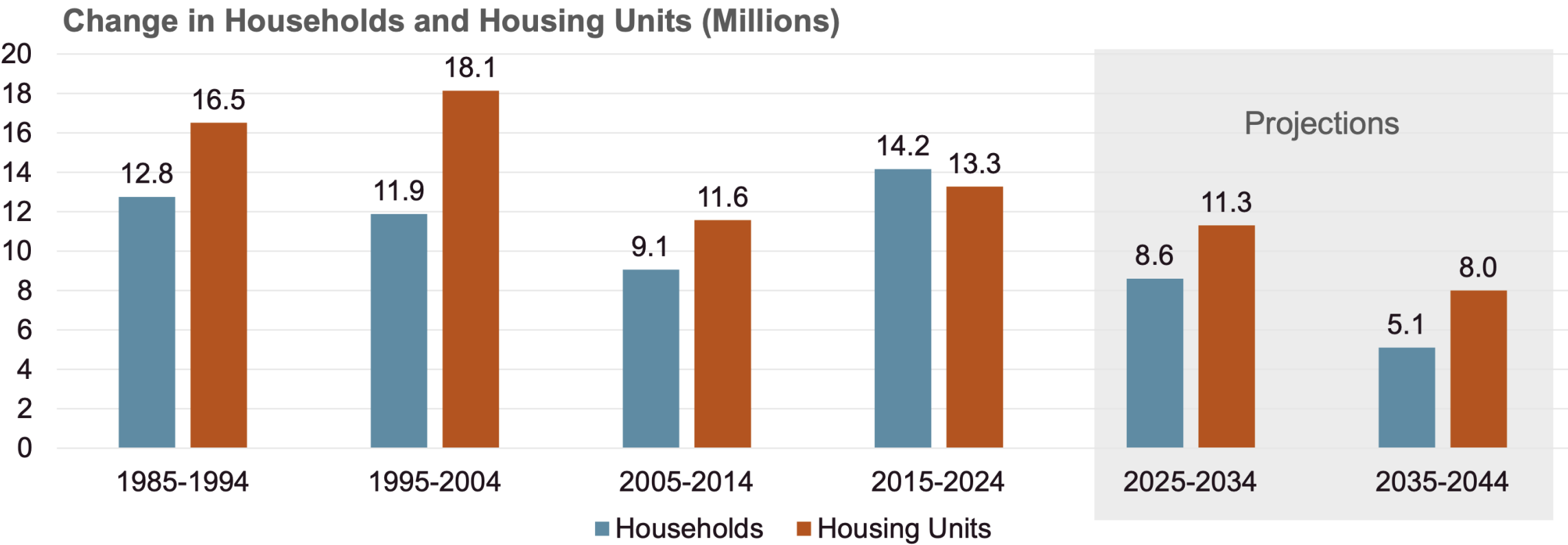
75% or first-time homebuyers are 26-34

Headwind: Household Growth and Immigration



Sources: Source: JCHS 2024 Household Projections

Headwind: Household Growth and Immigration

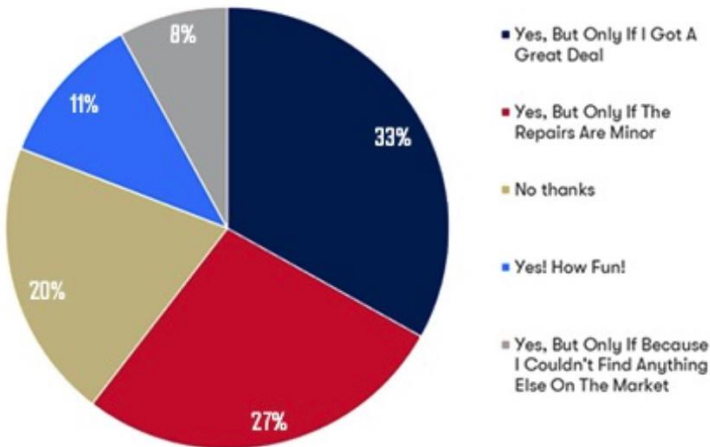


Sources: Source: JCHS 2024 Household Projections

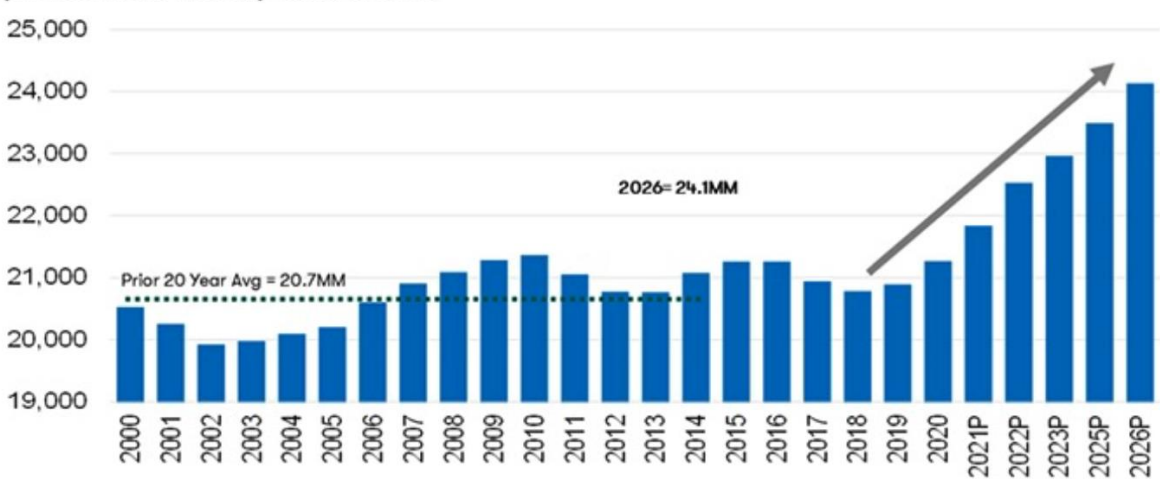
Tailwind: Prime Remodeling Age and Natural Disasters

'Prime remodel' age of homes growing rapidly

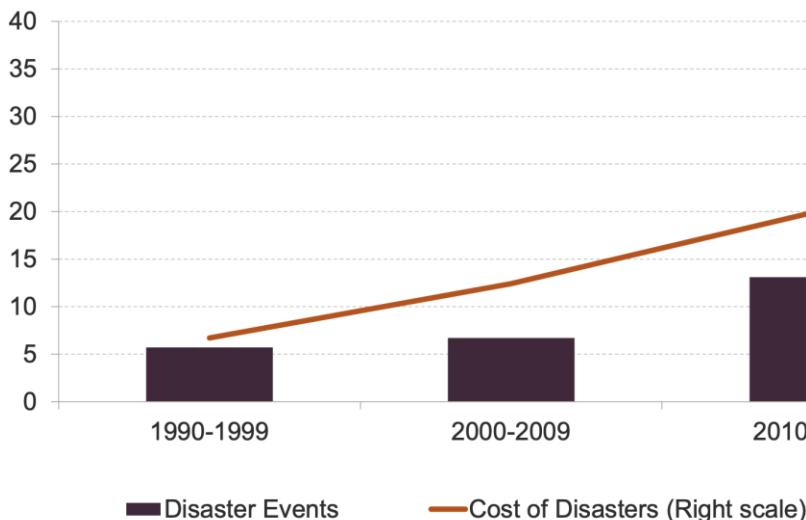
For your first (or next) home, would you be willing to buy a home that needed renovations?



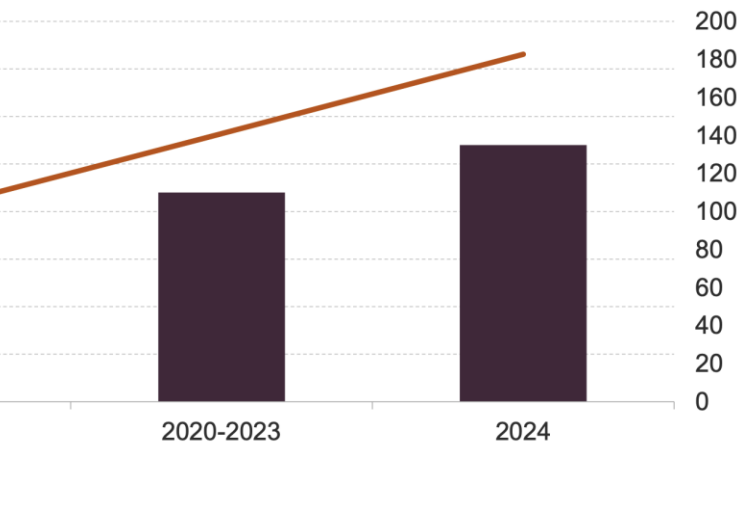
Single Family Homes in 'Prime Remodel Years' (Between 20-39 Yrs Old) - 000's of Units



Average Annual Number of Billion-Dollar Disasters

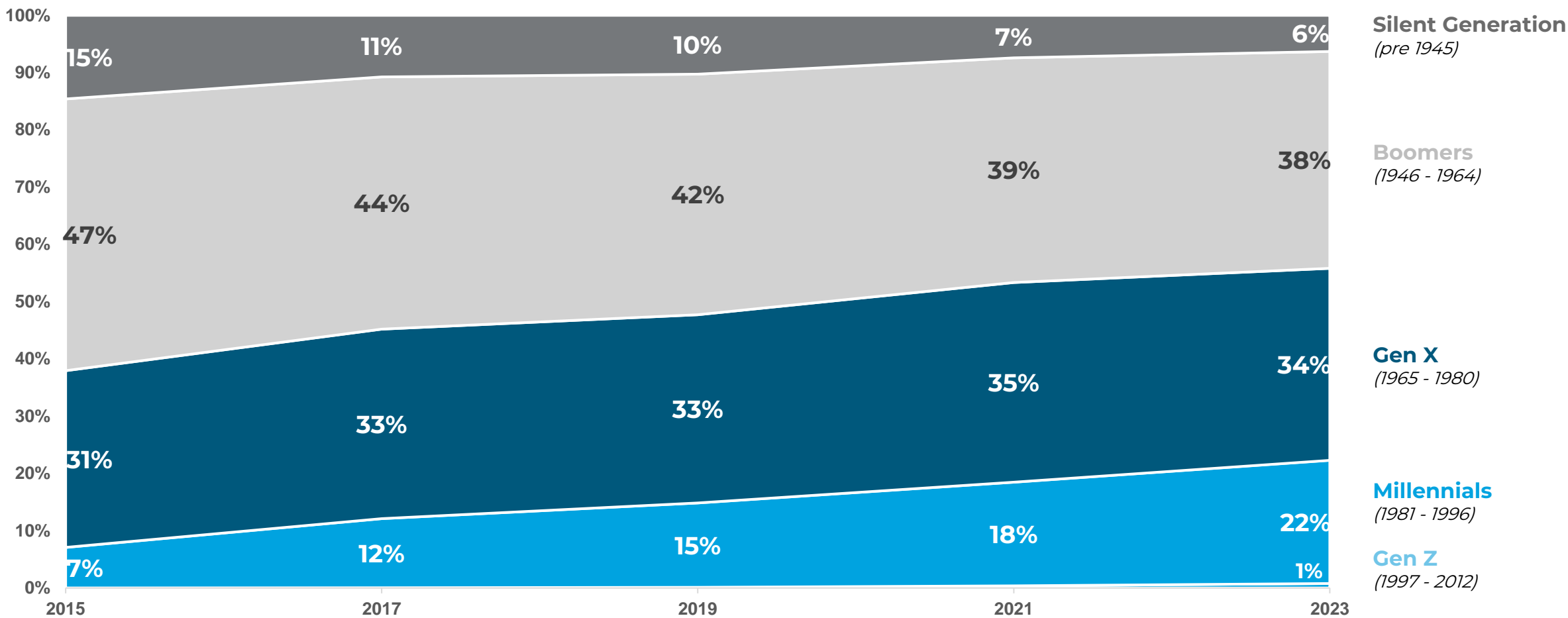


Average Annual Cost of Disasters (Billions of Dollars)



Opportunity: Spend by Generation

Share of Home Improvement Spend by Generation



Source: American Housing Survey (2024 Publication of 2023 Data); Analysis by HIRI

Strategic Recommendations

Monitor and Adapt to Macroeconomic Trends

- Regularly track consumer sentiment, disposable income, and housing market indicators to anticipate shifts in demand.
- Incorporate economic scenario planning into annual forecasting.

Address Tariff and Trade Policy Impacts

- Diversify supply chains to mitigate tariff exposure.
- Engage in advocacy or industry coalitions to influence favorable trade and immigration policies.

Target Segments with Strong Spending Power

- Prioritize marketing and product development toward Millennials and Gen X, who are entering prime remodeling years.
- Develop tailored offerings for first-time homebuyers aged 26-34, a growing demographic segment.

Support Contractors Facing Labor and Policy Challenges

- Enhance value-added programs (e.g., training, labor-saving products, installation support) to help contractors overcome workforce constraints.
- Communicate clearly about product availability, lead times, and policy impacts.

Innovate for a Tight Housing Market

- Offer solutions for both renovation and maintenance, appealing to homeowners who are “locked in” by low mortgage rates.
- Highlight products that support energy efficiency, disaster resilience, and aging-in-place.

Invest in Research and Insights

- Continuously gather feedback from homeowners and contractors to identify emerging needs and pain points.
- Utilize both primary and secondary research to inform go-to-market strategies and product roadmaps.



Thank You

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in [/daveking-ut](#)

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