

SENT TO LSU AGCENTER/LOUISIANA FOREST PRODUCTS DEVELOPMENT CENTER - FOREST SECTOR / FORESTY PRODUCTS INTEREST GROUP



## **New Set of Residential Construction and Remodeling Indices**

San Francisco, CA -- BuildZoom, the intelligent marketplace for remodeling and construction services, launched today The BuildZoom & Urban Economics Lab Index, a new set of residential construction and remodeling indices. The Index shows that in contrast to the tepid recovery of new home construction, the remodeling of existing homes has surpassed its pre-crisis level.

The Index was developed jointly with Professor Albert Saiz of the MIT Center for Real Estate, leveraging BuildZoom's growing repository of over 80 million building permit records. The current release includes national figures, as well as an initial selection of metropolitan areas that includes the Chicago, Dallas, Phoenix, San Francisco and San Jose metro areas.

Estimated at about \$300 billion a year, the residential remodeling market is roughly comparable in size to the \$340 billion value of residential construction put in place in 2014. "Despite its size, and even though it is a good indicator of consumer confidence, residential remodeling is generally overlooked," said Issi Romem, Chief Economist of BuildZoom. "The existing focus on new construction imposes a view of the economy that overemphasizes conditions in high-growth metro areas, and in particular on their fringe, where new home construction is concentrated. Remodeling provides a more evenly-distributed view of the economy, that is more likely to represent conditions in the nation as a whole."

While new home construction is recovering only gradually and remains 60.7% below its 2005, pre-crisis level, remodeling of existing homes has fully recovered from the housing bust, and is in fact 3.4% above its 2005 level. As demonstrated in the first quarterly report, the specifics vary substantially across metro areas. A full account of the Index, including the metro area findings and links to supporting material, is available online at

<https://www.buildzoom.com/blog/index2015q1>

The BuildZoom & Urban Economics Lab Index is not the only U.S. remodeling index available, but it is the first publicly available index that covers individual metro areas, and it is the only such index which is transparent with respect to the data and methods used.

"Neither the data nor the methods are perfect, but we and our partners at the MIT Center for Real Estate are firmly committed to transparency, and we openly invite users to inspect them and alert us to any issues that arise," said Romem. "We believe that the BuildZoom & Urban Economics Lab Index provides a valuable new source of information that sheds light on the housing market, and on the economy at large."



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"The Index is part of our broader mission, to bring a new level of transparency to the industry," said BuildZoom Co-founder Jiyang Wei. "We're excited to be collaborating with Professor Saiz of the MIT Center for Real Estate, and we are looking forward to expanding the scope of the Index moving forward."

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