2025 Remodeling Impact Report

National Association of REALTORS® Research Group

NAR Research Staff

Lawrence Yun, Ph.D.
Chief Economist and Senior Vice President

Jessica Lautz, Dr. of Real Estate
Deputy Chief Economist and Vice President, Research

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Introduction

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. It also contains:

- The top cost recovery for remodeling projects, as estimated by members of the National Association of the Remodeling Industry (NARI)
- The demand of each project is likely to have for buyers, according to REALTORS®
- How much REALTORS® estimate that homeowners can recover on the cost of the projects if they sell the home.

Americans spent an estimated $603 billion in 2024 on remodeling their homes.[1] Among NARI members, 42 percent found a greater demand for contracting in remodeling work 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: 46% of home buyers are less willing to compromise on the condition of the home when purchasing.

To gather cost data, NARI members were informed that the home would be a 2,300 square foot house, which aligns with the average size according to U.S. Census data. The house is a post-1978 construction with no concealed problems. To ensure broad relevance, the projects and materials used represent standard or typical quality, with some projects incorporating "better-quality" materials. However, there are no projects featuring top-of-the-line materials.

[1] *Improving America's Housing*, Joint Center for Housing Studies at Harvard University, 2025.

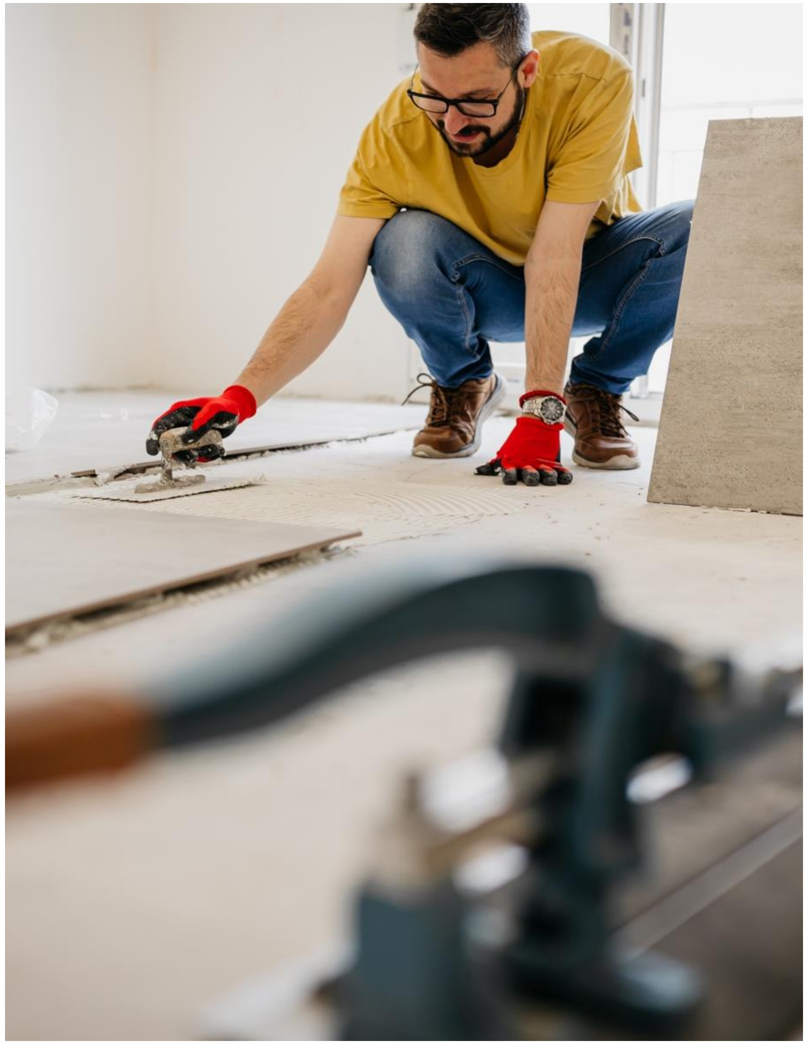
Top Joy Scores and Cost Recovery

Top Projects

There are numerous approaches to remodeling projects for homeowners and even more methods to analyze the projects' successful outcomes.

NAR calculated a Joy Score for each project based on the happiness homeowners reported with their renovations. Forty-three percent feel happy, and 38 percent feel satisfied when they see their completed project, with a typical Joy Score of 8.2. There were three projects that received a perfect Joy Score of 10: added primary bedroom suite, a kitchen upgrade, and new roofing.

REALTORS® provided an estimate of the likely dollar value each project would add to the house at resale. NAR calculated a Recovered Project Cost percentage by comparing that dollar value to the estimated cost of each project provided by NARI members. For example, the highest percentage cost recovered on a project was 100% for a new steel door.



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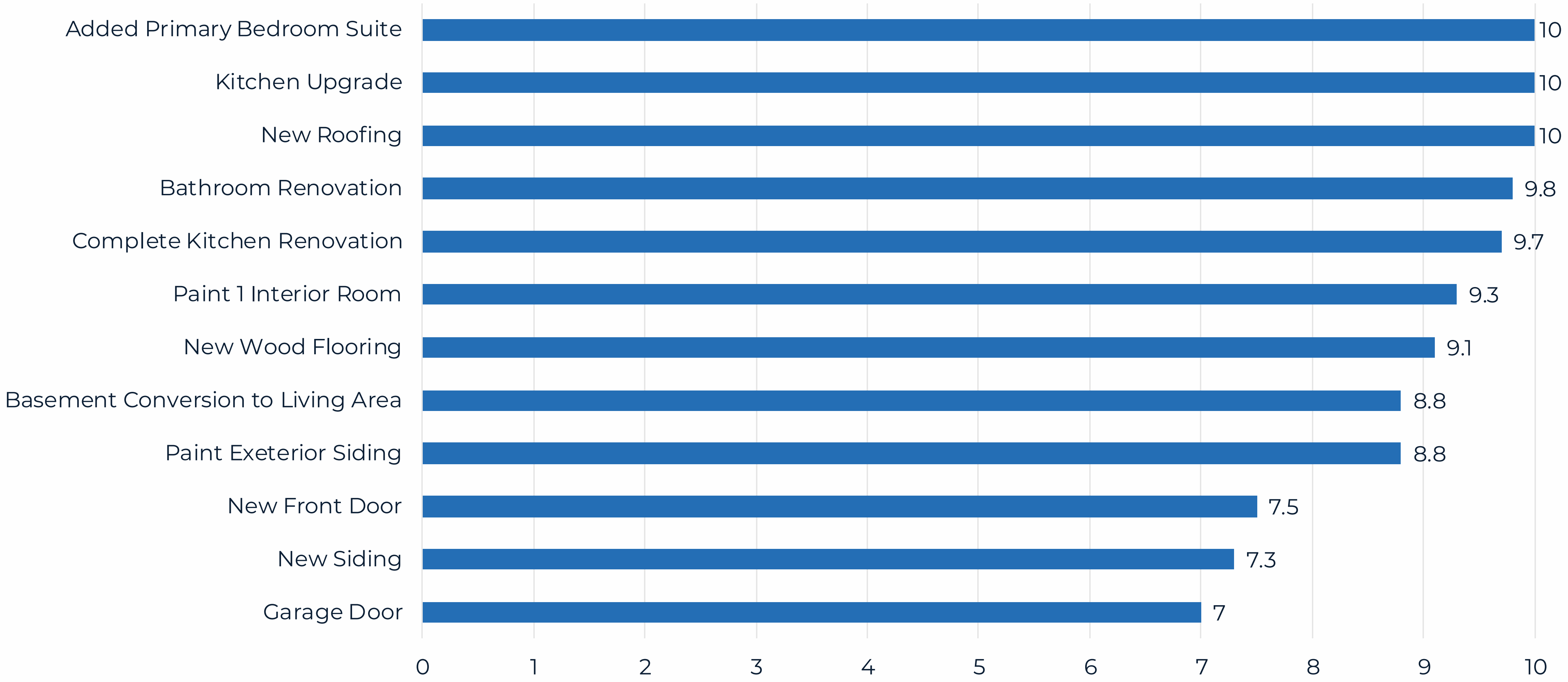
Top Joy Score For Remodeling Projects



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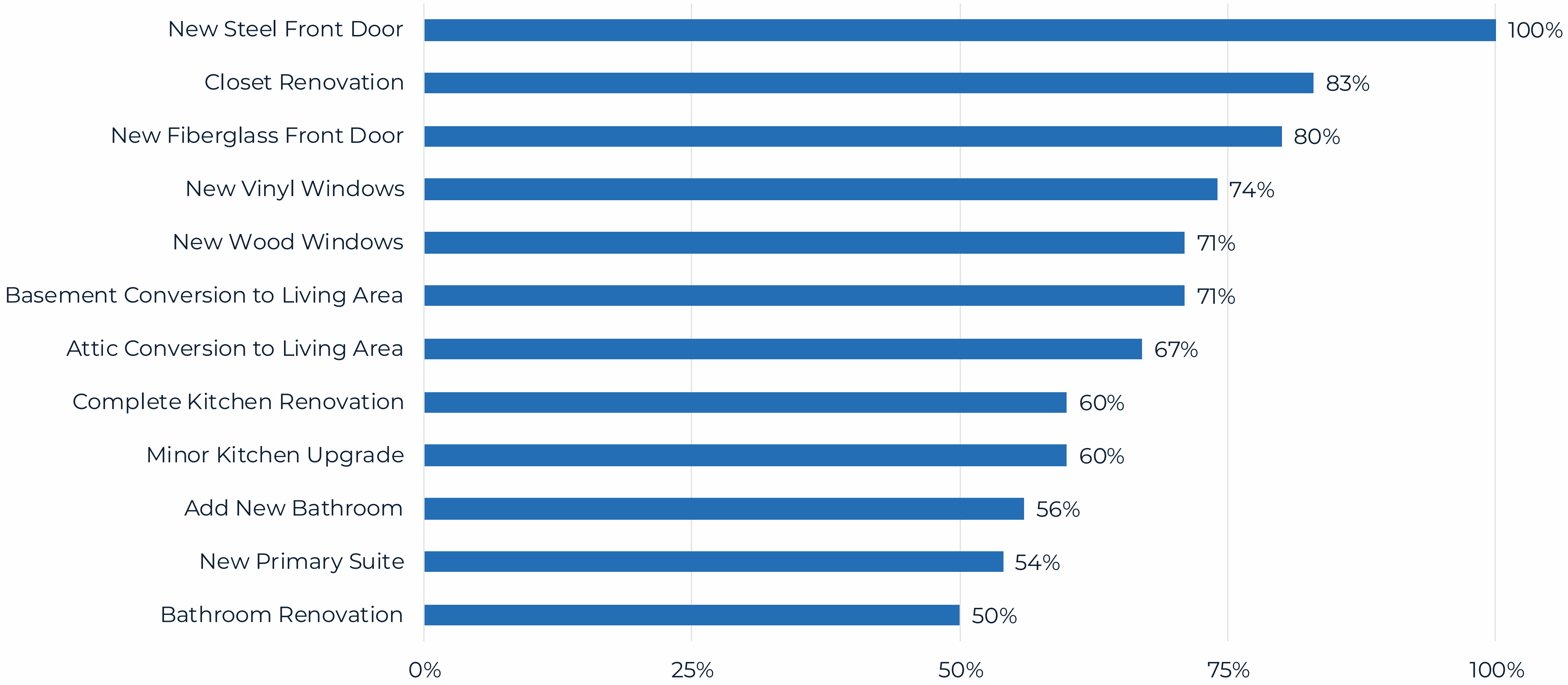
Top Cost Recovery For Remodeling Projects

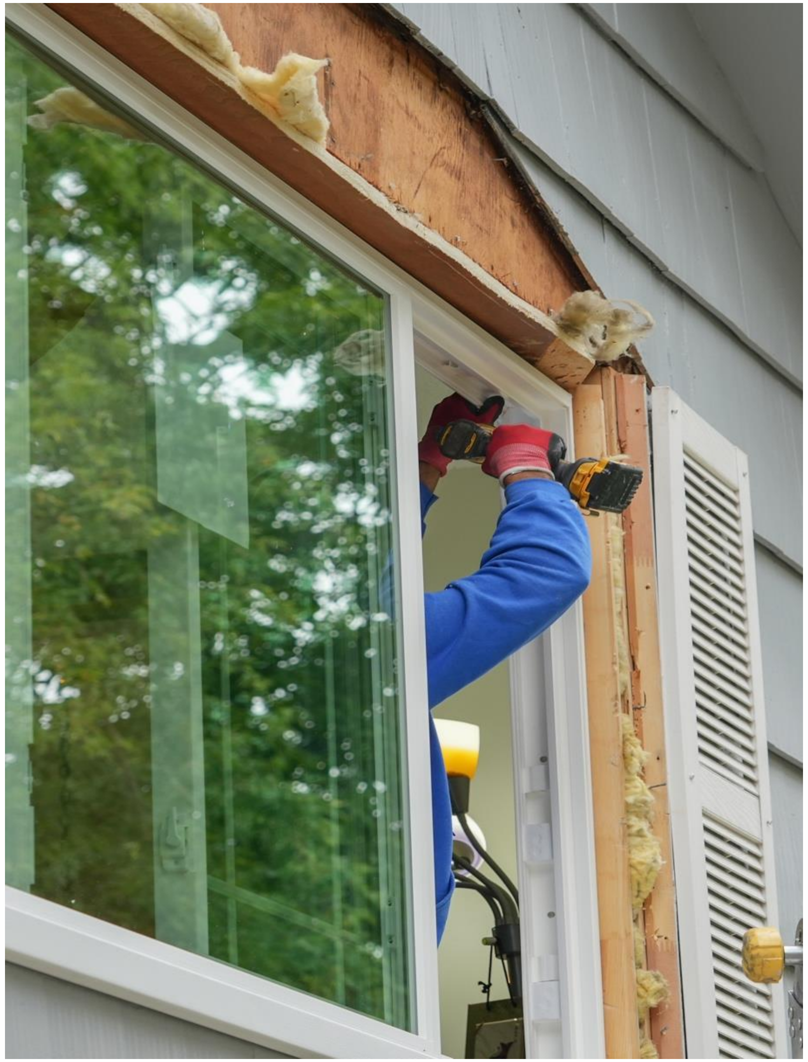


REALTOR® Perception of Demand

REALTOR® Perception of Demand

REALTORS® often suggest a homeowner take on a project remodel 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.



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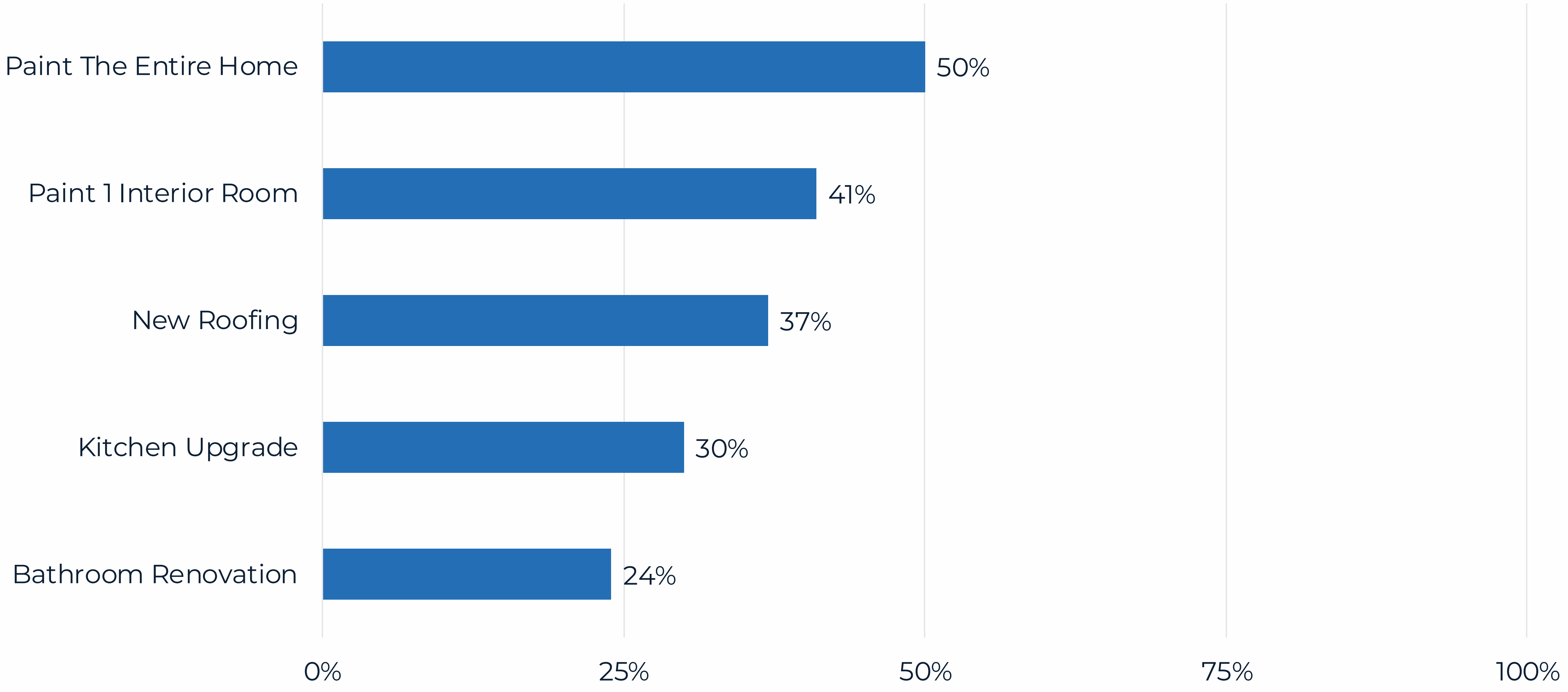
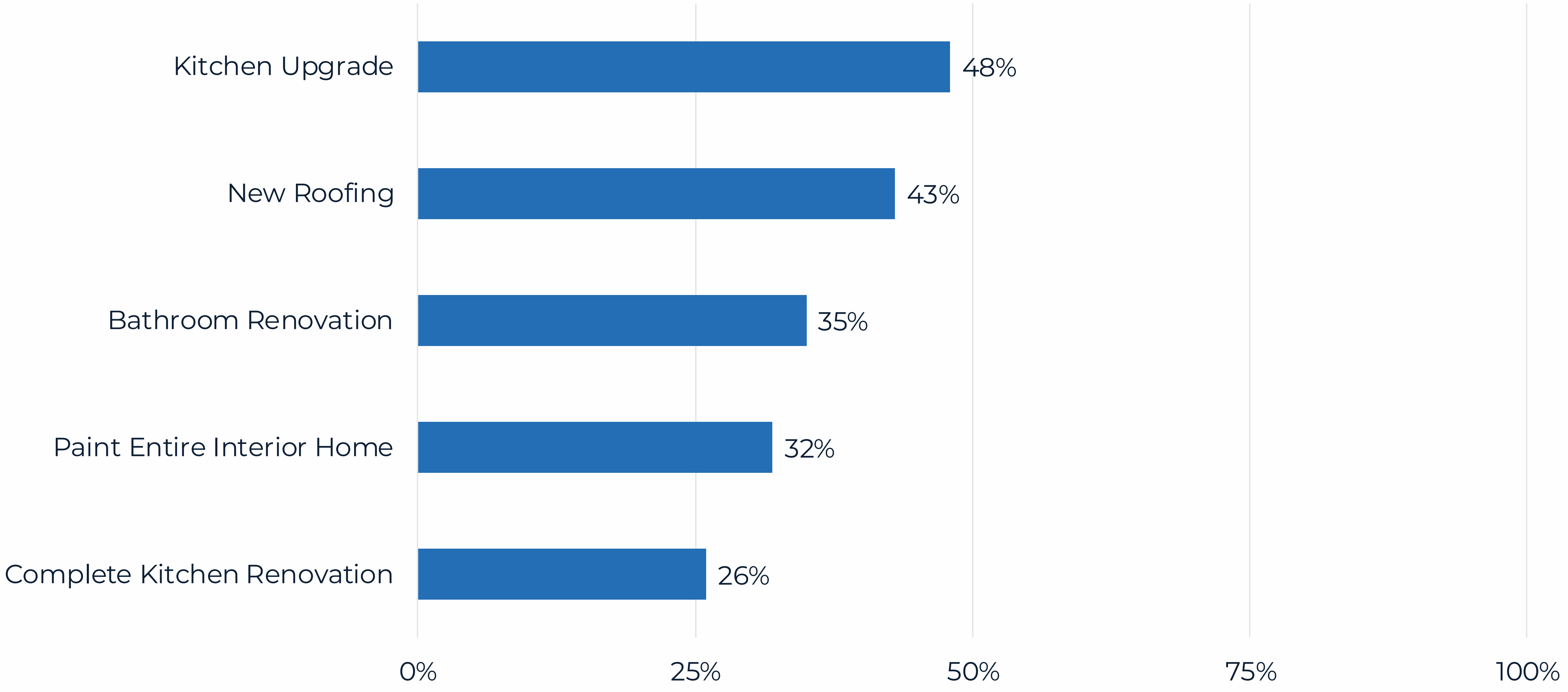
Top Remodeling Projects REALTORS® Recommend Sellers Do Before Selling



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



Consumer Approaches to Remodeling

Consumer Approaches to Remodeling

Why Undertake Remodeling:
When consumers remodel, it is to upgrade worn-out surfaces, finishes, and materials (27 percent); to improve energy efficiency (19 percent); it is time for a change (18 percent); and because they will be selling in the next two years (18 percent).

Dollars and cents:
Housing affordability and the rise in mortgage rates have been pondered to be a motivating factor to remodel one's home. The majority of consumers, 89 percent, reported housing affordability was not a deciding factor to remodel. However, for nine percent of consumers, the rise in home prices/mortgage rates was a motivating factor to remodel as they did not or could not move.

To pay for the project, 54% of consumers used a home equity loan/line of credit to remodel, 29% used savings, and 10% used credit cards.

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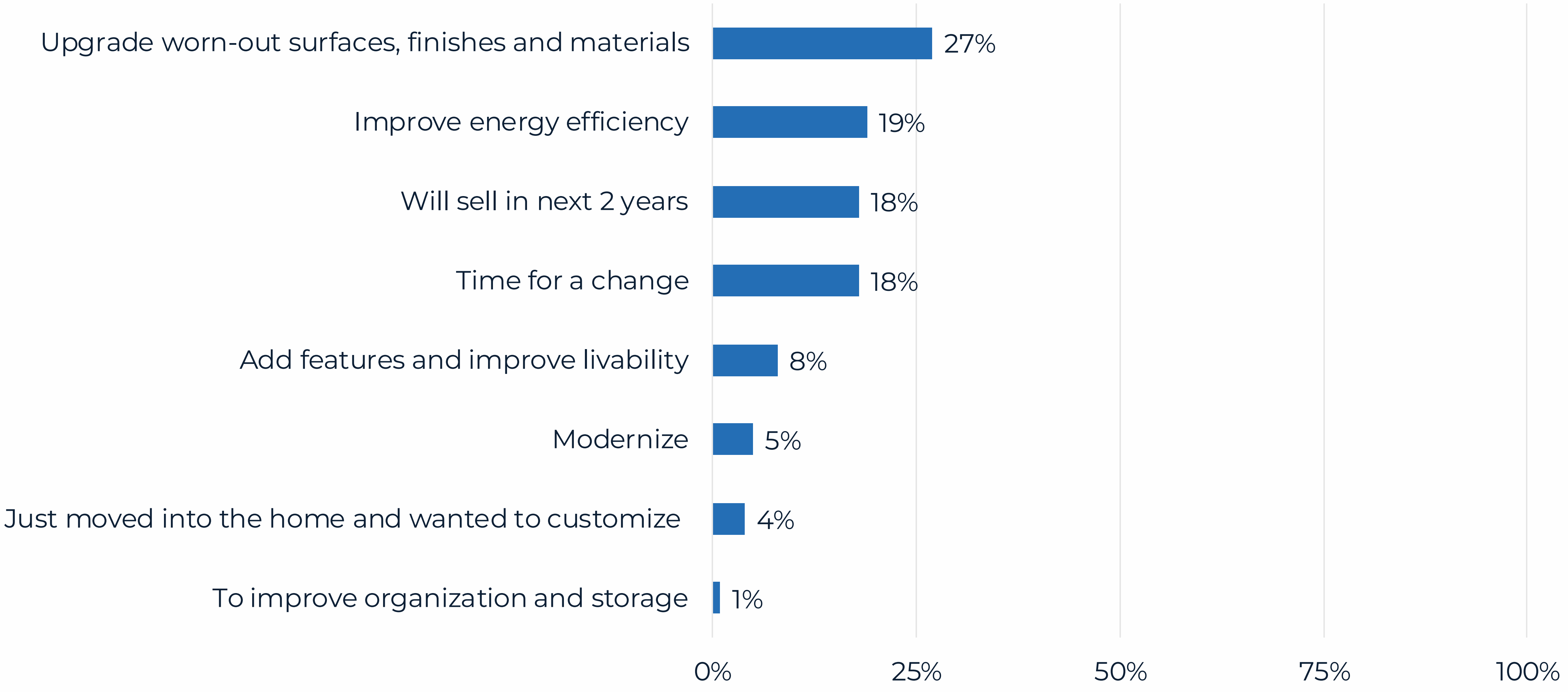
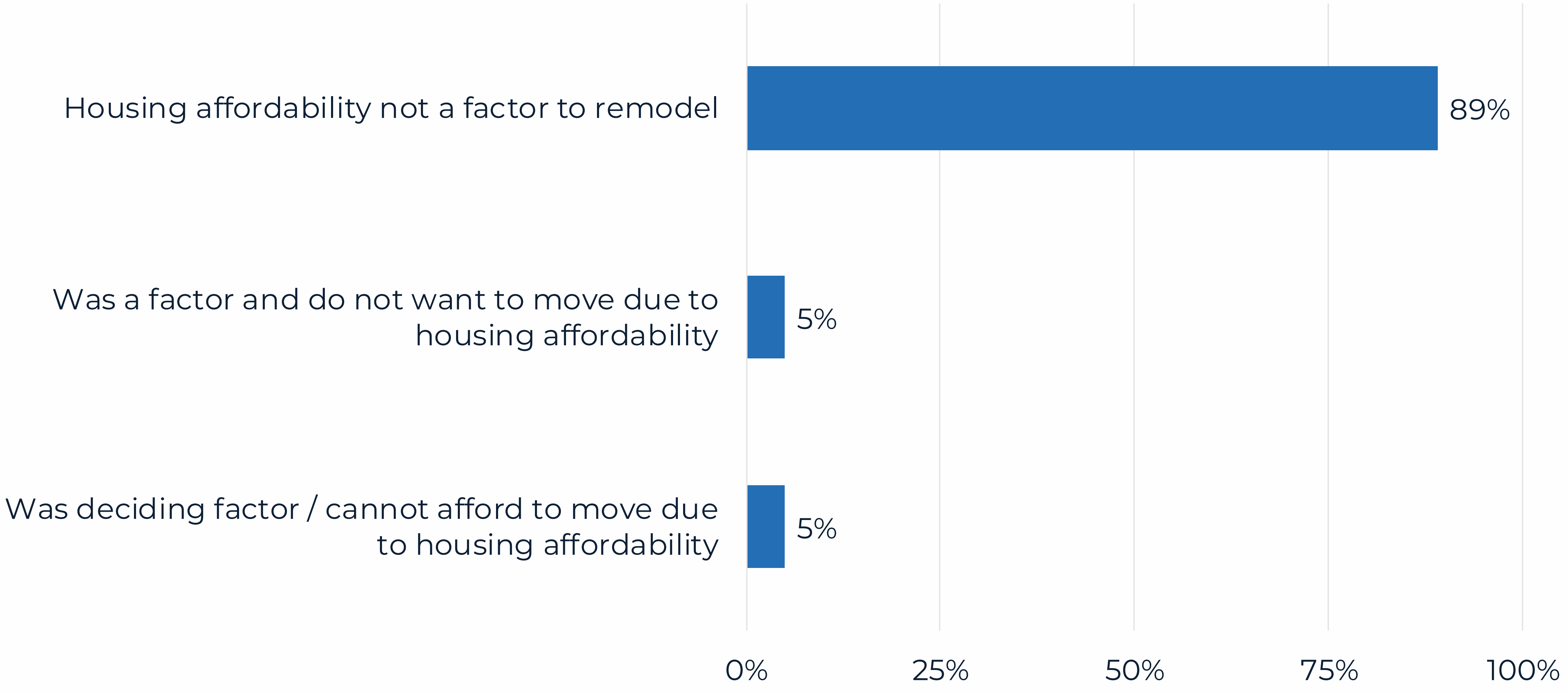
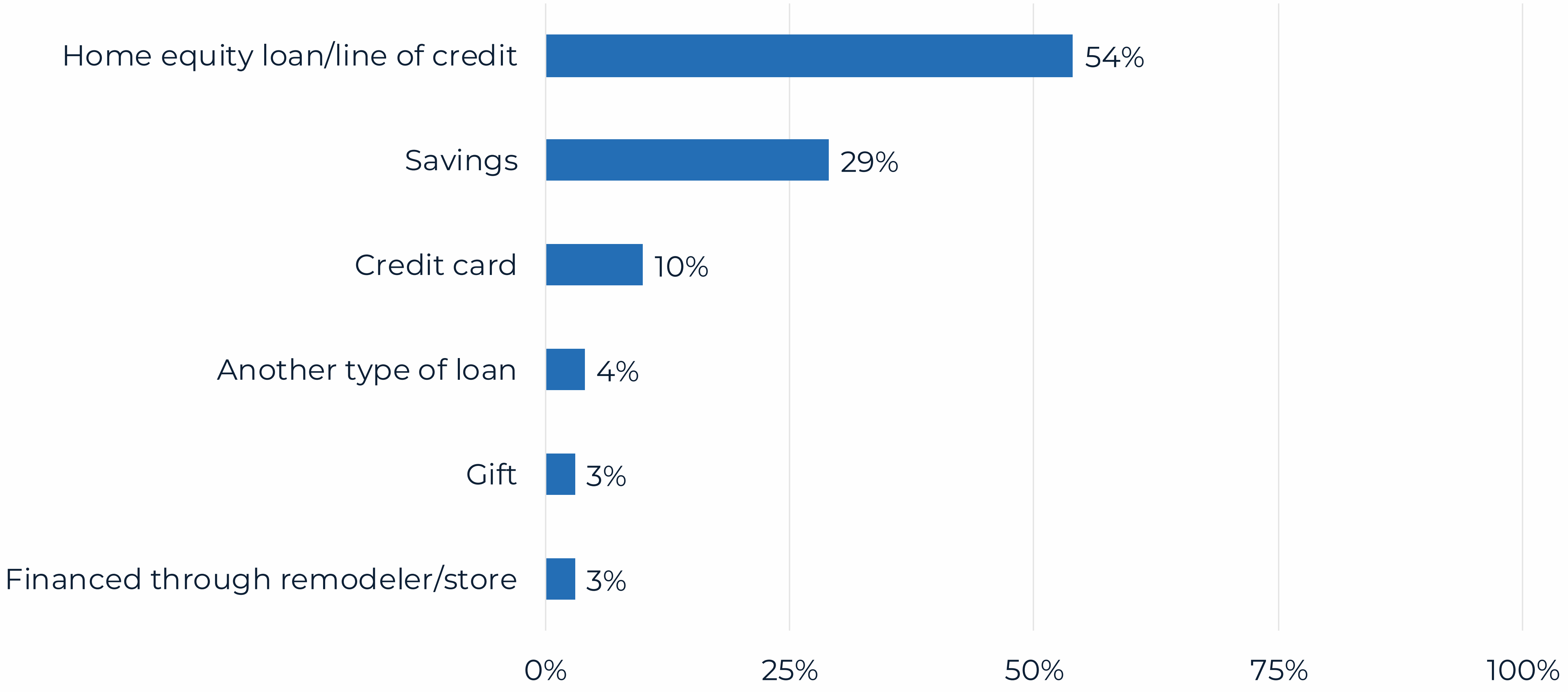
Primary Reason for Completing the Remodeling Project



Impact of Housing Affordability on Decision to Remodel



How Project Was Paid For



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Consumer Approaches to Remodeling

Who did the work?

Twenty-nine percent of the owners hired a professional for the whole job, 24 percent hired the labor but purchased the materials, and 24 percent did the entire project themselves. Twenty-three percent contributed some do-it-yourself (DIY) labor. Some projects, such as painting, are more likely to be done DIY.

Consumers were split on whether the project came in on time, with 37 percent reporting it took the same amount of time, 31 percent more time, and 31 percent less time.

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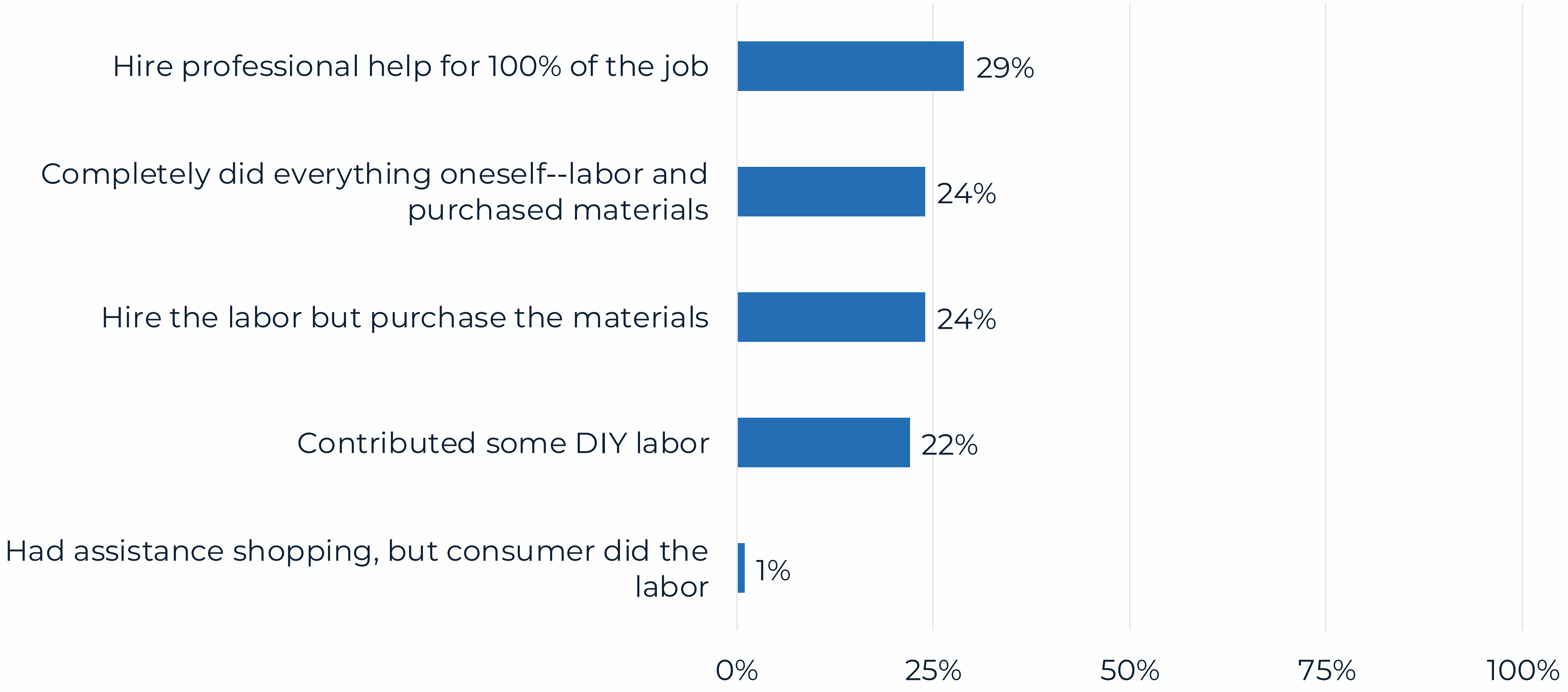
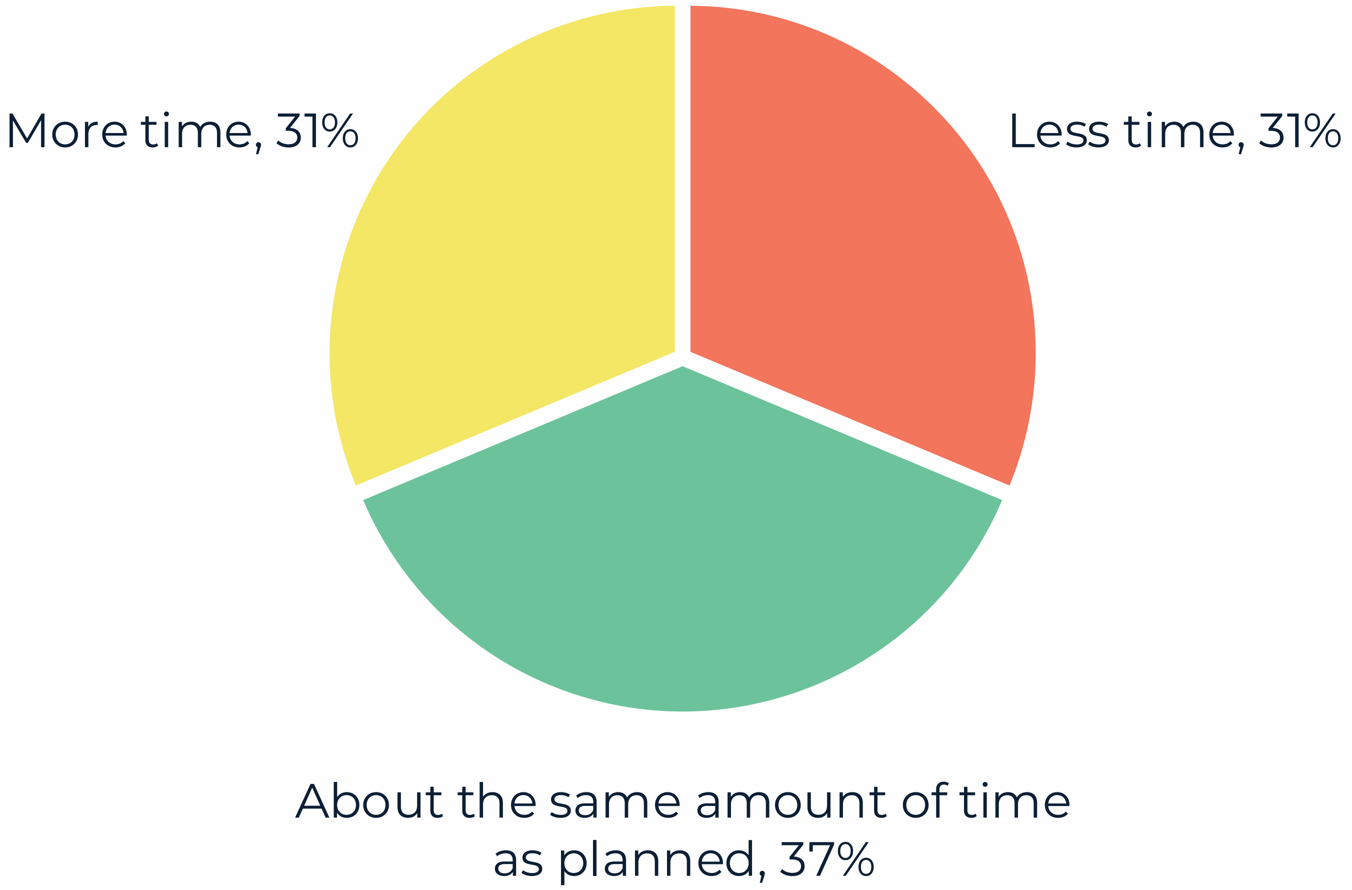
Who Did the Work

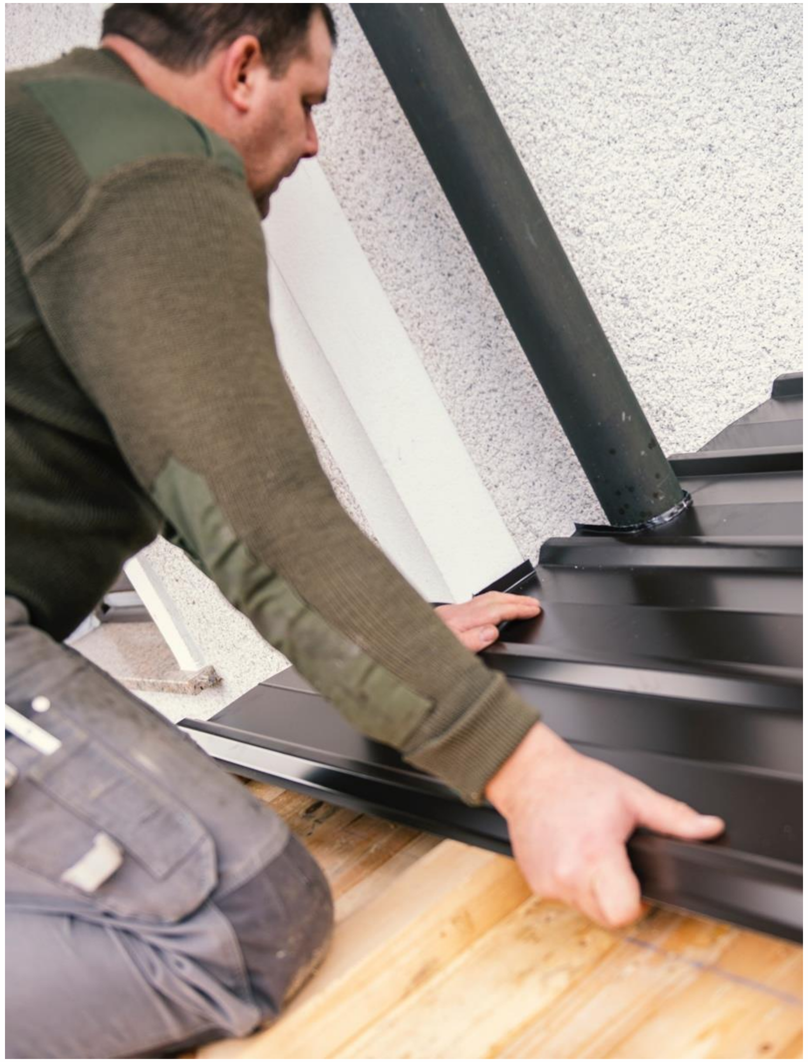


Completed in Time as Planned



Consumer Approach to Remodeling

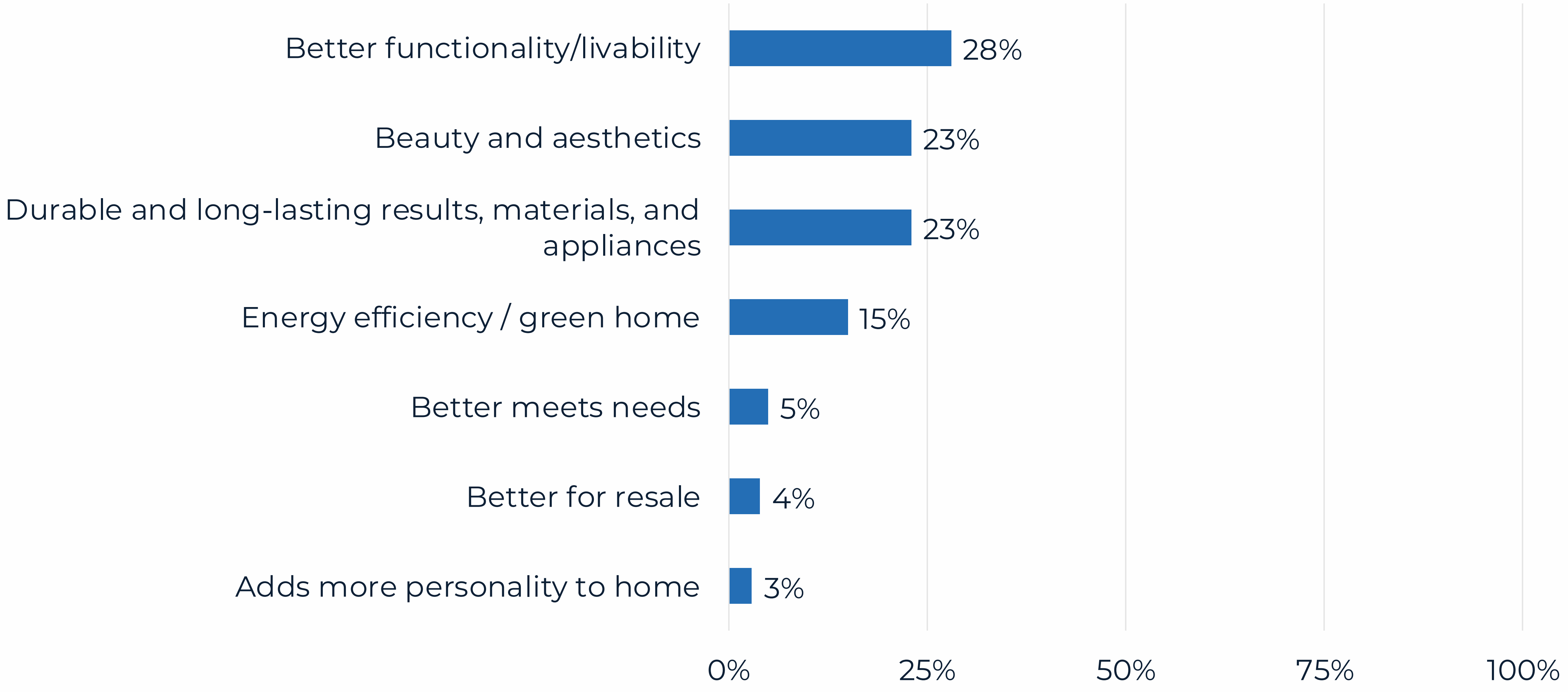
Remodeling Result:
Twenty-eight percent of owners report that the single most important result from remodeling is better functionality and livability; 23 percent report durable and long-lasting results; materials, and appliances; and 23 percent report beauty and aesthetics.



Most consumers are pleased with the overall result, and 46 percent would tackle the project the same way, while 31 percent would make a few different choices, such as finishes or materials. After remodeling, 64 percent of owners have a greater desire to be in their home. Forty-six percent have increased enjoyment in their home.

Fifty-five percent feel a major sense of accomplishment when they think of their completed project. If cost was not an issue, 92 percent would want to remodel more areas of their home.

Most Important Result of Remodeling Project



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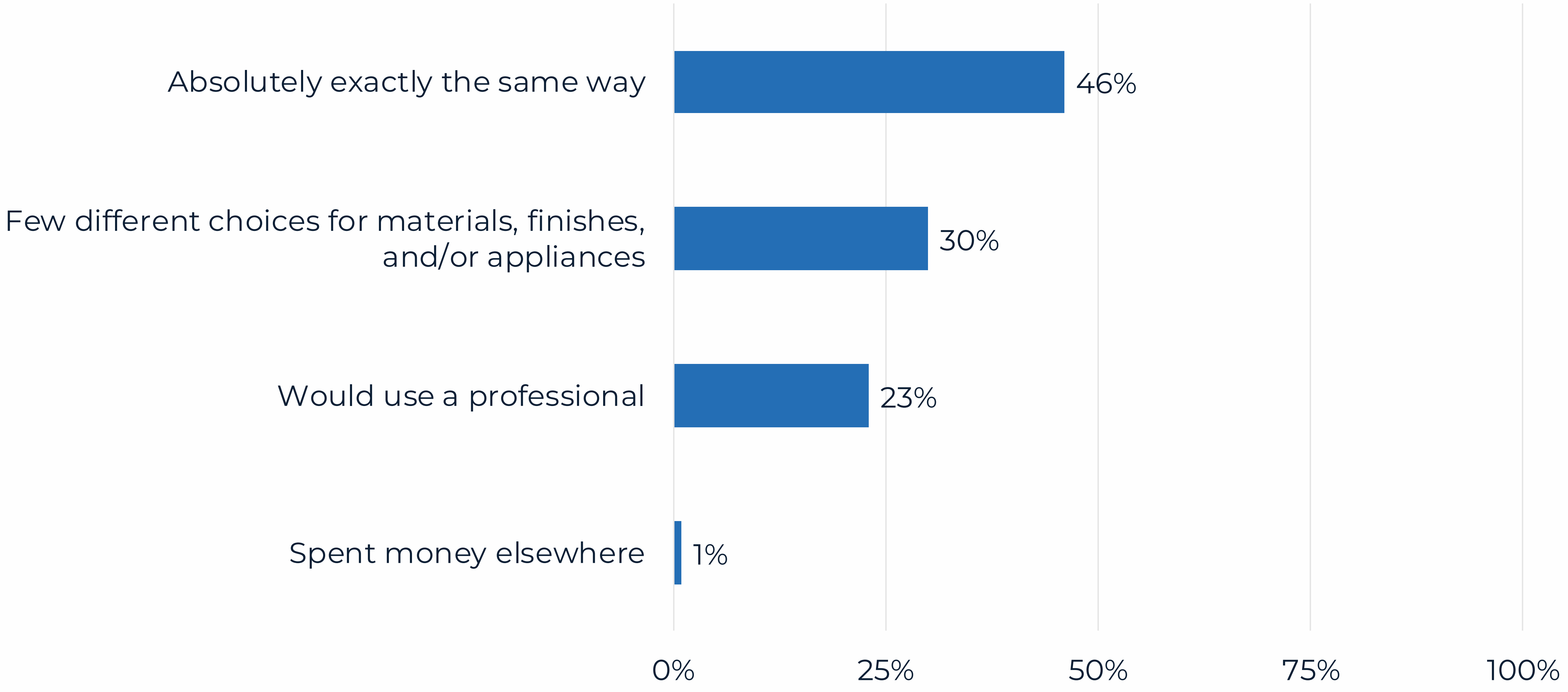
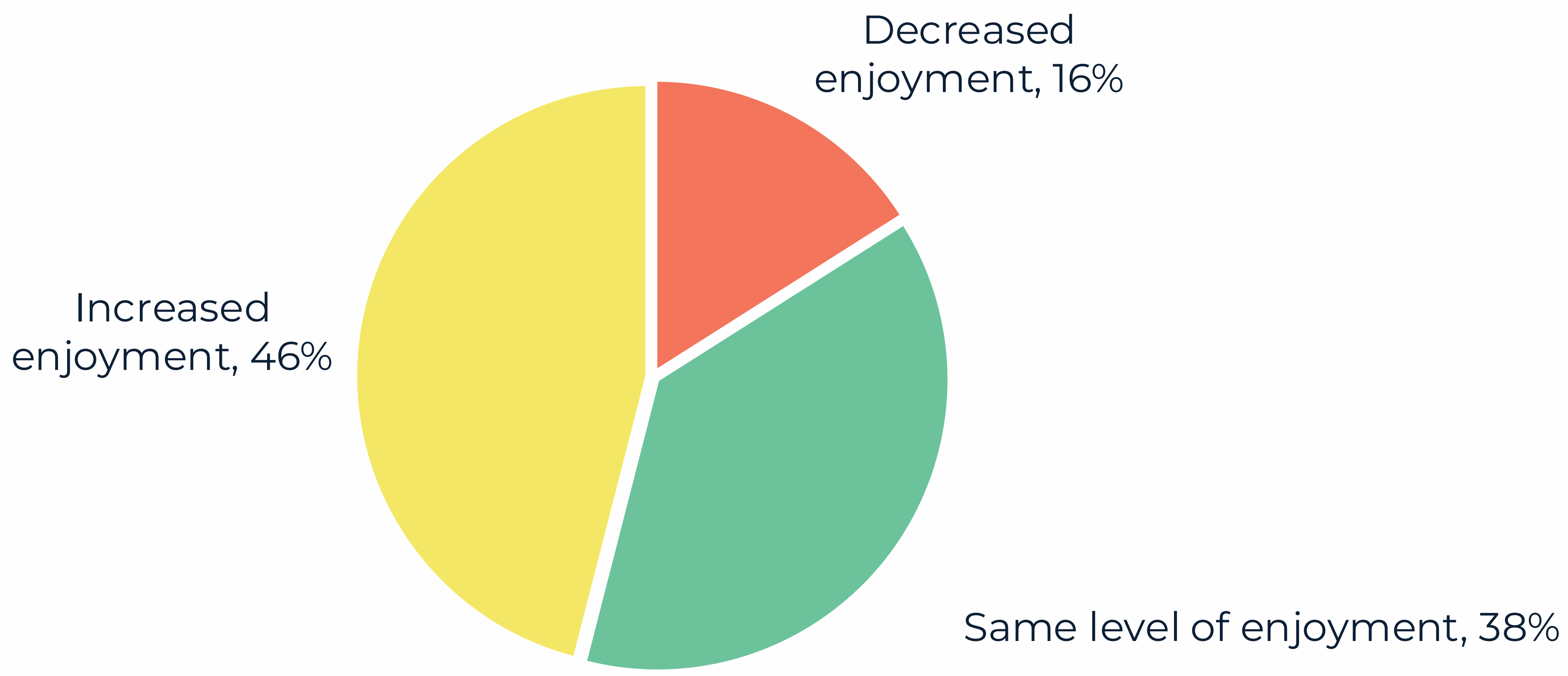
Would Do the Project the Same Way



64% have a Greater Desire to be in Home and 46% have Increased Enjoyment in Home After Remodeling



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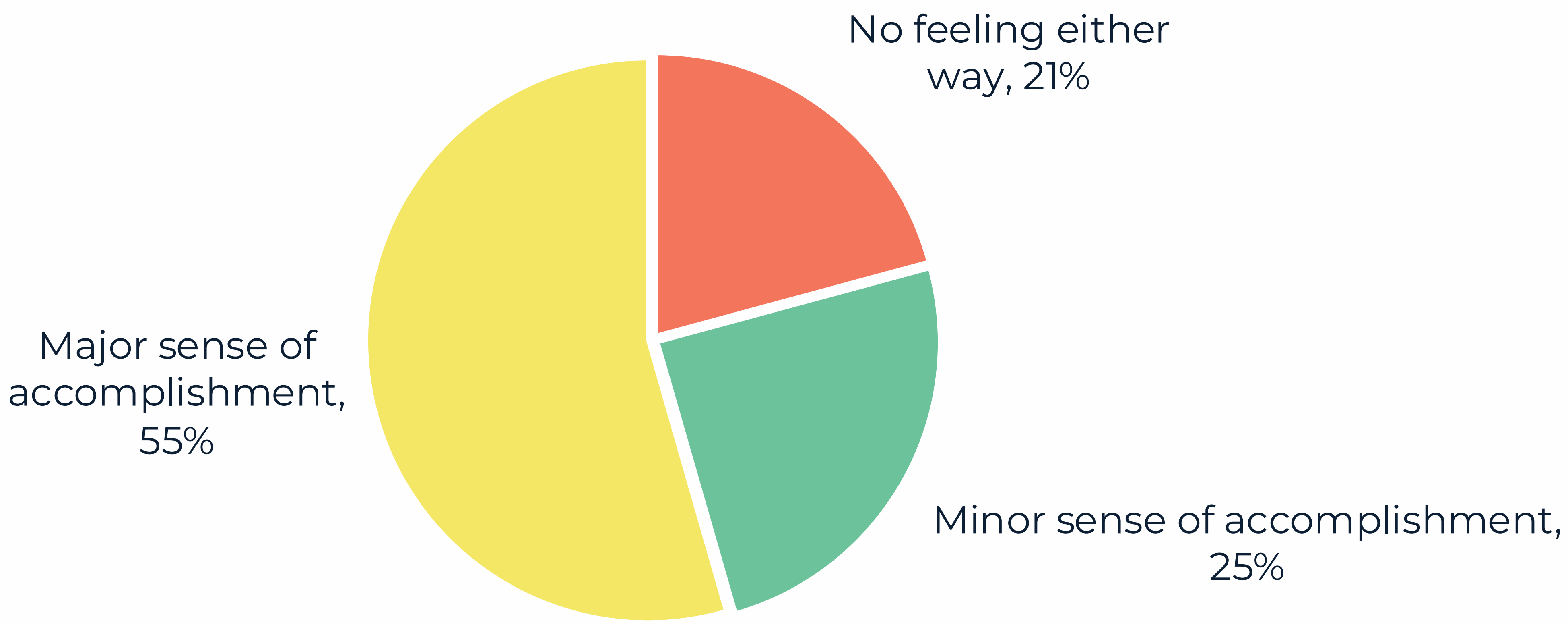
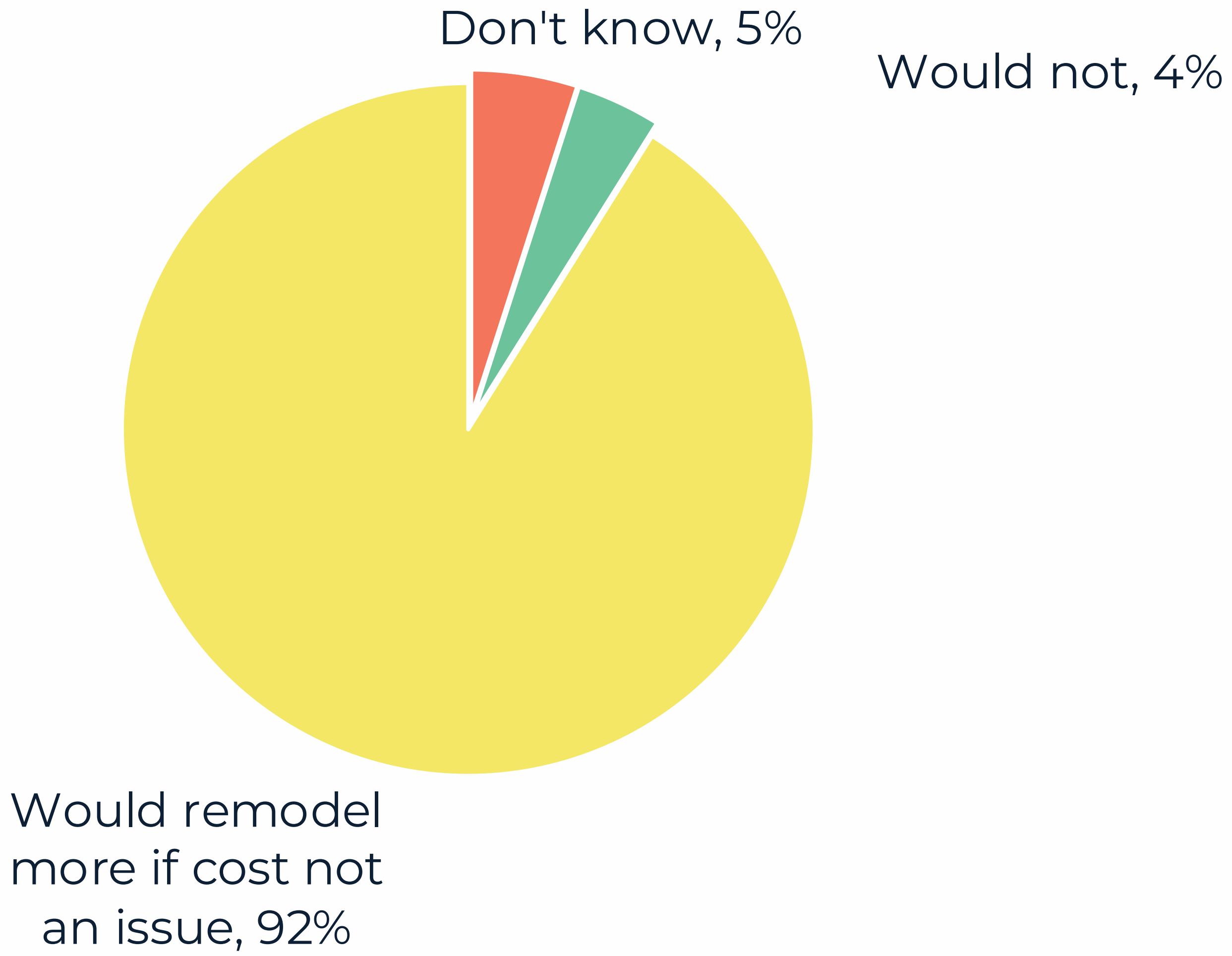
Sense of Accomplishment



Consumer Would Remodel Other Areas of Home



Methodology

Survey of Consumers Who've Completed Remodeling Projects:
In winter 2024, the homeownership site HouseLogic.com surveyed consumers about the last remodeling project they undertook. A total of 806 respondents took the online survey. The Joy Score was calculated by combining the share who were happy and those who were satisfied when seeing their completed project and dividing the share by 10 to create a ranking between 1 and 10. Higher Joy Scores indicate greater joy from the project.

National Association of the Remodeling Industry Cost Survey:
In the summer of 2024, NARI emailed a cost survey to its member companies. A total of 177 responses were received.. Respondents were asked to take the following into consideration: "For each project, please assume the house is in good condition. There are no surprises that will impact the cost. Generally, assume a 2,300 sq. ft. house--the average size according to U.S. Census data. The house is a post-1978-built home with no hidden issues. To ensure the most applicability, projects and materials represent standard or typical quality; a few projects feature 'better-quality' materials. But there are no top-of-the-line projects."

National Association of REALTORS® Value Survey:
In the summer of 2024, NAR emailed the remodeling project survey to a random sample of 100,000 members. A total of 4,005 responses were received. The survey had an adjusted response rate of 4.0%. Respondents were asked to take the following into consideration: "Based on a survey from the National Association of the Remodeling Industry, we have included the median cost of each professional remodeling project. Generally, assume a 2,300 sq. ft. home based on U.S. Census data.
The primary measure of central tendency used throughout this report is the median, the middle point in the distribution of responses to a particular question, or, equivalently, the point at which half of the responses are above and half are below a particular value.

National Association of REALTORS®

About the National Association of REALTORS®
As America's largest trade association, the National Association of REALTORS® is involved in all aspects of residential and commercial real estate. The term REALTOR® is a registered collective membership mark that identifies a real estate professional who is a member of the National Association of REALTORS® and subscribes to its strict Code of Ethics. For free consumer guides about navigating the homebuying and selling transaction processes – from written buyer agreements to negotiating compensation – visit facts.realtor.

About the National Association of REALTORS® Research Group
The mission of the National Association of REALTORS® Research Group is to produce timely, data-driven market analysis and authoritative business intelligence to serve members and inform consumers, policymakers and the media in a professional and accessible manner.

NATIONAL ASSOCIATION OF REALTORS®
Research Group
500 New Jersey Avenue, NW
Washington, DC 20001
202-383-1000
data@realtors.org

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About NARI

The National Association of the Remodeling Industry, or NARI, provides residential remodelers with tools that enable them to perform at a higher level. NARI members' annual sales are nearly three times the industry average because of the knowledge, networking and support that they receive as members. In addition, NARI connects homeowners with its professional members, so consumers have a positive remodeling experience with a professional, qualified remodeler. NARI members pledge to follow the nation's strictest code of ethics for remodelers so homeowners can feel confident that their remodeling job will be done right when they hire a NARI member. NARI's website, remodelingdoneright.com, contains a searchable list of NARI members that homeowners can use to find a NARI remodeler near them.

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