

THE JOURNAL OF LIGHT CONSTRUCTION Kitchen and Bath Reader Survey

July 2008

Purpose

The primary purpose of this study was to ascertain information on contractor's thoughts on kitchen and bath projects.

The study covers the following areas:

- Types of remodeling or construction projects performed
- Total revenues
- Residential remodeling projects completed in 2007
- Residential kitchen and bath projects completed in 2007
- Interior products installed in 2007
- Cost of residential kitchen and bath remodeling projects
- Source of products used in kitchen and bath remodeling projects
- Influence on customer product purchases
- Resources used to help customers with product selection decisions
- Importance of various factors with regard to purchasing residential kitchen and bath products

Method

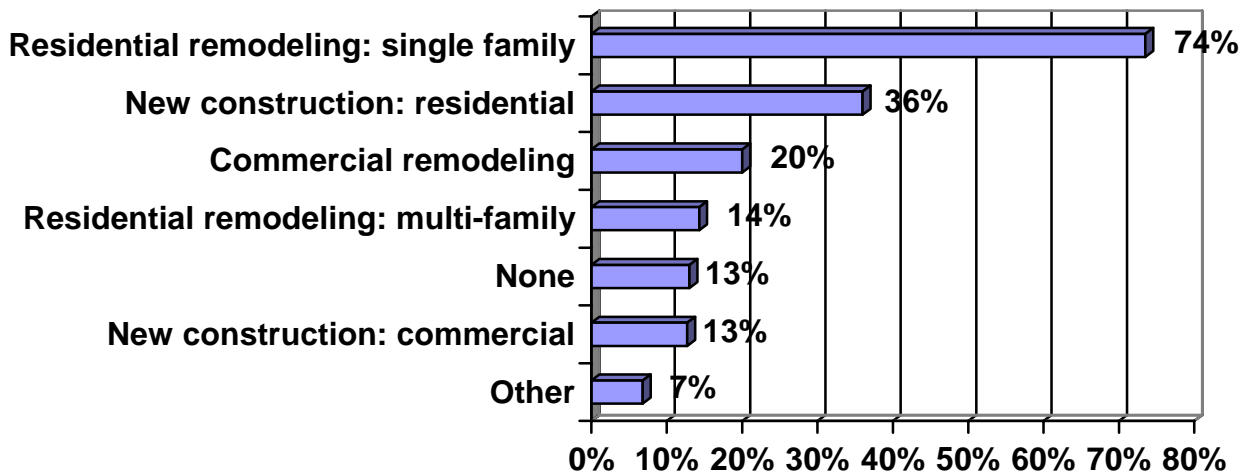
This study was conducted via an Internet survey. A random Nth sample of 12,698 individual email addresses were drawn from the circulation of THE JOURNAL OF LIGHT CONSTRUCTION magazine. A total of 866 (7%) completed surveys were returned.

The following pages report on the findings of this study. A copy of the survey questionnaire is included at the end of the report.

Results

1. What types of remodeling or construction projects did your firm do in 2007?

Seventy four percent (74%) of respondents engaged in single family residential remodeling in 2007, followed by residential new construction (36%) and commercial remodeling (20%).



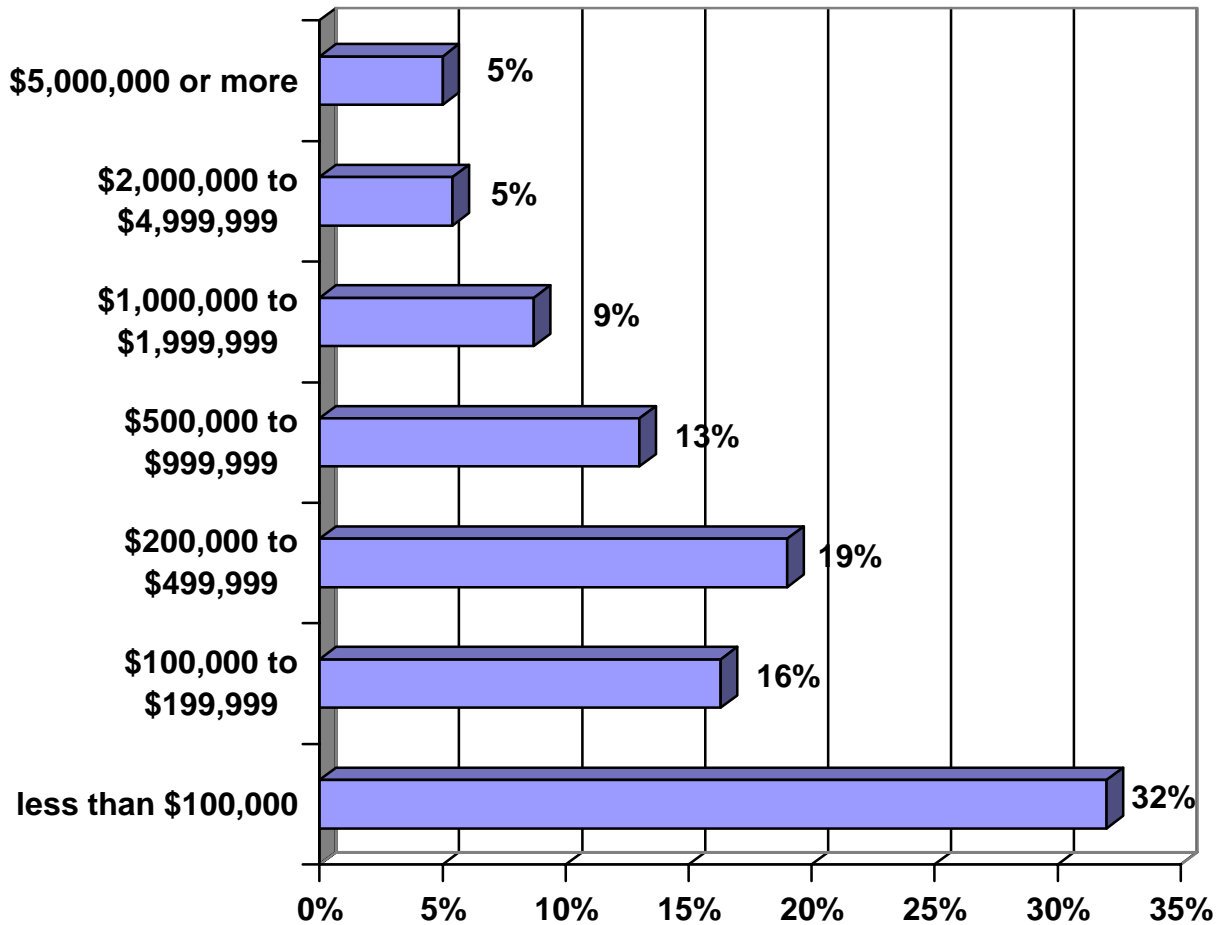
Other:

- Agricultural
- Agricultural buildings on ranch
- Build masonry heaters & Rumford fireplaces
- Building inspections
- Buy a fixer up and slowly renovate and resell
- Code Official
- Construction education
- Custom built-in cabinetry
- Custom kitchen cabinets
- Custom woodworking projects
- Deck and roof repairs
- Facility remodel
- Finish carpentry
- Fire restoration
- General exterior repairs
- Government
- Government - building maintenance and construction
- Handyman work
- Home inspection
- Home inspector/contractor
- Home repair, custom cabinets, and trim work as opposed to remodeling, per se.
- Home repairs
- Industrial
- Industrial, medical & educational
- Installation of products that we retail
- Insurance
- Lakefront decking

- Landscape construction
- Last 2 years been renovating hotels
- Outbuildings (sheds)
- Outdoor kitchen
- Professional offices
- Renovation of historic structures
- Repairs and decking
- Residential architecture
- Residential repair
- Resort home maintenance / remodeling
- Restoration
- Restoration/Millwork
- Seasonal/recreational single-family (camp or cottage)
- Site work
- Small repair projects rejected by larger firms
- Solar installations
- Tenant build-out; building construction by others
- Through retail sales
- We are a professional engineering firm
- We are an architectural firm
- We are an insurance company
- We consult on projects that include all of the above.
- We install hearth products fireplaces with all stone veneer or tile
- Wholesale supplier
- Worldwide military and government construction

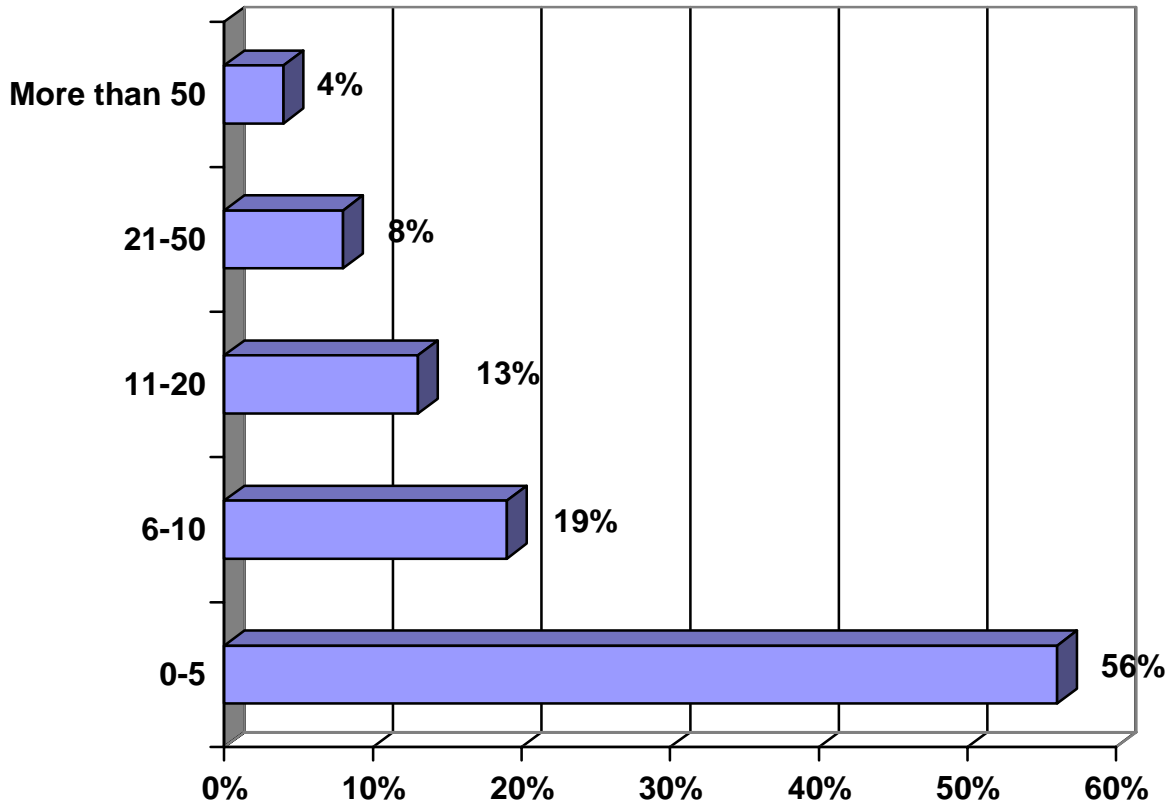
2. What were your firm’s approximate total revenues (including labor and materials) in 2007?

Thirty two percent (32%) of respondents said their firms total revenues in 2007 was less than \$100,000, followed by \$200,000 to \$499,999 (19%) and \$100,000 to \$199,999 (16%).



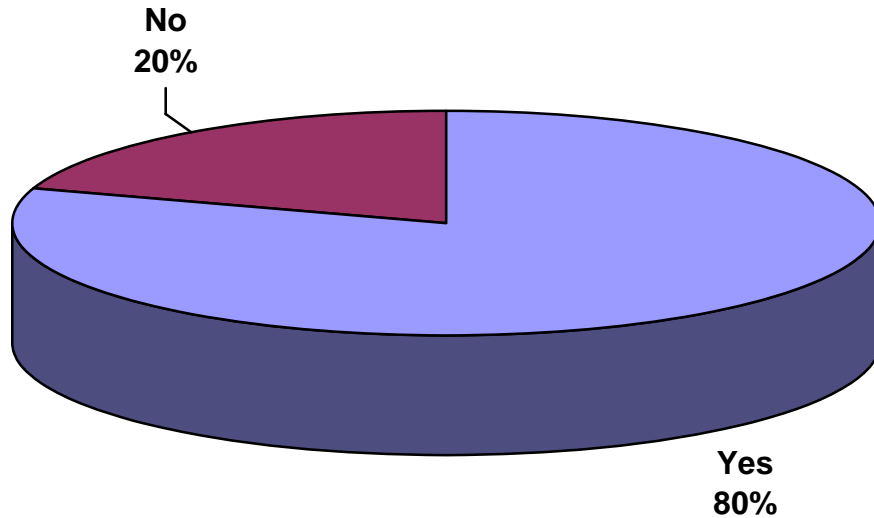
3. How many residential remodeling projects did your firm do in 2007?

Fifty six percent (56%) of respondents completed 0 to 5 projects in 2007, followed by 6 to 10 projects (19%) and 11 to 20 projects (13%).



4. Was your firm involved in residential kitchen or bath remodeling projects in 2007?

The majority of respondents (80%) were involved in residential kitchen or bath remodeling projects in 2007.

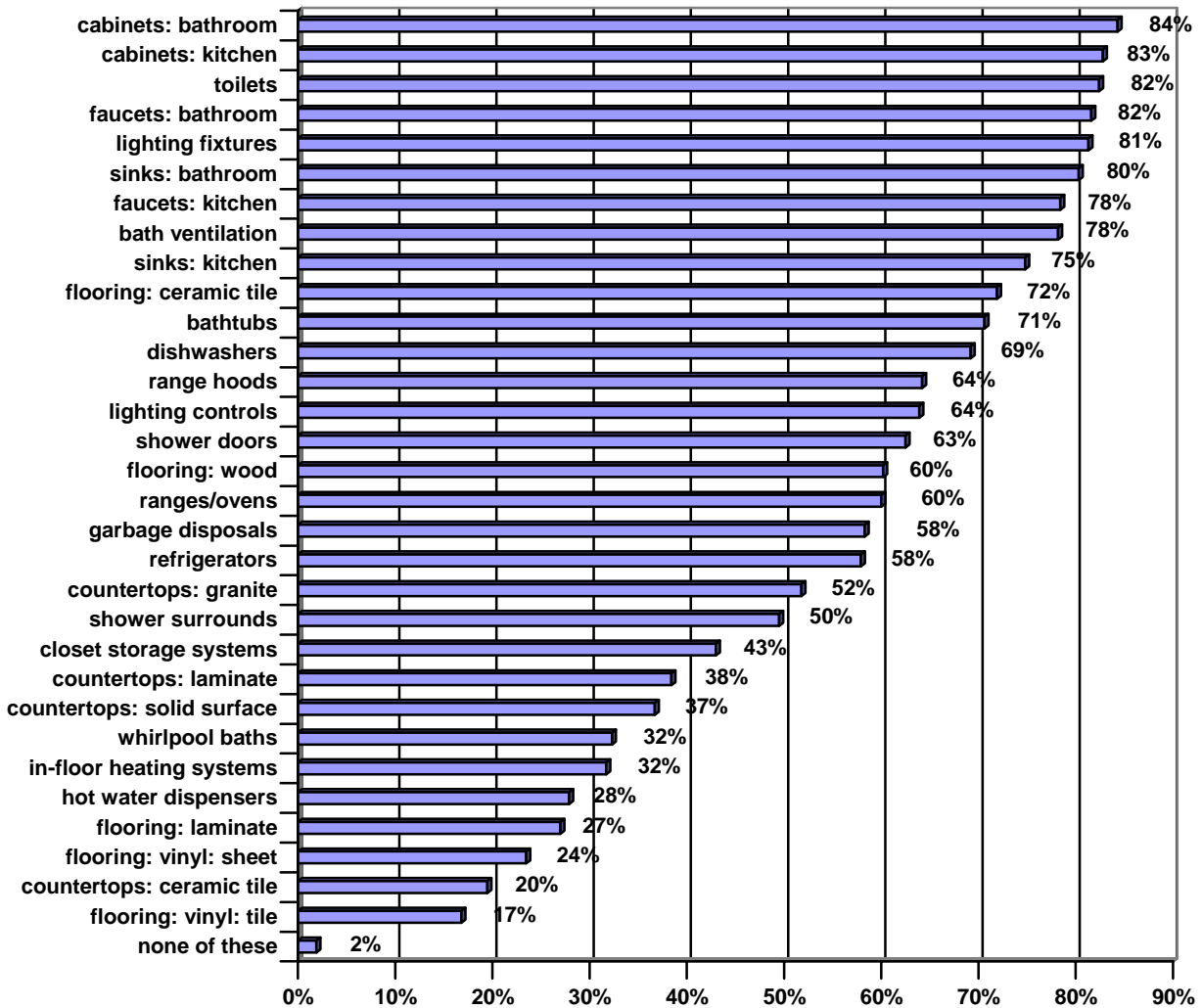


5. Approximately how many of your firms 2007 projects involved kitchen and bath projects?

- The average number of residential kitchen remodeling jobs performed in 2007 was 12.
- The average number of residential bath remodeling jobs performed in 2007 was 12.

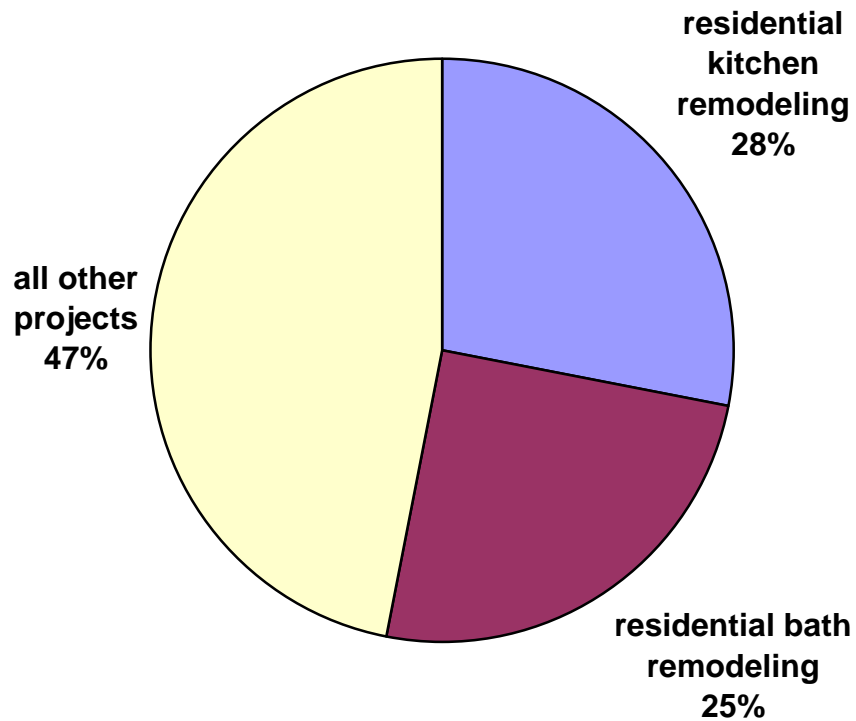
6. Which of these interior products were installed (or specified) by your firm in 2007?

The top three products installed in 2007 were bathroom cabinets (84%), kitchen cabinets (83%) and toilets and bathroom faucets (82% each).



7. Approximately what proportion of your firm's 2007 revenues was from each of these types of projects?

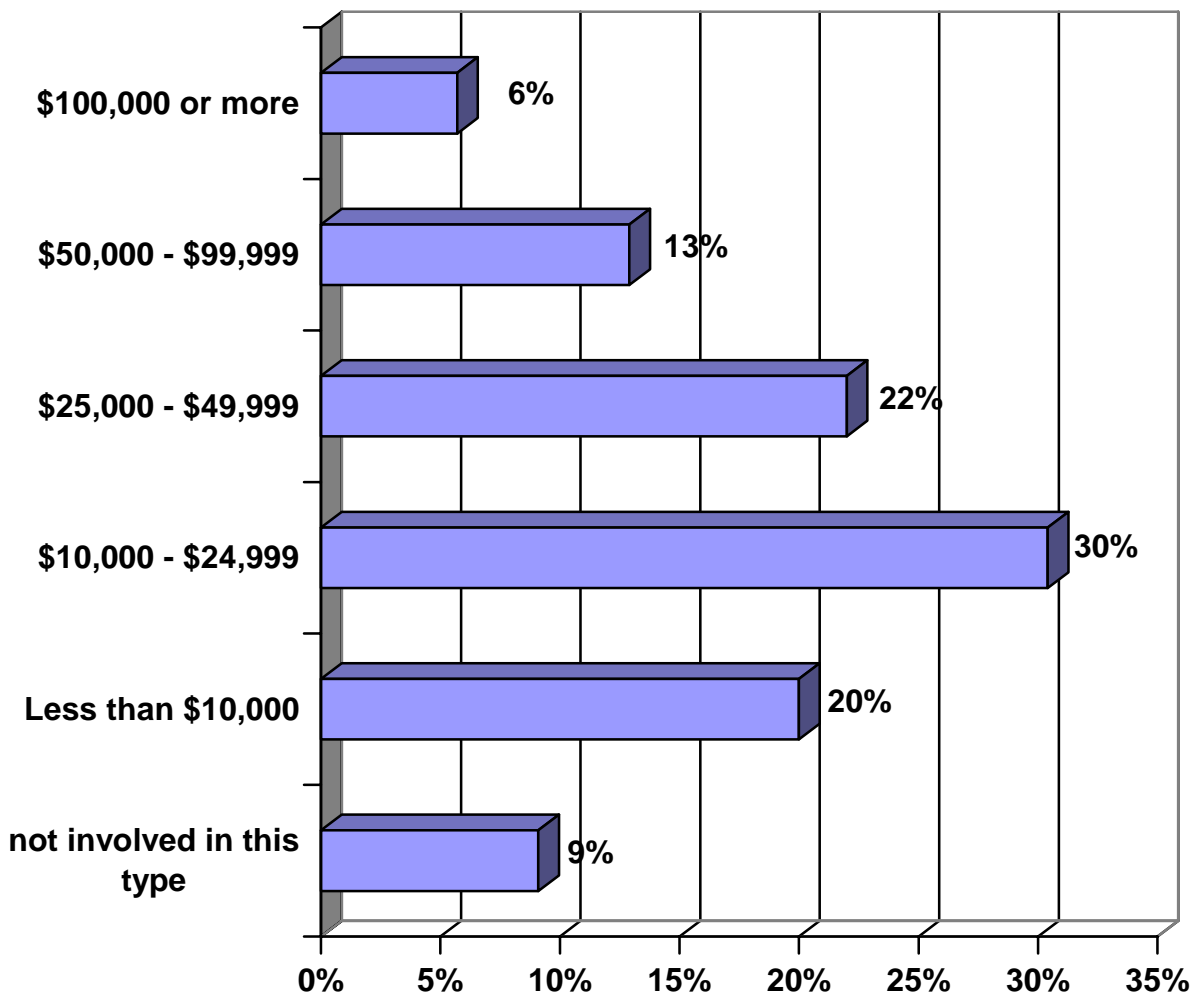
Over half (53%) of the revenues generated for 2007 came from residential kitchen and bath projects. Twenty eight percent (28%) of projects performed in 2007 by the firms surveyed were residential kitchen remodeling, 25% were residential bath remodeling and 47% were all other projects.



8. Approximately what was the average job cost (to the customer) in 2007 for each of the following types of projects your firm was involved in?

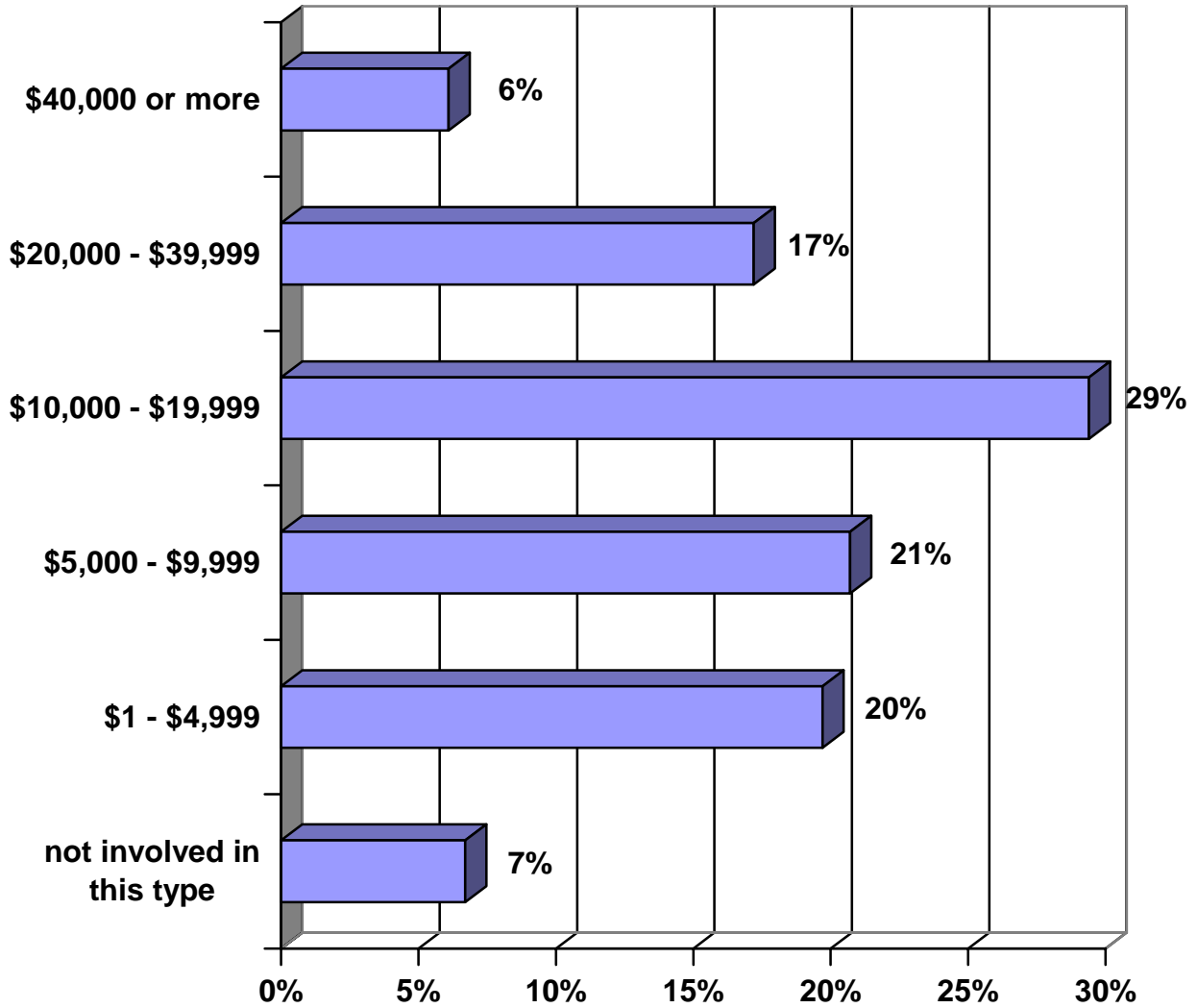
Residential kitchen remodeling

Thirty percent (30%) of residential kitchen remodeling jobs in 2007 had an average cost of \$10,000 to \$24,999, followed by \$25,000 to \$49,999 (22%) and Less than \$10,000 (20%).



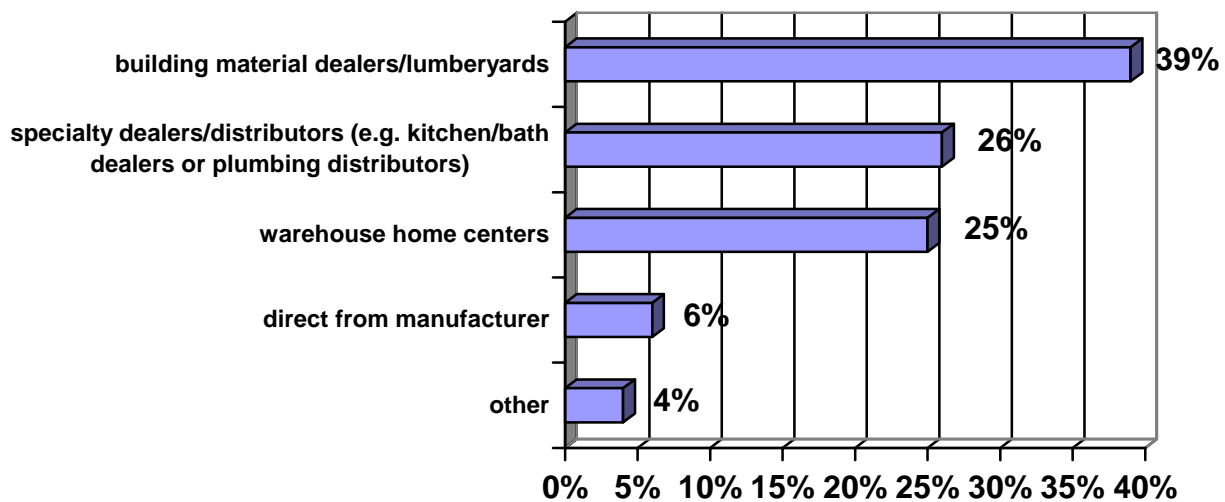
Residential bath remodeling

Twenty nine percent (29%) of residential bath remodeling jobs in 2007 had an average cost of \$10,000 to \$19,999, followed by \$1,000 to \$4,999 (20%) and \$5,000 to \$9,999 (21%).



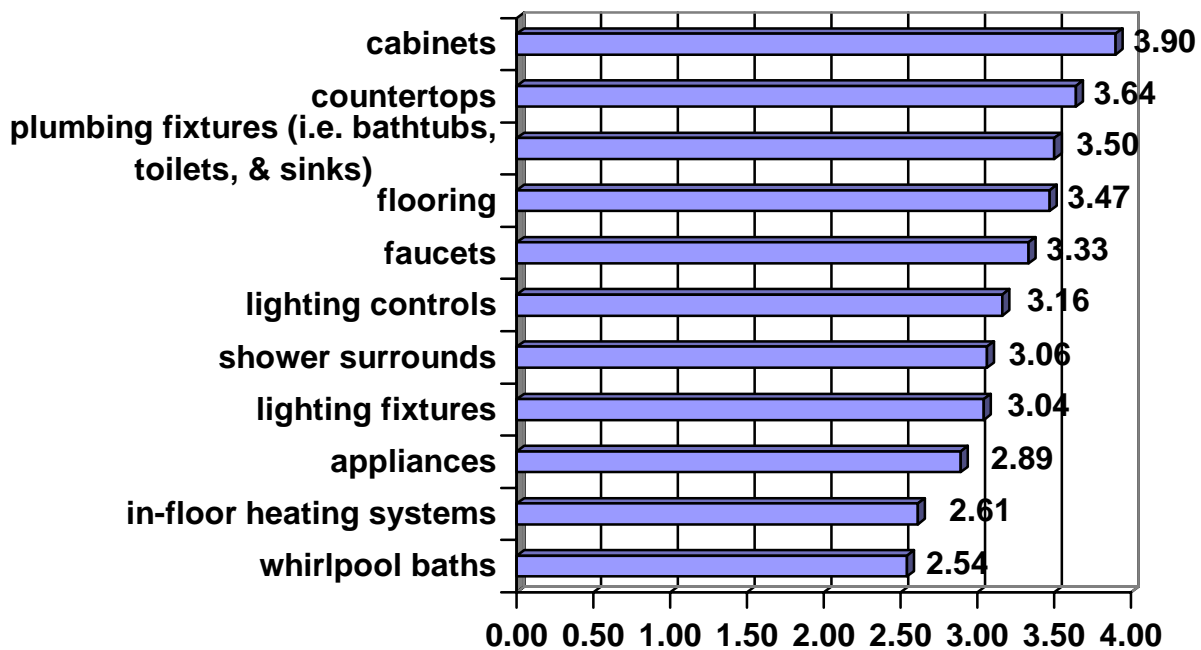
9. Approximately what was the highest individual job cost (to the customer) in 2007 for each of the following types of projects your firm was involved in?
- The average upside cost of residential kitchen remodeling jobs performed in 2007 was \$42,500.
 - The average upside cost of residential bath remodeling jobs performed in 2007 was \$25,233.
10. Roughly what proportion of the products used in your firm’s 2007 residential kitchen and bath remodeling projects were purchased from each of these sources?

Thirty nine percent (39%) of products used in residential kitchen and bath remodeling projects in 2007 were purchased from building material dealers/lumberyards, followed by specialty dealers/distributors (26%), and warehouse home centers (25%).



11. For each of the following categories, how influential would you say your firm is in your customer’s decisions about the brand of product used (not style or color, but manufacturers’ brands specifically) in their kitchen and bath remodeling projects?

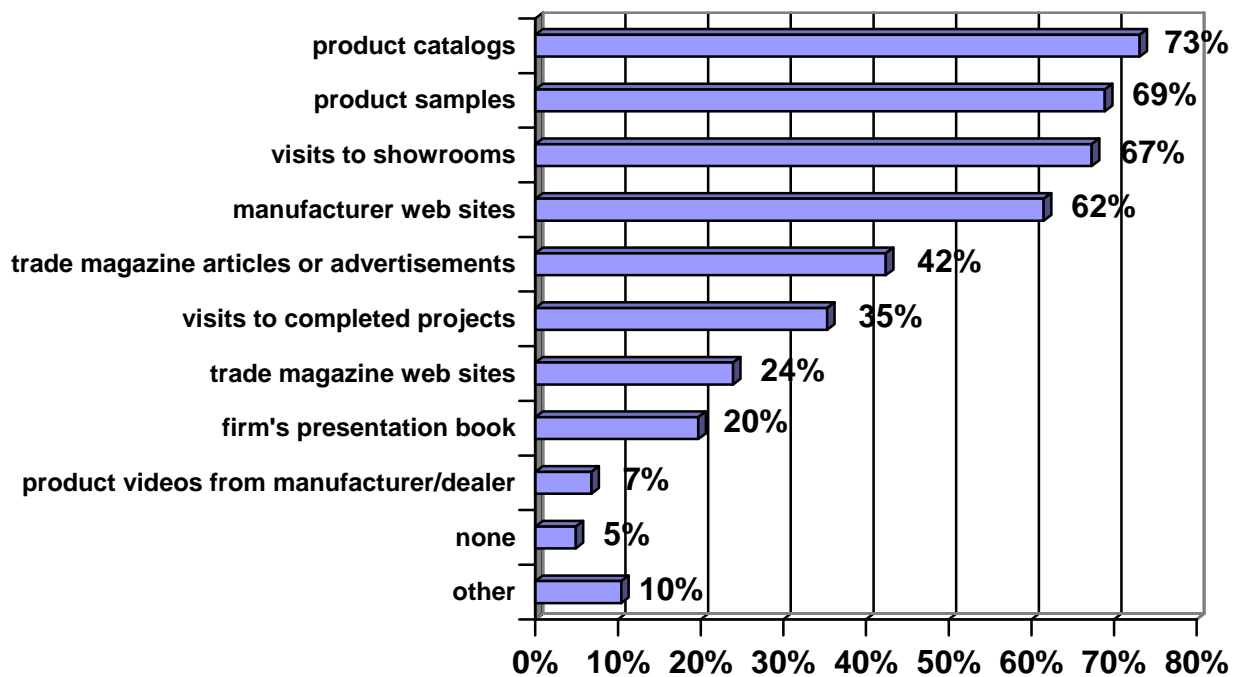
On a scale of 1 to 5, where 1 is not influential at all and 5 is very influential, respondents said their firms were most influential in customer’s decisions on cabinets (3.90), followed by countertops (3.64) and plumbing fixtures (3.50).



1 is not influential at all and
5 is very influential

12. What resources does your firm use to help its customers make product selection decisions (type, style, features of products)?

Respondents use product catalogs (73%) to help customers make product selection decisions, followed by product samples (69%) and visits to showrooms (67%).



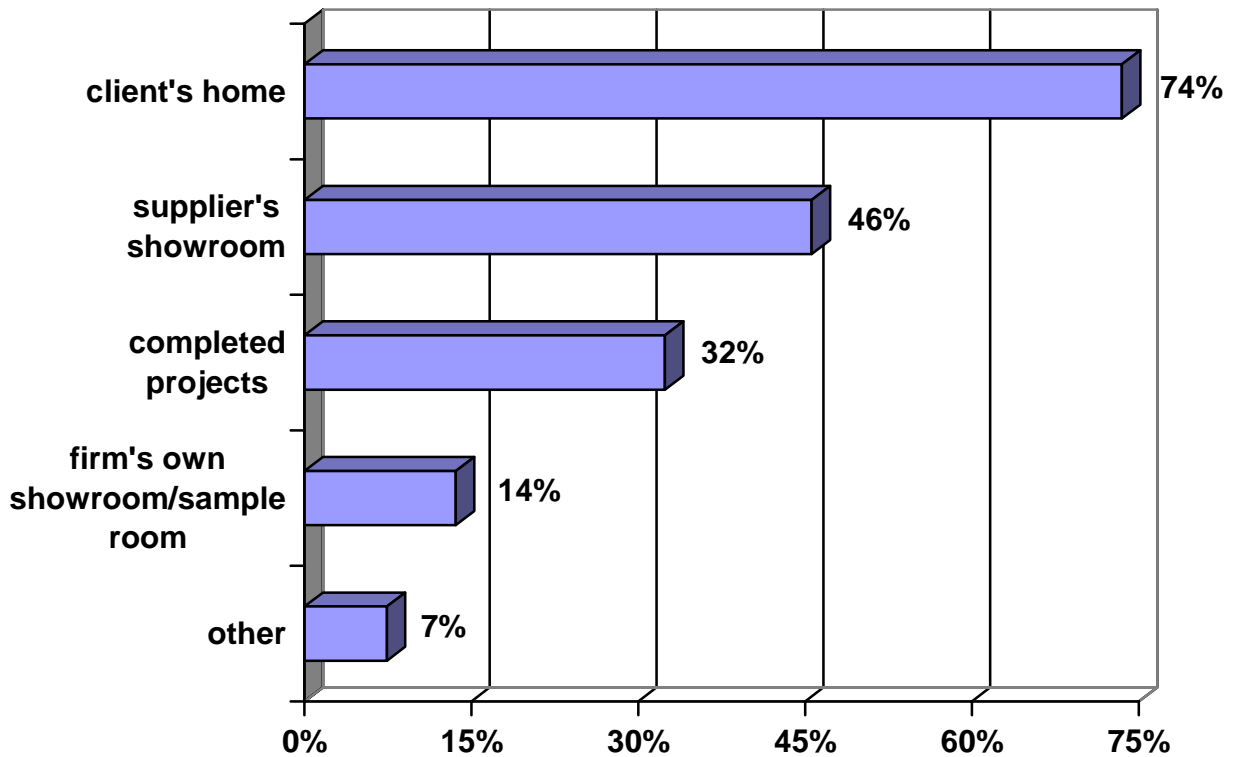
Other:

- Architect's specifications
- Code books
- Company website
- Craig list & eBay
- Design team
- Experience with the product.
- Firm owners experience
- Firm's web site
- General opinion
- Interior designer
- Internet
- Job pictures
- Kitchen designer
- My architect specs things with the client

- My personal recommendation
- My word
- No one lives in house
- Our own showroom
- Past product experience
- Pictures of other jobs , own ideas
- Private design center
- Product selection person
- Real Estate magazines
- Send clients to fixture stores
- Subcontractor
- We are a lumber yard
- We have samples to pick from in the office
US Gov.
- We make selections for the customer
- What the customer desires

13. If your firm uses product samples to help customers make product selection decisions, where does it show the samples?

Seventy four percent (74%) of the firms surveyed show their product samples at the client's home, followed by supplier's showroom (46%), and completed projects (32%).

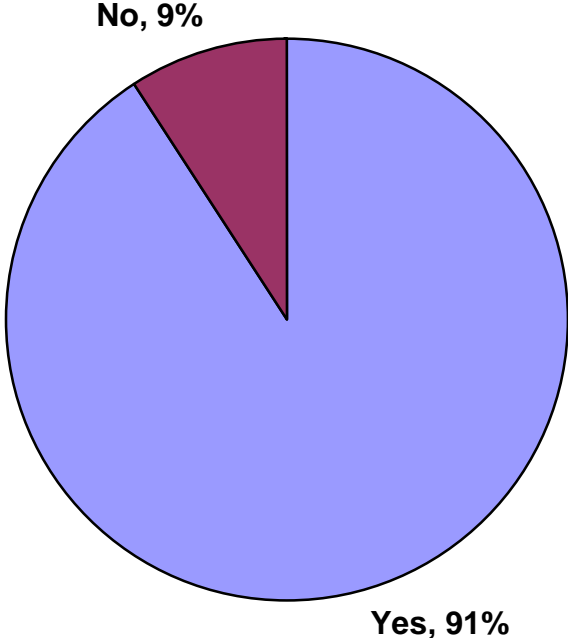


Other:

- Architect's office
- Do not use product samples
- In the US Government office
- Internet
- Jobsite
- No direct customer input
- No one lives in house
- None
- Photos
- Presentation book

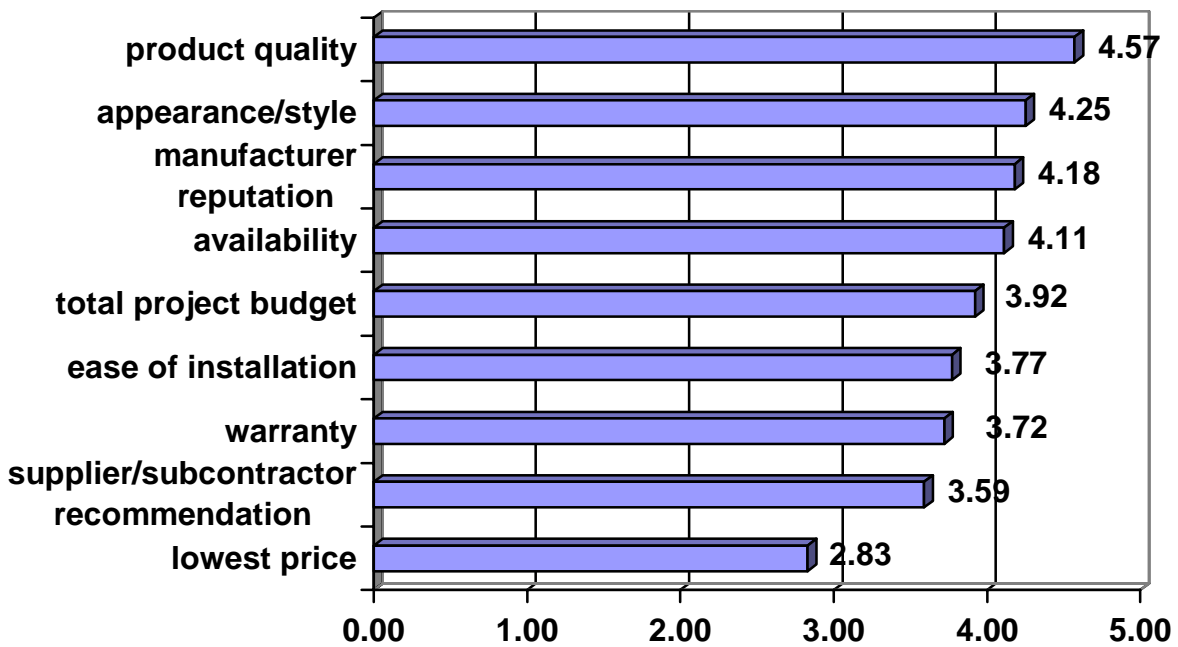
14. Are you personally involved in the product selection decisions for your firm’s residential kitchen and bath remodeling projects?

Most of the respondents (91%) said they are personally involved in the product selection decisions.



15. How important are each of these factors in your selection decisions for residential kitchen and bath products?

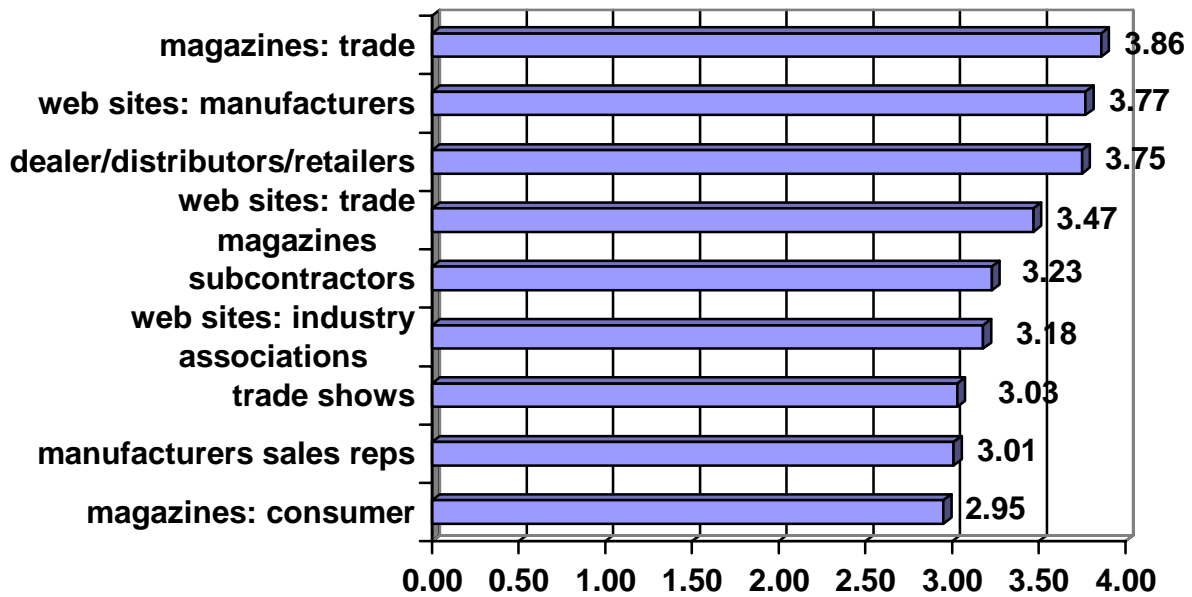
On a scale of 1 to 5, where 1 is not important at all and 5 is very important, respondents said product quality (4.57), appearance/style (4.25) and manufacturer reputation (4.18) are the top three factors in selection decisions for residential kitchen and bath products.



1 is not important at all and
5 is very important

16. How useful are each of these sources to you for information about residential kitchen and bath products?

On a scale of 1 to 5, where 1 is not influential at all and 5 is very influential, respondents said trade magazines (3.86), manufacturer web sites (3.77) and dealers/distributors/retailers (3.75) are the top three sources for information about residential kitchen and bath products.



1 is not influential at all and
5 is very influential

The Journal of Light Construction 2008 National Reader Survey

Dear Journal of Light Construction Reader:

We need your opinion. We are asking select readers of our magazine for their thoughts on kitchen and bath projects.

Because you are part of a select, representative sample of readers being surveyed, your reply is especially important. Please take a few minutes to complete and submit the survey by Monday, June 30, 2008.

The results of this survey will greatly assist in our efforts to better serve you, our valued reader. Thank you in advance for your response.

Sincerely,

Rick Strachan
Group Publisher

About your firm

* 1. What types of remodeling or construction projects did your firm do in 2007?
(Please check all that apply)

- | | |
|--|--|
| <input type="checkbox"/> Commercial remodeling | <input type="checkbox"/> new construction: commercial |
| <input type="checkbox"/> Residential remodeling: single-family | <input type="checkbox"/> new construction: residential |
| <input type="checkbox"/> Residential remodeling: multi-family | <input type="checkbox"/> None... if none, the rest of the survey will not apply. |
| <input type="checkbox"/> Other (please specify) | |

* 2. What were your firm's approximate total revenues (including labor and materials) in 2007?

- | | |
|---|---|
| <input type="checkbox"/> less than \$50,000 | <input type="checkbox"/> \$500,000 to \$749,999 |
| <input type="checkbox"/> \$50,000 to \$99,999 | <input type="checkbox"/> \$750,000 to \$999,999 |
| <input type="checkbox"/> \$100,000 to \$199,999 | <input type="checkbox"/> \$1,000,000 to \$1,999,999 |
| <input type="checkbox"/> \$200,000 to \$299,999 | <input type="checkbox"/> \$2,000,000 to \$4,999,999 |
| <input type="checkbox"/> \$300,000 to \$399,999 | <input type="checkbox"/> \$5,000,000 to \$9,999,999 |
| <input type="checkbox"/> \$400,000 to \$499,999 | <input type="checkbox"/> \$10 million or more |

* 3. How many residential remodeling projects did your firm do in 2007?

About kitchen & bath projects

The Journal of Light Construction 2008 National Reader Survey

* 4. Was your firm involved in residential kitchen or bath remodeling projects in 2007?

Yes

No

* 5. Approximately how many of your firms 2007 projects involved each of the following?

a. residential kitchen remodeling

b. residential bath remodeling

* 6. Which of these interior products were installed (or specified) by your firm in 2007? (Please check all that apply)

- | | | |
|---|---|---|
| <input type="checkbox"/> bath ventilation | <input type="checkbox"/> faucets: kitchen | <input type="checkbox"/> range hoods |
| <input type="checkbox"/> bathtubs | <input type="checkbox"/> flooring: ceramic tile | <input type="checkbox"/> ranges/ovens |
| <input type="checkbox"/> cabinets: bathroom | <input type="checkbox"/> flooring: laminate | <input type="checkbox"/> refrigerators |
| <input type="checkbox"/> cabinets: kitchen | <input type="checkbox"/> flooring: vinyl: sheet | <input type="checkbox"/> shower doors |
| <input type="checkbox"/> closet storage systems | <input type="checkbox"/> flooring: vinyl: tile | <input type="checkbox"/> shower surrounds |
| <input type="checkbox"/> countertops: ceramic tile | <input type="checkbox"/> flooring: wood | <input type="checkbox"/> sinks: bathroom |
| <input type="checkbox"/> countertops: granite | <input type="checkbox"/> garbage disposals | <input type="checkbox"/> sinks: kitchen |
| <input type="checkbox"/> countertops: laminate | <input type="checkbox"/> hot water dispensers | <input type="checkbox"/> toilets |
| <input type="checkbox"/> countertops: solid surface | <input type="checkbox"/> in-floor heating systems | <input type="checkbox"/> whirlpool baths |
| <input type="checkbox"/> dishwashers | <input type="checkbox"/> lighting controls | <input type="checkbox"/> none of these |
| <input type="checkbox"/> faucets: bathroom | <input type="checkbox"/> lighting fixtures | |

* 7. Approximately what *proportion* of your firm's 2007 revenues was from each of these types of projects? (Please fill in a percentage for each, totaling 100% - fill in 0 if none.)

% from residential kitchen remodeling

% from residential bath remodeling

% from all other projects

8. Approximately what was the average job cost (to the customer) in 2007 for each of the following types of projects your firm was involved in?

The Journal of Light Construction 2008 National Reader Survey

* a. residential kitchen remodeling

| | | |
|------------------------------|------------------------|------------------------|
| jn not involved in this type | jn \$15,000 - \$19,999 | jn \$50,000 - \$74,999 |
| jn \$1 - \$2,499 | jn \$20,000 - \$24,999 | jn \$75,000 - \$99,999 |
| jn \$2,500 - \$4,999 | jn \$25,000 - \$29,999 | jn \$100,000 or more |
| jn \$5,000 - \$9,999 | jn \$30,000 - \$39,999 | |
| jn \$10,000 - \$14,999 | jn \$40,000 - \$49,999 | |

* b. residential bath remodeling

| | | |
|------------------------------|------------------------|------------------------|
| jn not involved in this type | jn \$10,000 - \$14,999 | jn \$30,000 - \$39,999 |
| jn \$1 - \$2,499 | jn \$15,000 - \$19,999 | jn \$40,000 - \$49,999 |
| jn \$2,500 - \$4,999 | jn \$20,000 - \$24,999 | jn \$50,000 or more |
| jn \$5,000 - \$9,999 | jn \$25,000 - \$29,999 | |

* 9. Approximately what was the highest individual job cost (to the customer) in 2007 for each of the following types of projects your firm was involved in?

a. residential kitchen remodeling \$

b. residential bath remodeling \$

* 10. Roughly what proportion of the products used in your firm's 2007 residential kitchen and bath remodeling projects were purchased from each of these sources? (Please fill in a percentage for each, totaling 100% - fill in 0 if none)

| | |
|---|----------------------|
| building material dealers/lumberyards | <input type="text"/> |
| specialty dealers/distributors (e.g. kitchen/bath dealers or plumbing distributors) | <input type="text"/> |
| warehouse home centers | <input type="text"/> |
| direct from manufacturer | <input type="text"/> |
| other | <input type="text"/> |

The Journal of Light Construction 2008 National Reader Survey

* 11. For each of the following categories, how influential would you say your firm is in your customer's decisions about the brand of product used (*not* style or color, but manufacturers' brands specifically in their kitchen and bath remodeling projects? (Please check one rating for each)

| | 1 - not at all influential | 2 | 3 | 4 | 5 - very influential |
|---|----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| appliances | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| cabinets | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| countertops | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| faucets | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| flooring | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| in-floor heating systems | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| lighting controls | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| lighting fixtures | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| plumbing fixtures (i.e. bathtubs, toilets, & sinks) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| shower surrounds | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| whirlpool baths | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

Product selection decisions

* 12. What resources does your firm use to help its customers make product selection decisions (type, style, features of products)? (Please check all that apply)

- firm's presentation book
- product catalogs
- product samples
- product videos from manufacturer/dealer
- trade magazine articles or advertisements
- Other (please specify)
- trade magazine web sites
- manufacturer web sites
- visits to completed projects
- visits to showrooms
- none

* 13. If your firm uses *product samples* to help customers make product selection decisions, where does it show the samples? (Please check all that apply)

- client's home
- supplier's showroom
- Other (please specify)
- firm's own showroom/sample room
- completed projects

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* 14. Are you personally involved in the product selection decisions for your firm's residential kitchen and bath remodeling projects?

Yes

No

* 15. How important are each of these factors in your selection decisions for residential kitchen and bath products? (Please check one rating for each)

| | 1 - not at all important | 2 | 3 | 4 | 5 - very important |
|---------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| appearance/style | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| availability | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| ease of installation | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| lowest price | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| manufacturer reputation | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| product quality | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| supplier/subcontractor recommendation | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| total project budget | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| warranty | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

* 16. How useful are each of these sources to you for information about residential kitchen and bath products? (Please check one rating for each)

| | 1 - not at all useful | 2 | 3 | 4 | 5 - very useful |
|----------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| dealers/distributors/retailers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| magazines: consumer | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| magazines: trade | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| manufacturers sales reps | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| subcontractors | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| trade shows | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| web sites: industry associations | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| web sites: manufacturers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| web sites: trade magazines | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Thank you for your participation.