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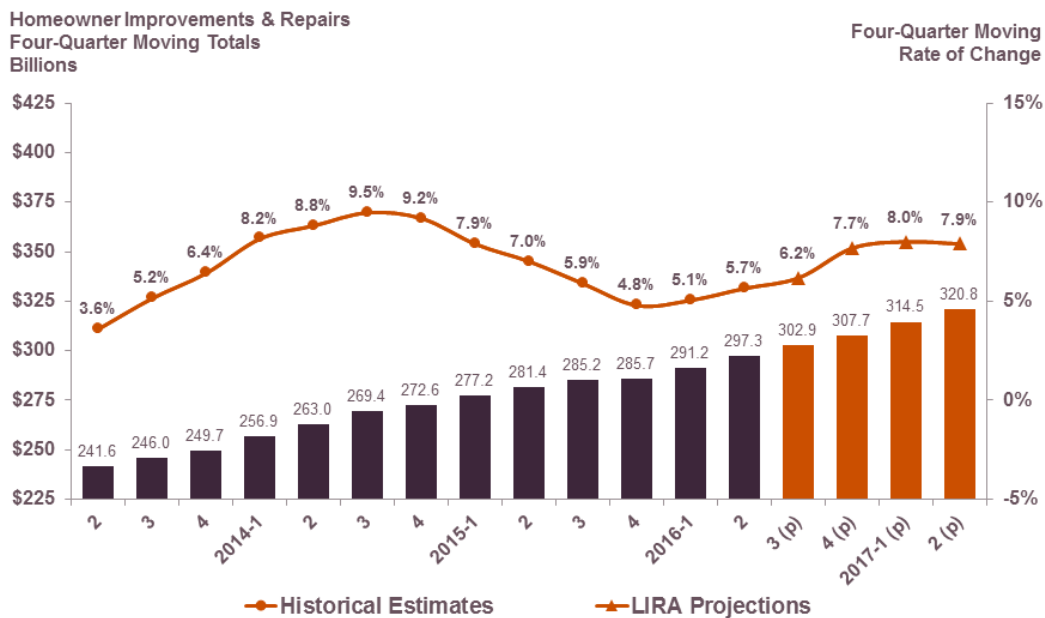
Above-Average Gains in Home Renovation and Repair Spending Expected to Continue

CAMBRIDGE, MA – Over the coming year, homeowner remodeling activity is projected to accelerate, keeping the rate of growth above its long-term trend, according to the [Leading Indicator of Remodeling Activity](#) (LIRA) released today by the Remodeling Futures Program at the Joint Center for Housing Studies of Harvard University. The LIRA anticipates growth in home improvement and repair expenditures will reach 8.0% by the start of 2017, well in excess of its 4.9% historical average.

“A healthier housing market, with rising house prices and increased sales activity, should translate into bigger gains for remodeling this year and next,” says Chris Herbert, Managing Director of the Joint Center. “As more homeowners are enticed to list their properties, we can expect increased remodeling and repair in preparation for sales, coupled with spending by the new owners who are looking to customize their homes to fit their needs.”

“By the middle of next year, the national remodeling market should be very close to a full recovery from its worst downturn on record,” says Abbe Will, Research Analyst in the Remodeling Futures Program at the Joint Center. “Annual spending is set to reach \$321 billion by then, which after adjusting for inflation is just shy of the previous peak set in 2006 before the housing crash.”

Leading Indicator of Remodeling Activity – Second Quarter 2016



Notes: The former LIRA modeled homeowner improvement activity only, while the re-benchmarked LIRA models home improvement and repair activity. Historical estimates are produced using the LIRA model until American Housing Survey data become available.
Source: Joint Center for Housing Studies.

Press release with full size graphic available at: http://www.jchs.harvard.edu/news/press_releases

NOTE ON LIRA MODEL: *As of April 21, 2016, the LIRA has undergone a major re-benchmarking and recalculation in order to better forecast a broader segment of the national residential remodeling market. For more information on this, [see our blog](#), and read the research note: [Re-Benchmarking the Leading Indicator of Remodeling Activity](#).*

[The Leading Indicator of Remodeling Activity \(LIRA\)](#) provides a short-term outlook of national home improvement and repair spending to owner-occupied homes. The indicator, measured as an annual rate-of-change of its components, is designed to project the annual rate of change in spending for the current quarter and subsequent four quarters, and is intended to help identify future turning points in the business cycle of the home improvement and repair industry. Originally developed in [2007](#), the LIRA was re-benchmarked in April 2016 to a broader market measure based on the biennial [American Housing Survey](#).

The LIRA is released by the Remodeling Futures Program at the Joint Center for Housing Studies of Harvard University in the third week after each quarter's closing. **The next LIRA release date is October 20, 2016.**

[The Remodeling Futures Program](#), initiated by the Joint Center for Housing Studies in 1995, is a comprehensive study of the factors influencing the growth and changing characteristics of housing renovation and repair activity in the United States. The Program seeks to produce a better understanding of the home improvement industry and its relationship to the broader residential construction industry.

The Harvard Joint Center for Housing Studies advances understanding of housing issues and informs policy. Through its research, education, and public outreach programs, the center helps leaders in government, business, and the civic sectors make decisions that effectively address the needs of cities and communities. Through graduate and executive courses, as well as fellowships and internship opportunities, the Joint Center also trains and inspires the next generation of housing leaders. For more information, please visit www.jchs.harvard.edu.

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