



THE
Farnsworth
GROUP

2021 Healthy Home Study

Homeowner, Renter, & Contractor Findings



Custom Research, Improved Market Strategy

Building. Home Improvement.
Lawn & Ranch.

For over 30 years, we have dedicated our business to understanding consumers, professionals, and suppliers in specific industries.

Our industry knowledge paired with research expertise uniquely equips us to deliver research solutions that get you insightful answers to your specific needs.





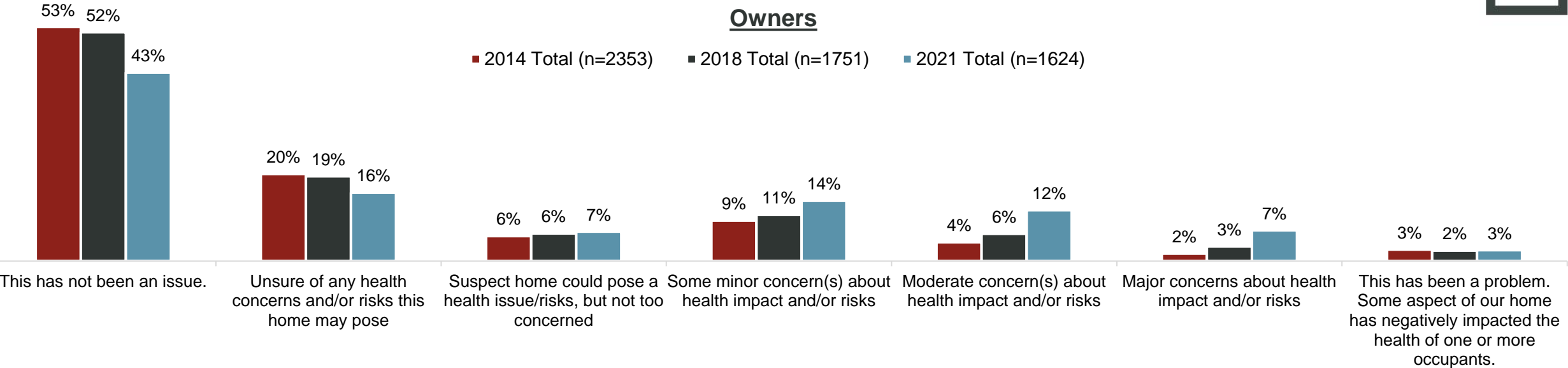
HOMEOWNER & RENTER RESULTS

Concern About Health



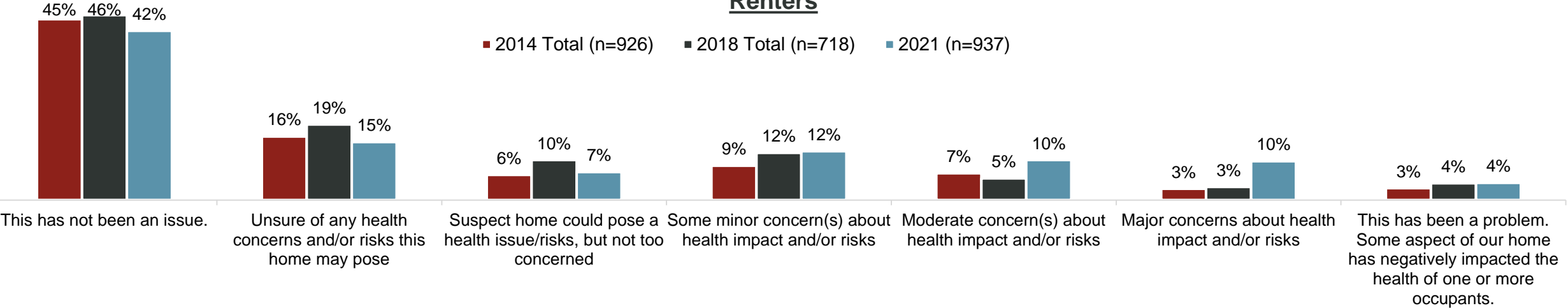
Owners

■ 2014 Total (n=2353) ■ 2018 Total (n=1751) ■ 2021 Total (n=1624)



Renters

■ 2014 Total (n=926) ■ 2018 Total (n=718) ■ 2021 (n=937)

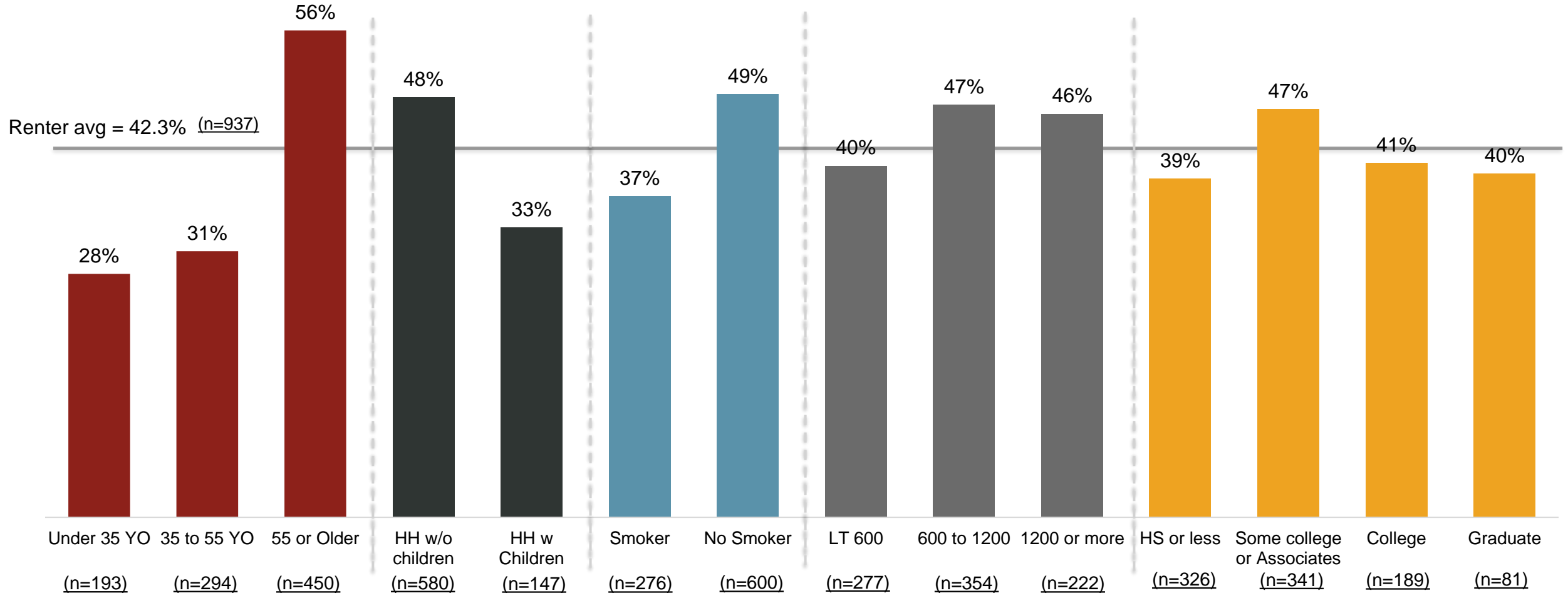


In the past few years, how concerned have you been about your current rental home negatively affecting your or another occupant's health?



Among renters, those older than 55, homes without children, and homes without smokers are more likely to be unconcerned with occupant's health, safety, and wellbeing

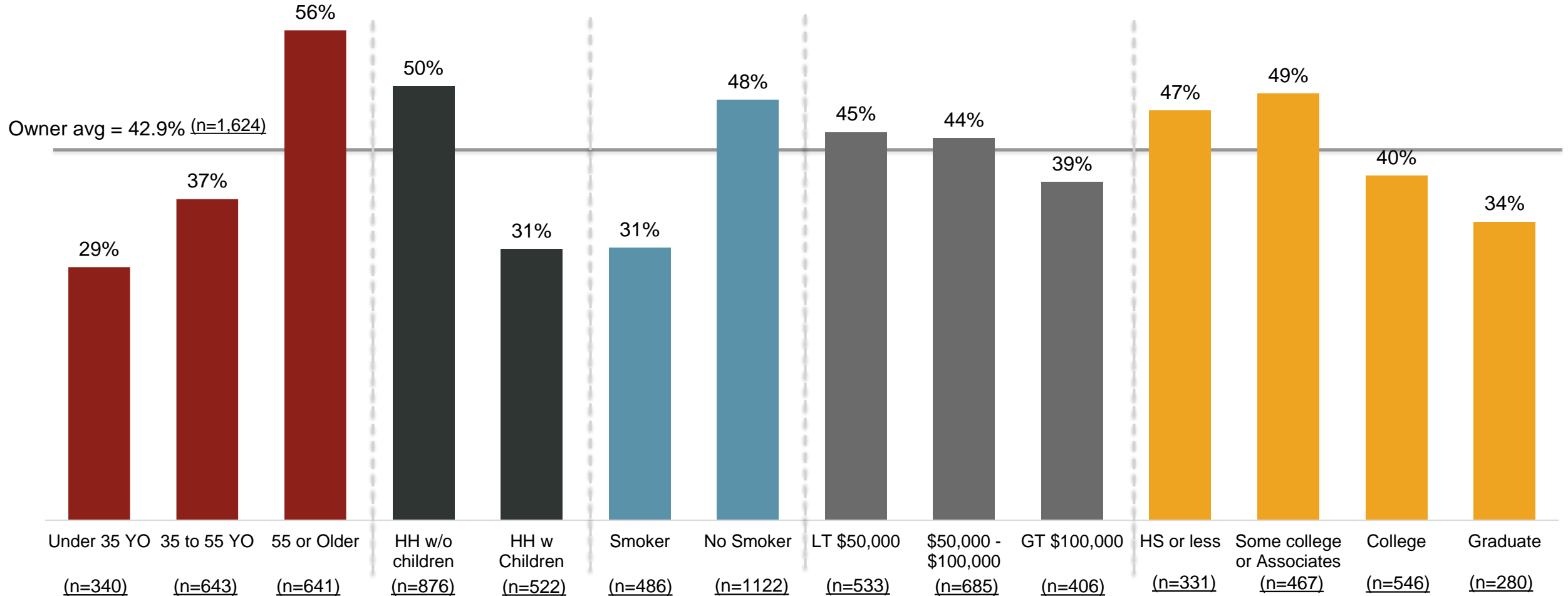
HEALTHY HOME CONCERNS: % Renters saying: "Unconcerned. This home poses no health, safety, or accessibility issues or risk"



Among owners, those older than 55, homes without children, and homes without smokers are more likely to be unconcerned with occupant's health, safety, and wellbeing



HEALTHY HOME CONCERNS: % Owners saying: "Unconcerned. This home poses no health, safety, or accessibility issues or risk"

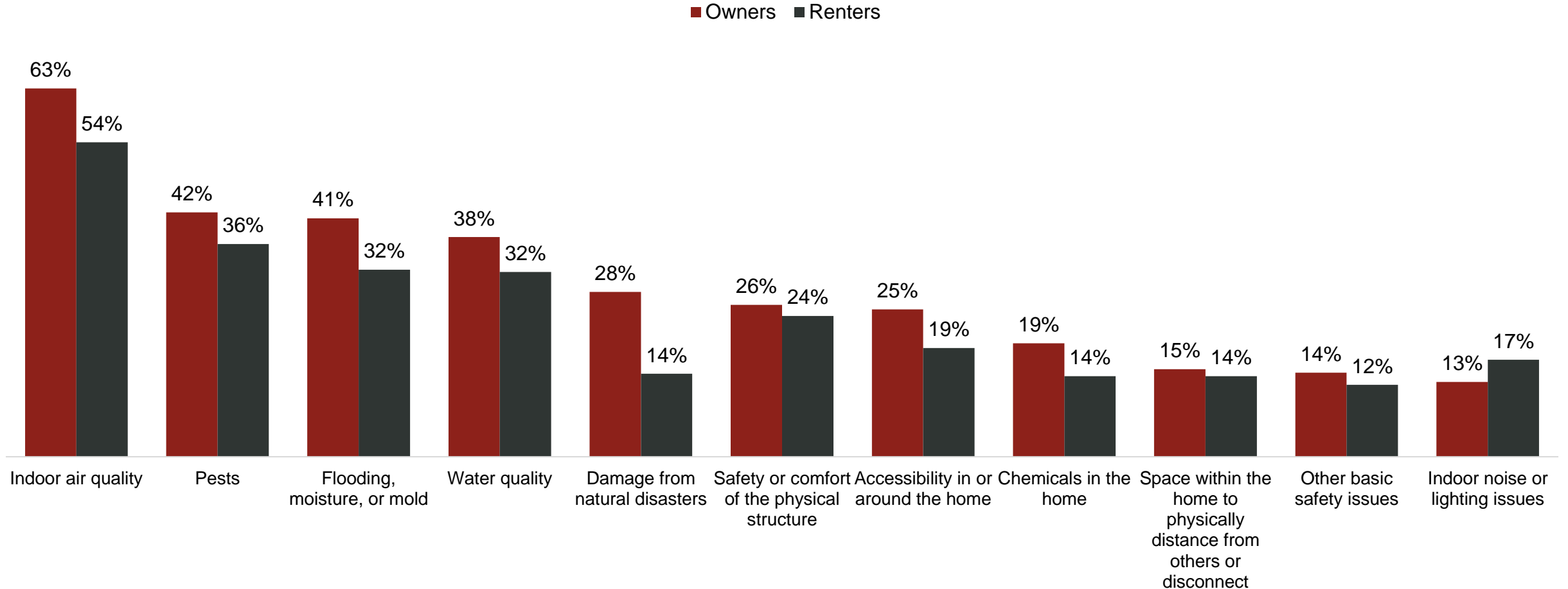


Q3. In the past year, how concerned have you been about your current home negatively affecting your or another occupant's health, safety, and wellbeing?

Indoor air quality is owners and renters' primary concern. Owners are more likely to have concern over more categories.



HEALTHY HOME CONCERNS

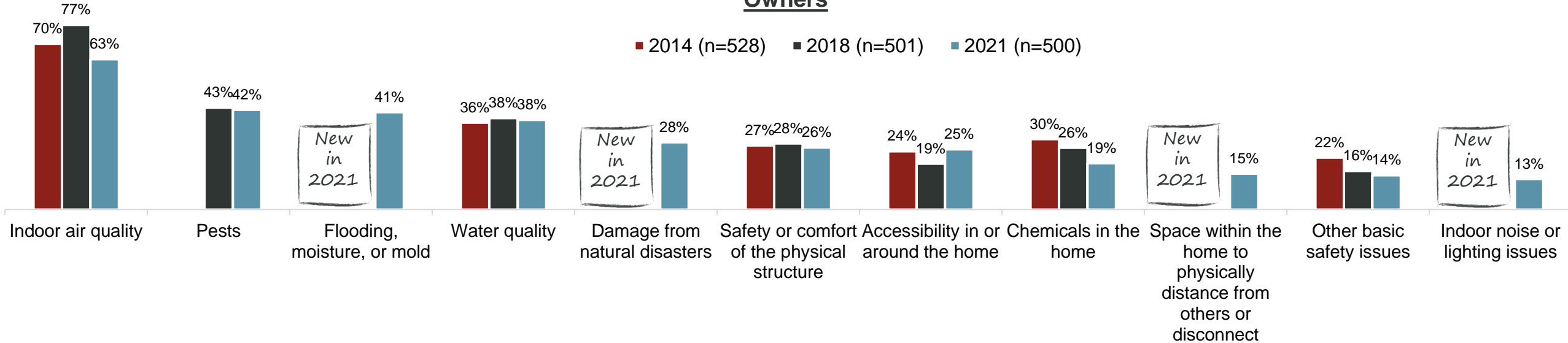


Little movement in recent years



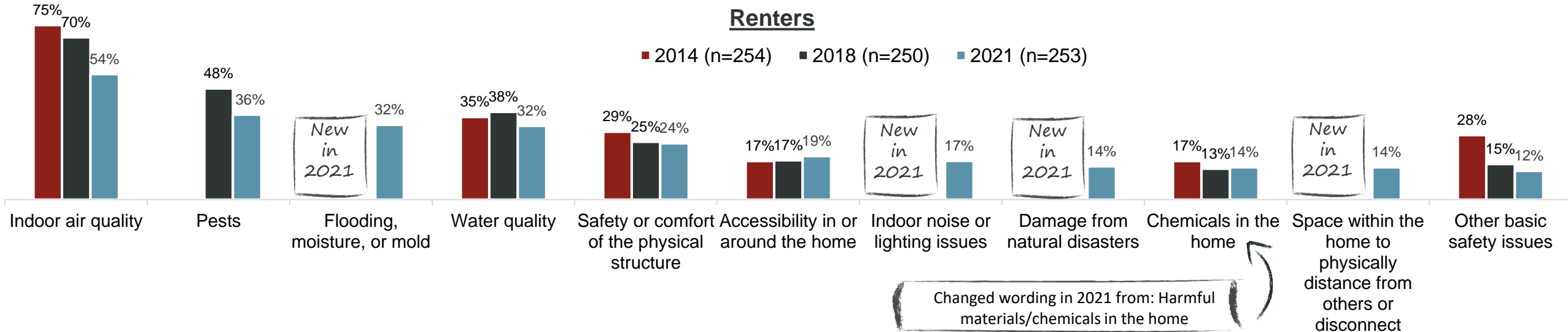
Owners

■ 2014 (n=528) ■ 2018 (n=501) ■ 2021 (n=500)



Renters

■ 2014 (n=254) ■ 2018 (n=250) ■ 2021 (n=253)

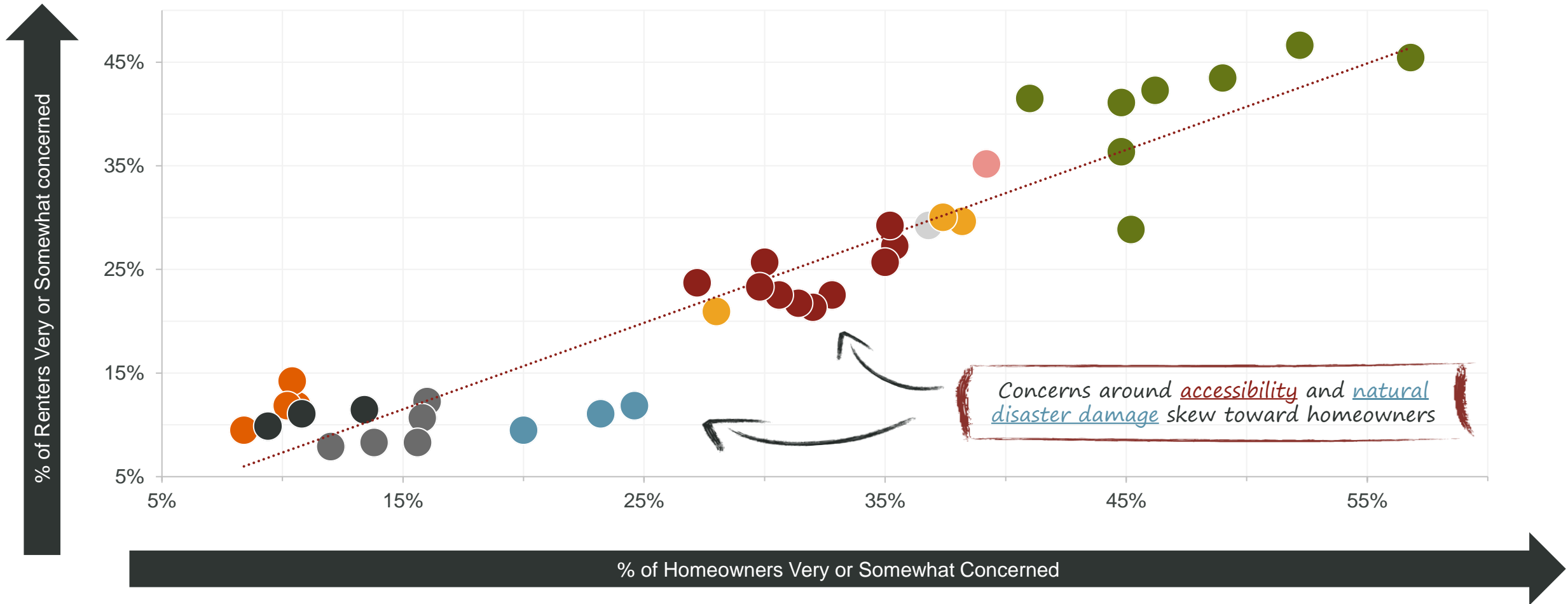


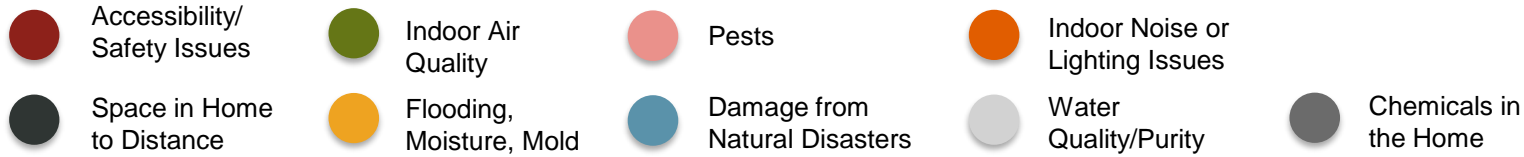
Changed wording in 2021 from: Harmful materials/chemicals in the home

- Accessibility/Safety Issues
- Indoor Air Quality
- Pests
- Indoor Noise or Lighting Issues
- Space in Home to Distance
- Flooding, Moisture, Mold
- Damage from Natural Disasters
- Water Quality/Purity
- Chemicals in the Home

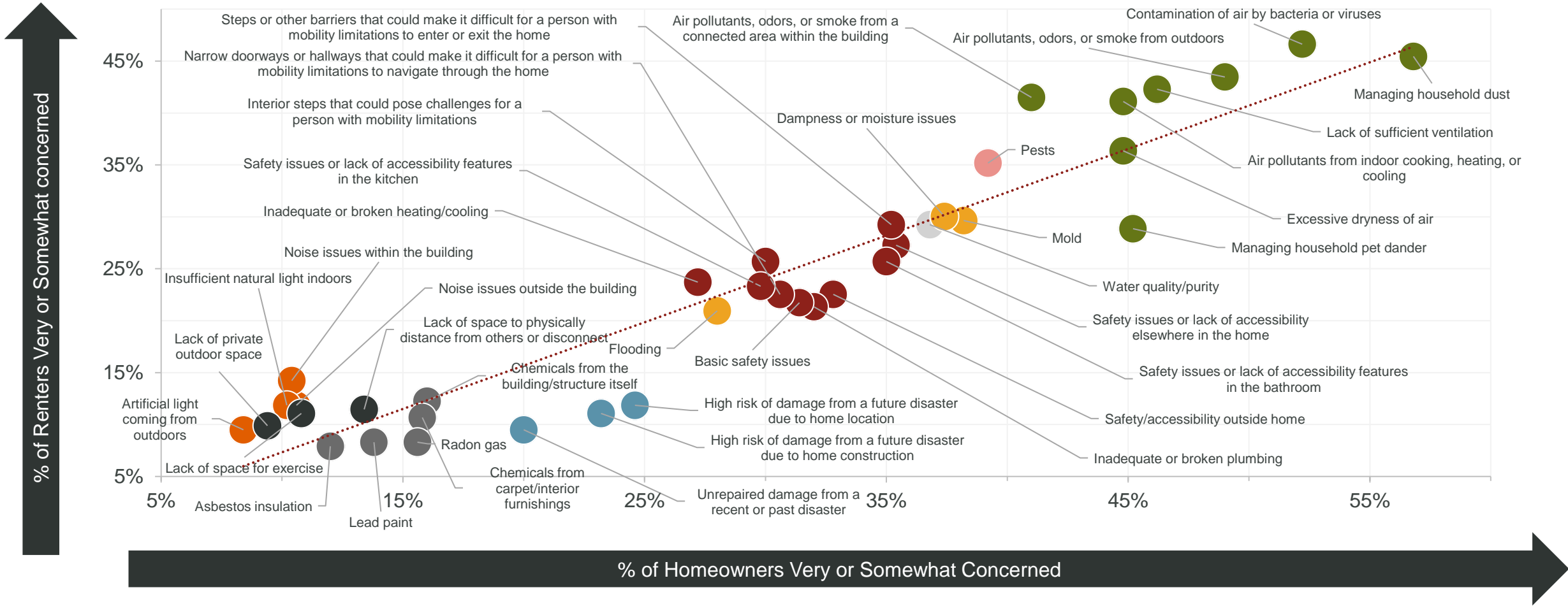


HEALTHY HOME CONCERNS: Owners vs. Renter Very or Somewhat Concerned





HEALTHY HOME CONCERNS: Owners vs. Renter Very or Somewhat Concerned

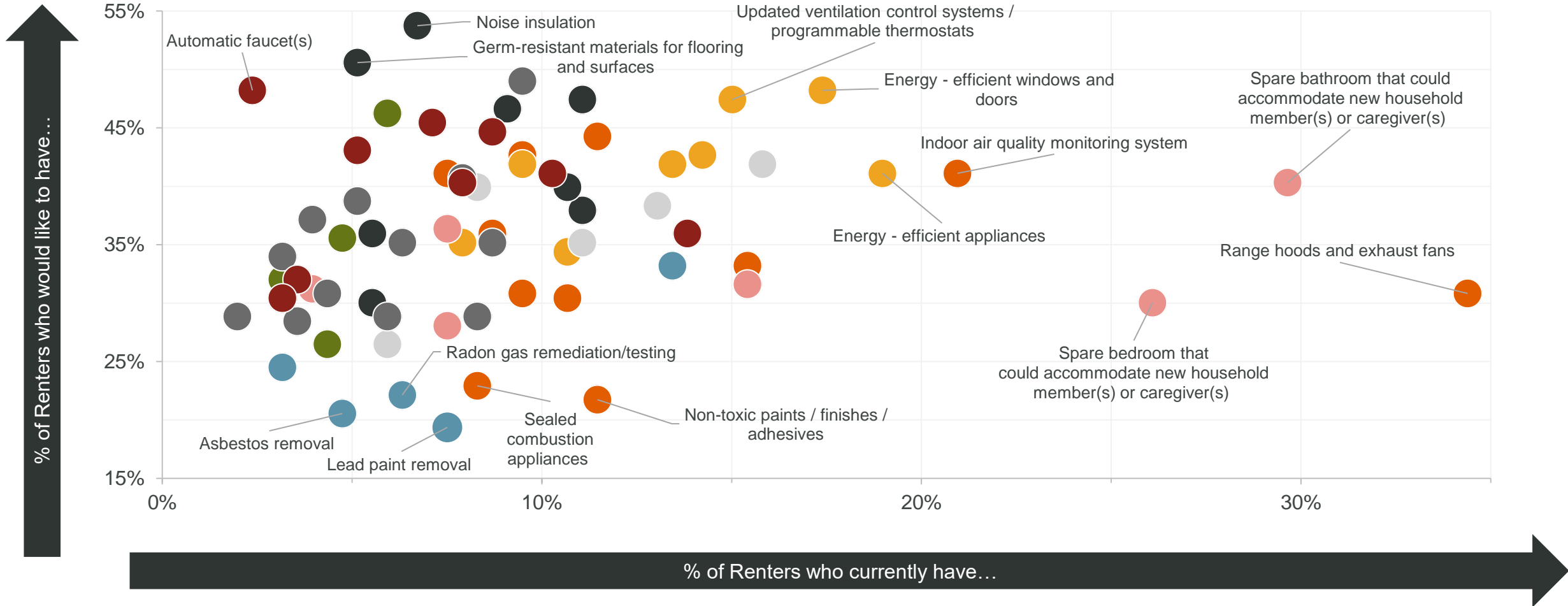


Q5Owner/Q9Renter. [SHOW SELECTIONS MADE] Of the following issues, how would you rate your level of concern over the past year regarding your current home?

- Home automation installation
- Renewable Energy
- Room additions or reconfigurations
- Air Quality
- Green Remodeling Project
- Energy Efficiency
- Lead or other hazard removal
- Accessibility improvements
- Disaster/storm repairs or preparedness retrofits



HEALTHY HOME CONCERNS: Home features renters currently have vs. would like to have



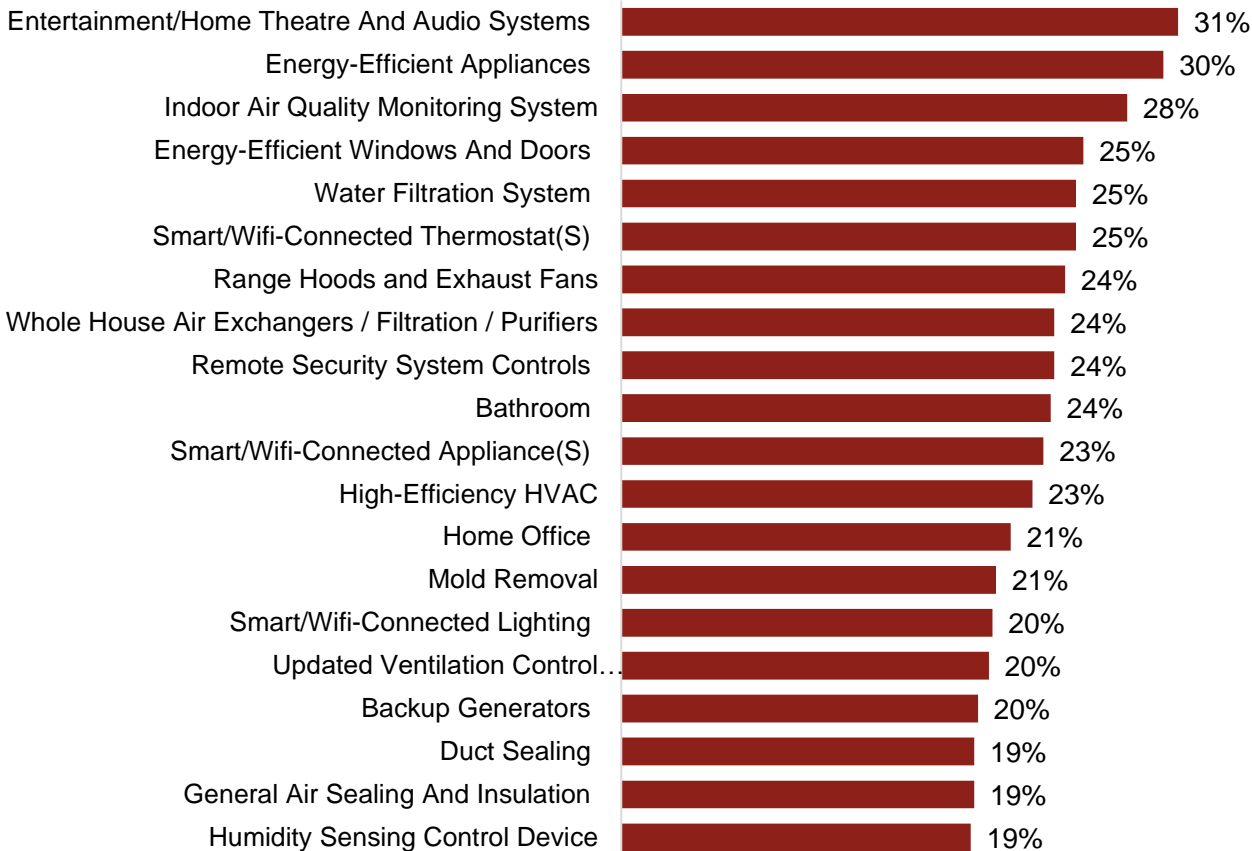
Q11. To the best of your knowledge, which of the following health and safety features does your rental home have, and which would you like to have but currently do not?



Entertainment/home theatres, energy efficient appliances, and indoor air quality monitoring systems were most common among homeowners. They also mentioned planning to install energy efficient windows and doors, whole house air filtration systems, and energy efficient appliances most often.

HEALTHY HOME CONCERNS: Owners' projects completed or planning to complete

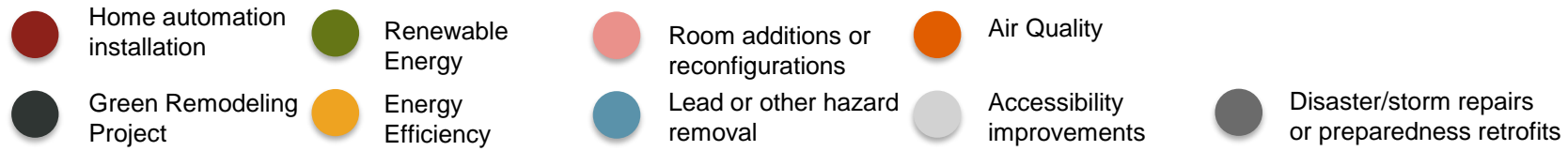
Already Completed (top 20)



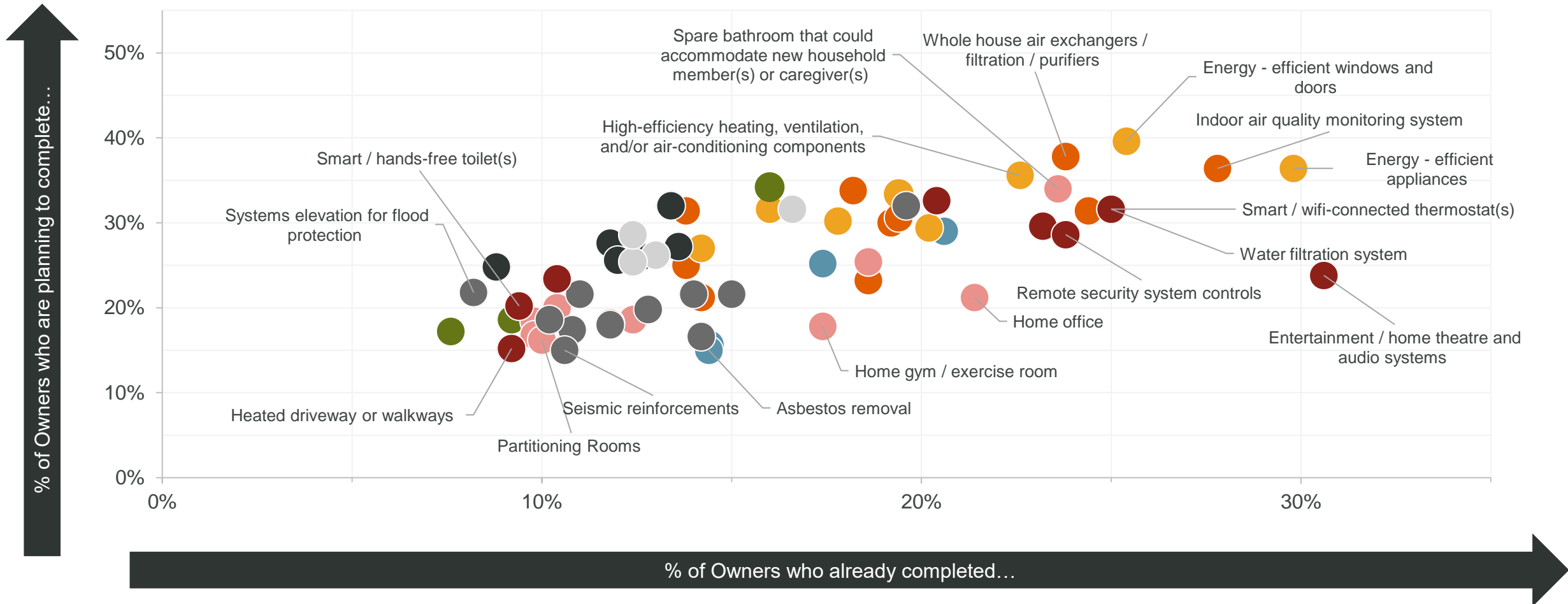
Planning to do in the future (top 20)



Q6. To the best of your knowledge, which of the following activities has your household performed in the past year in your current home, or which does your household plan to undertake in the future?



HEALTHY HOME CONCERNS: Owners' projects completed or planning to complete

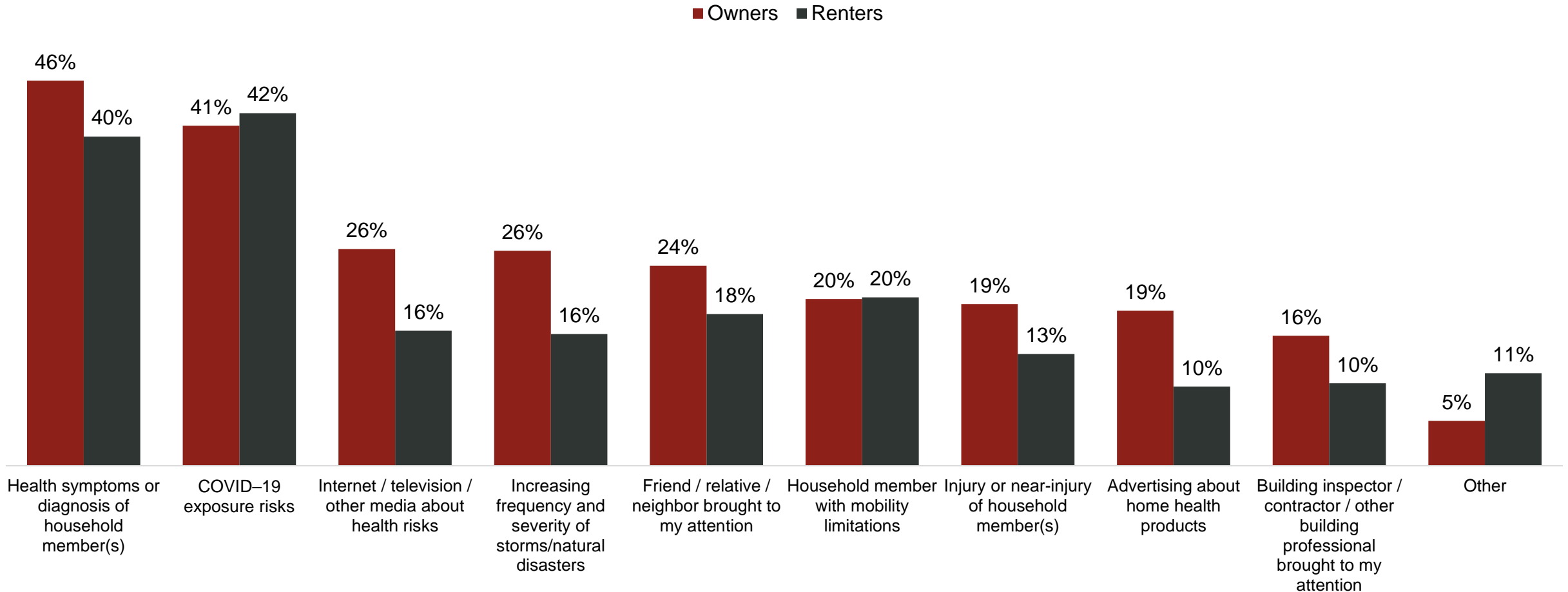


Q6. To the best of your knowledge, which of the following activities has your household performed in the past year in your current home, or which does your household plan to undertake in the future?



The primary drivers are the same among owners and renters: health symptoms among household members and COVID-19 exposure.

HEALTHY HOME CONCERNS

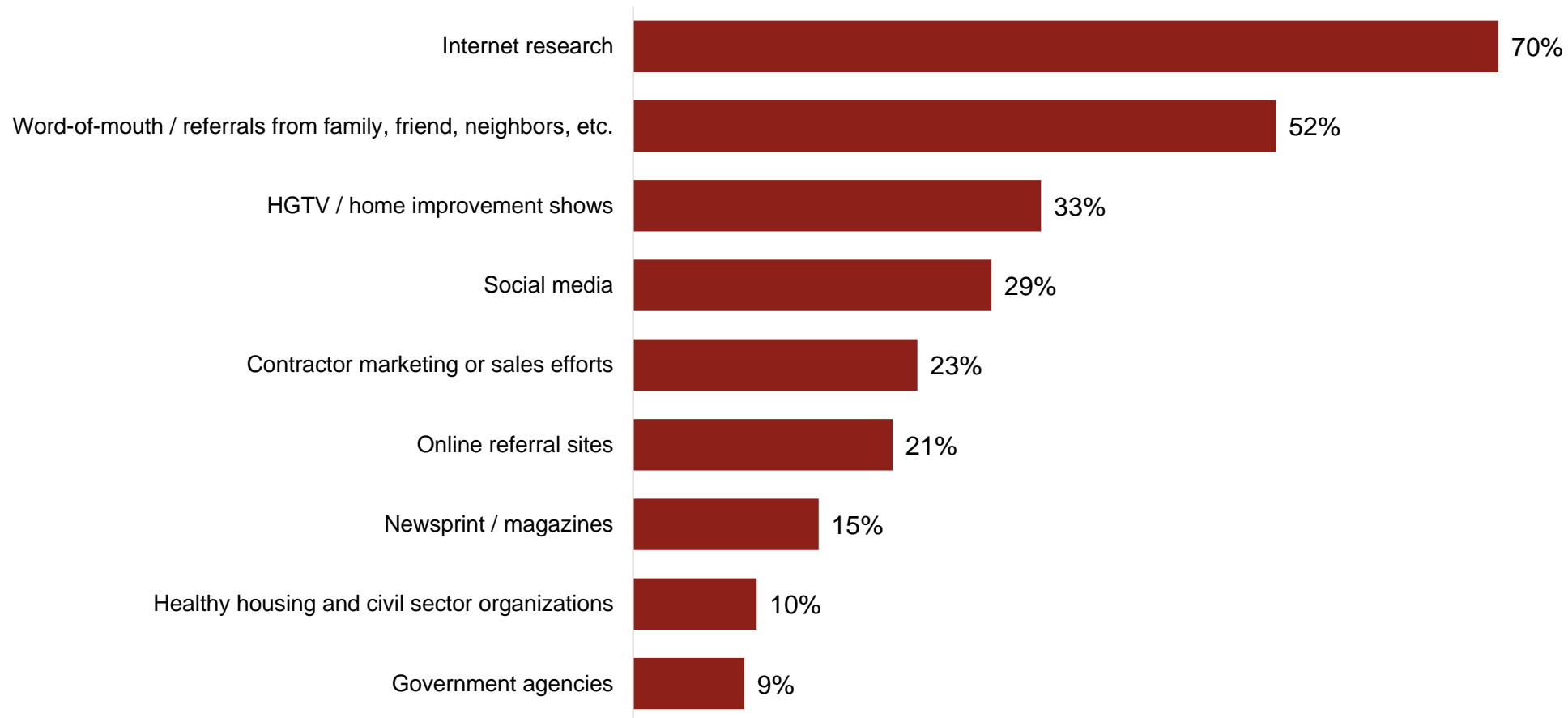


Which of the following reasons have led to the concerns you selected below?

Owners are primarily learning about healthy home remodeling projects through internet searches and word of mouth.



HEALTHY HOME CONCERNS

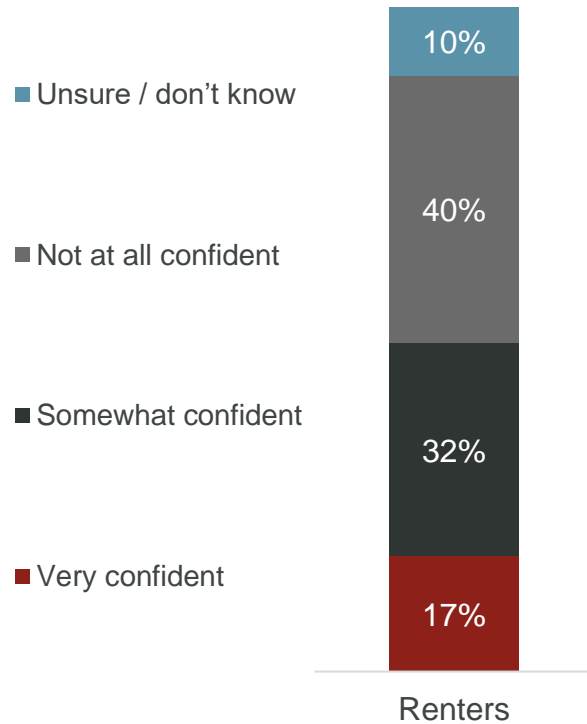




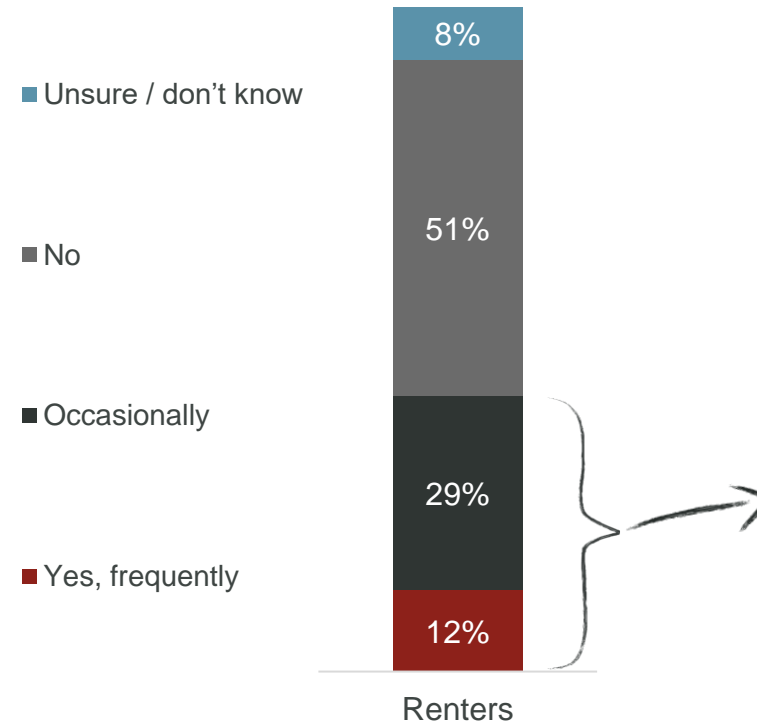
40% of renters are not confident their landlord will act on household health risks. 34% of renters who had concerns said the landlord did not adequately address their concern.

HEALTHY HOME CONCERNS: Renters

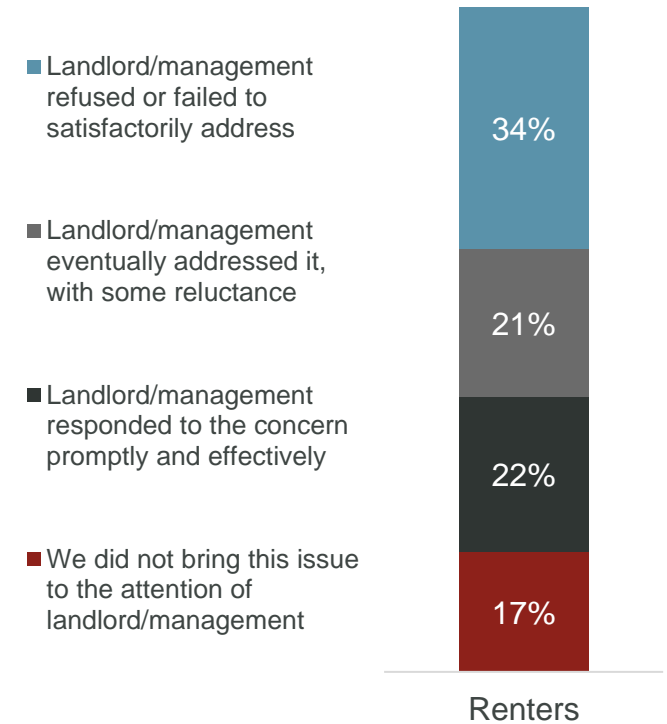
Confidence landlord will act on household health risks or concerns



Renters who have been disturbed or harmed by landlord compromising their living area



Of those who had concerns, were they addressed by the landlord



Q12. How confident are you that your landlord//management company would take any action necessary to protect your household from negative health impacts and/or risks/ potentially associated with this rental unit?

Q13. have you or a household member ever felt disturbed or harmed by routine property maintenance or other activities by your landlord/management company that compromised the quality of indoor air or your enjoyment of your rental unit? 16

Q14. [ASK IF Q13=R1 OR R2] When was the last time you or a household member felt disturbed or harmed by routine property maintenance or other activities by your landlord/management company that compromised the quality of air or your enjoyment of your rental unit?





HOMEOWNER & RENTER SUMMARY

- Health concerns have steadily been increasing over the years among both Homeowners and Renters.
- Younger, educated, higher household income homeowners and renters with children are more concerned than others. As the Gen Y and Gen Z population begin driving housing demand, the opportunity and requirement for healthy home projects/products will continue to increase.
- Indoor air quality is the leading concern and will impact products installed in the home. Second are accessibility and safety issues.
- Homeowners are planning multiple healthy home upgrades. While all these projects may not get completed, this shows the high level of intent in response to increasing concerns driven by their own health and the pandemic.
- Online research is happening more often than any other source of information. Meaning, homeowners are proactively looking up product and project information that will address their increasing health concerns.

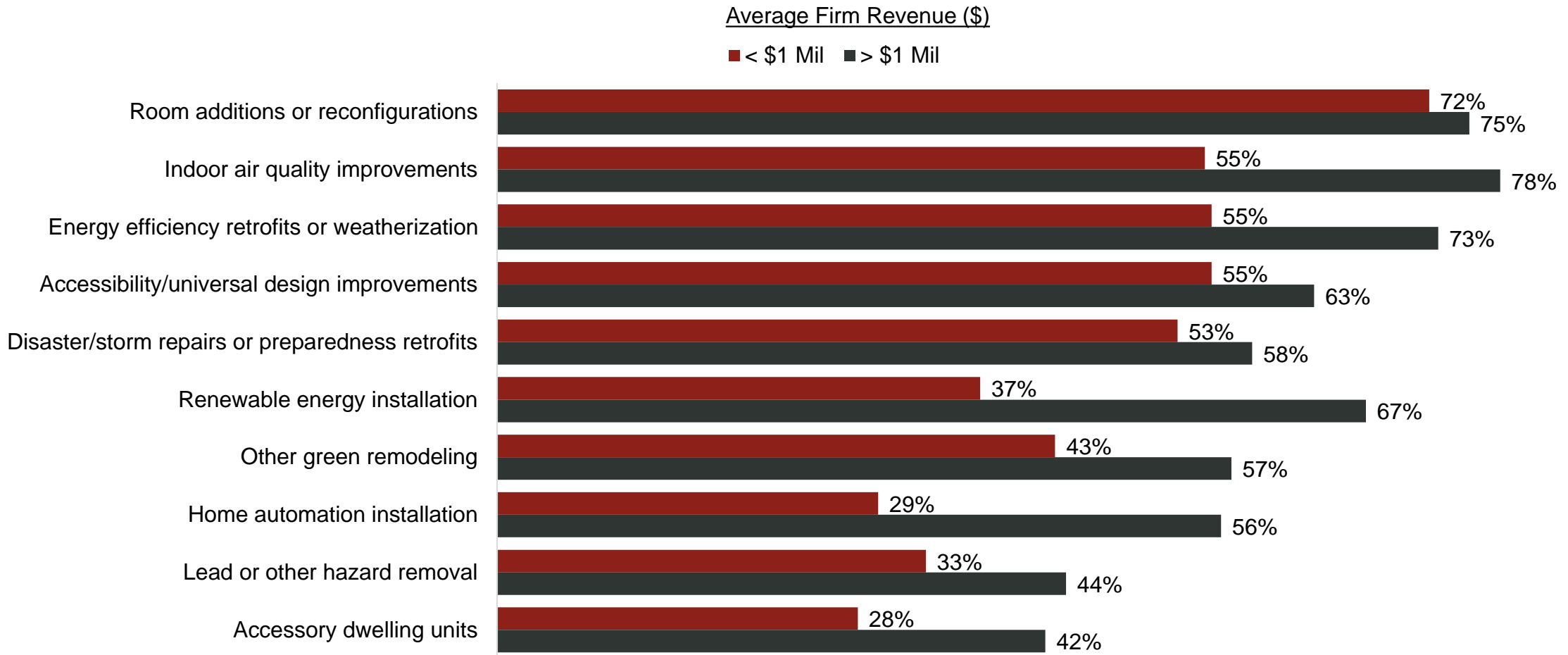


CONTRACTOR RESULTS

Larger firms are more engaged with a wider range of projects, with the biggest gaps in Indoor Air Quality, Renewable Energy, Home Automation.



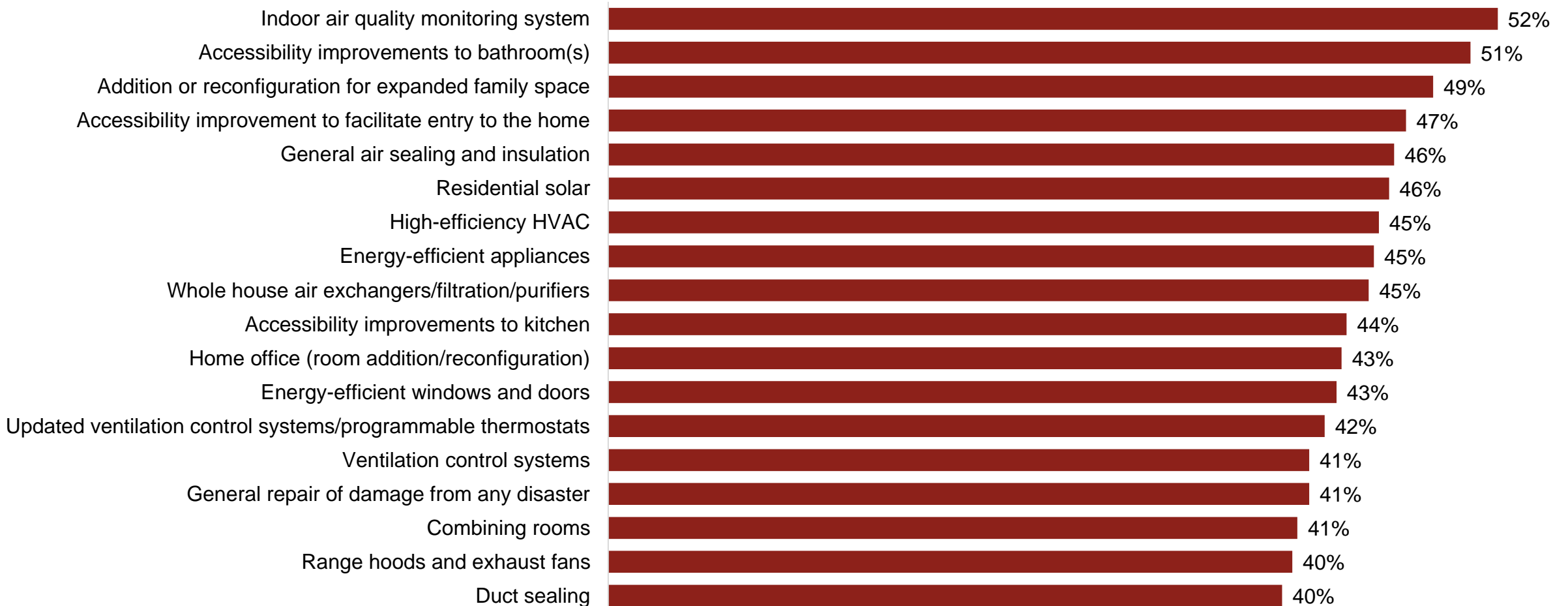
Remodeling PROJECTS done by percentage of contractors in the past 3 years



6 of the top 10 products being incorporated over the past year were healthy home or efficiency related.



Remodeling PRODUCTS done by percentage of contractors in the past year

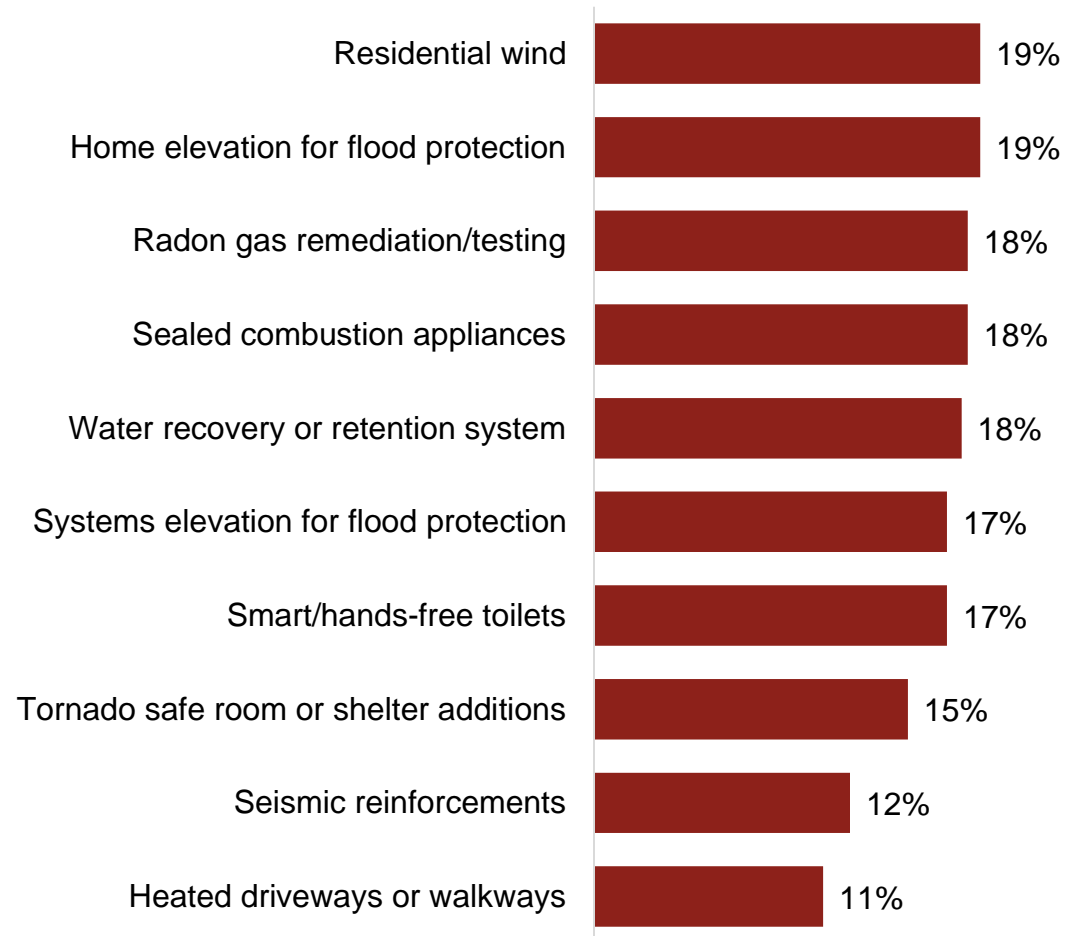


Q6.To the best of your knowledge, which of the following remodeling activities has your company or your subcontractors installed in the last year?

Products being least incorporated over the past year are often related to natural disaster mitigation.



Remodeling PRODUCTS done by percentage of contractors in the past year (Bottom 10)



Q6.To the best of your knowledge, which of the following remodeling activities has your company or your subcontractors installed in the last year?

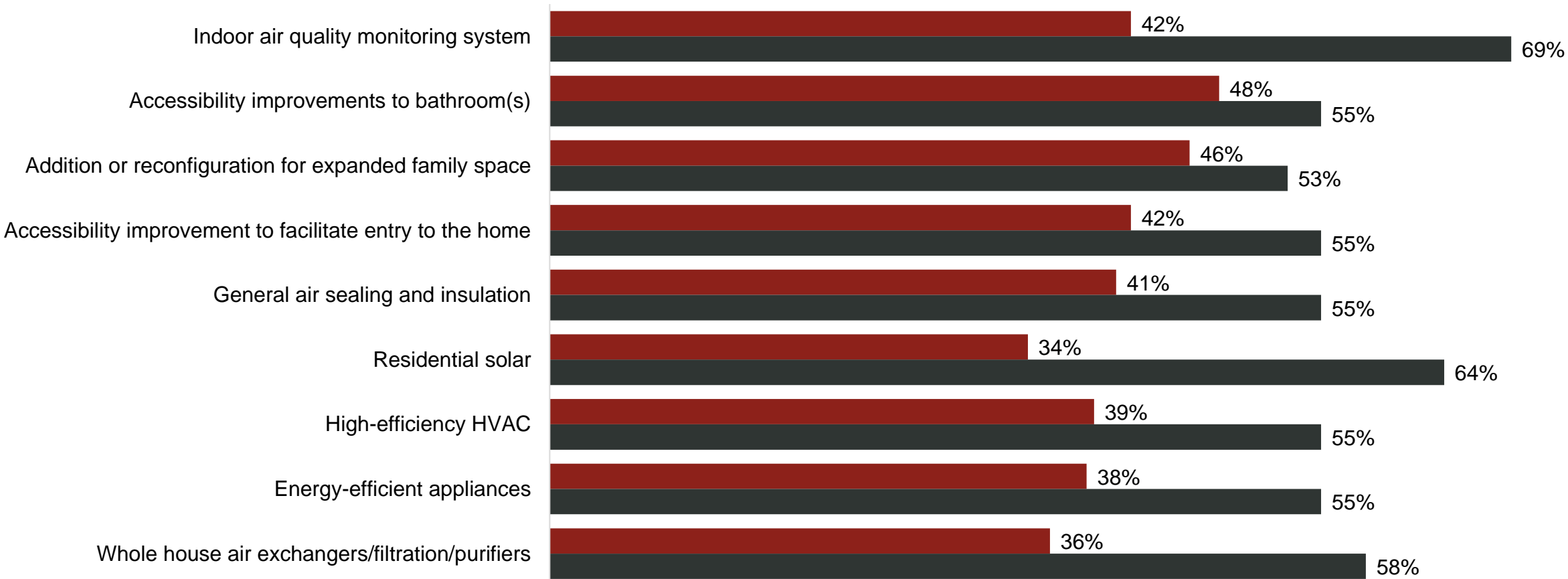
Larger firms are MUCH more engaged with a wider range of products that address healthy home and energy efficiency.



Remodeling activities done by percentage of contractors in the past year (top 10 by size of firm)

Average Firm Revenue (\$)

■ < \$1 Mil ■ > \$1 Mil

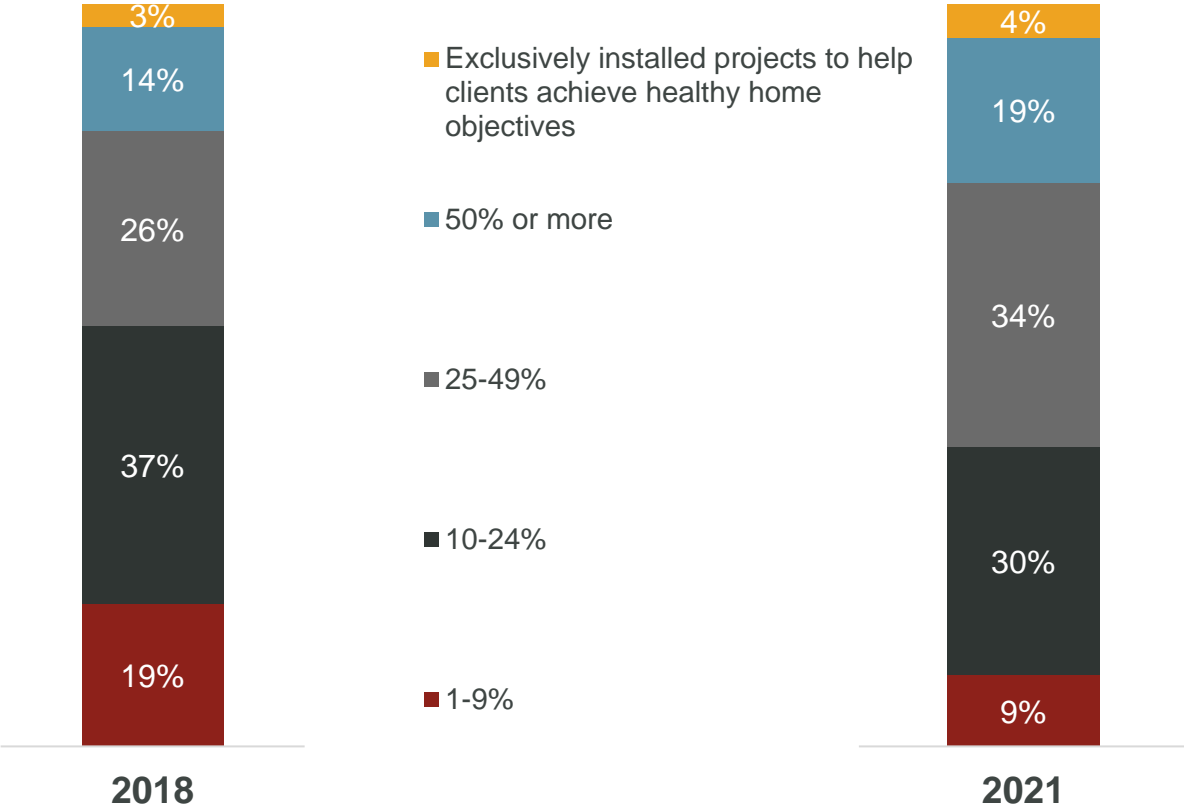


Q6.To the best of your knowledge, which of the following remodeling activities has your company or your subcontractors installed in the last year?

Over half of contractors incorporate healthy-home work into over 25% of their projects. This is a 14% more contractors from 2018.



% of Contractors' project that promote health, safety, or wellbeing

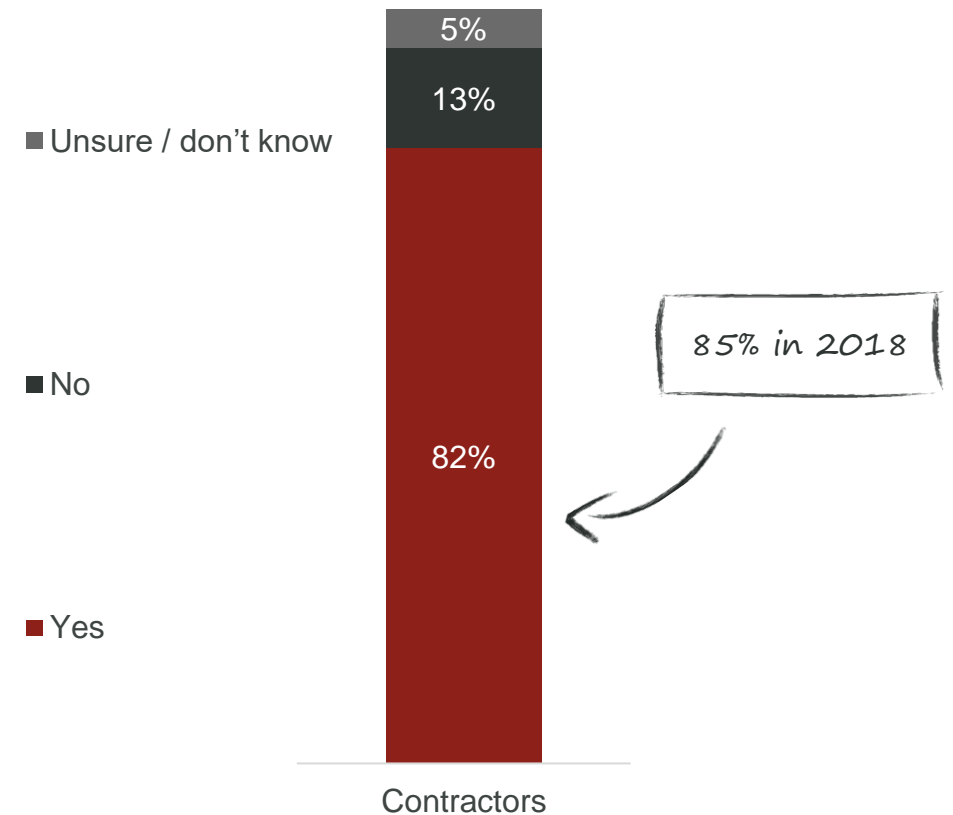
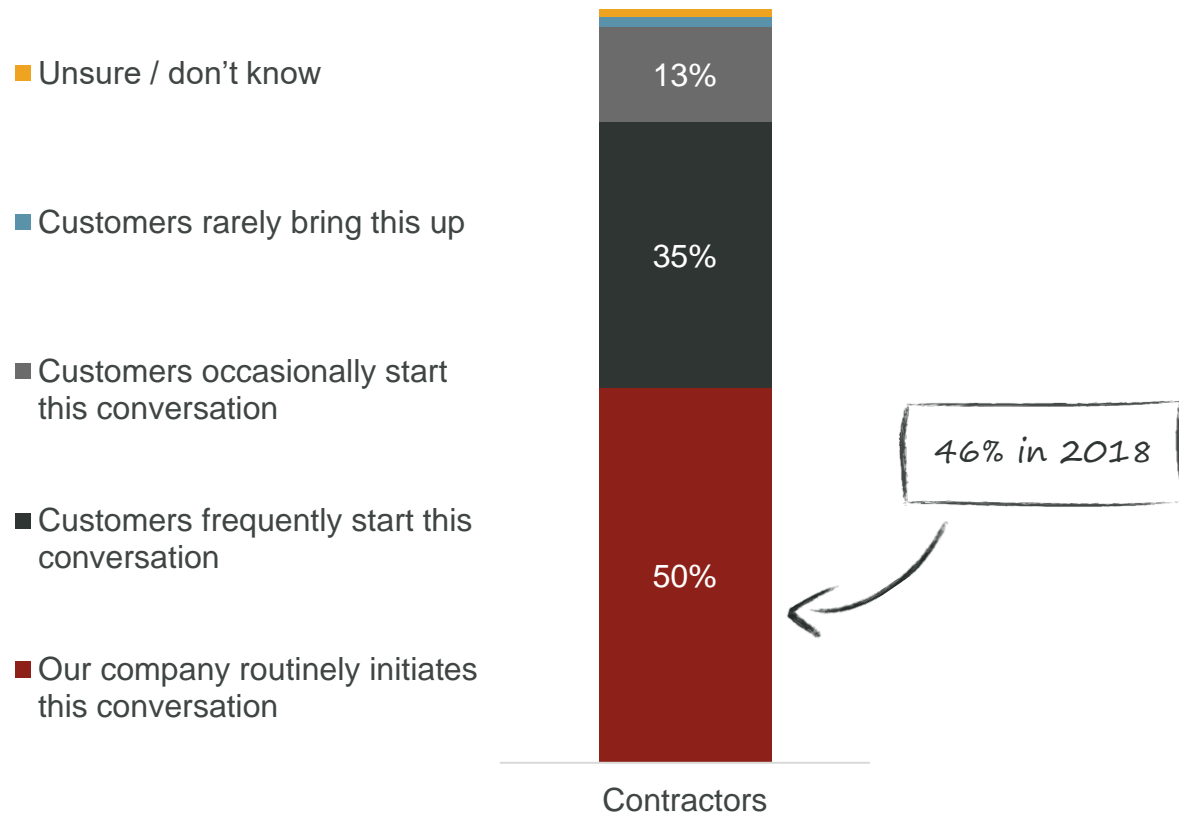


Contractors are increasingly initiating conversations but slow to becoming subject matter experts. Homeowners remain critical in discussion and knowledge.



Who starts the conversation about incorporating elements of a healthy home

Are homeowners more knowledgeable about elements of having a healthy home



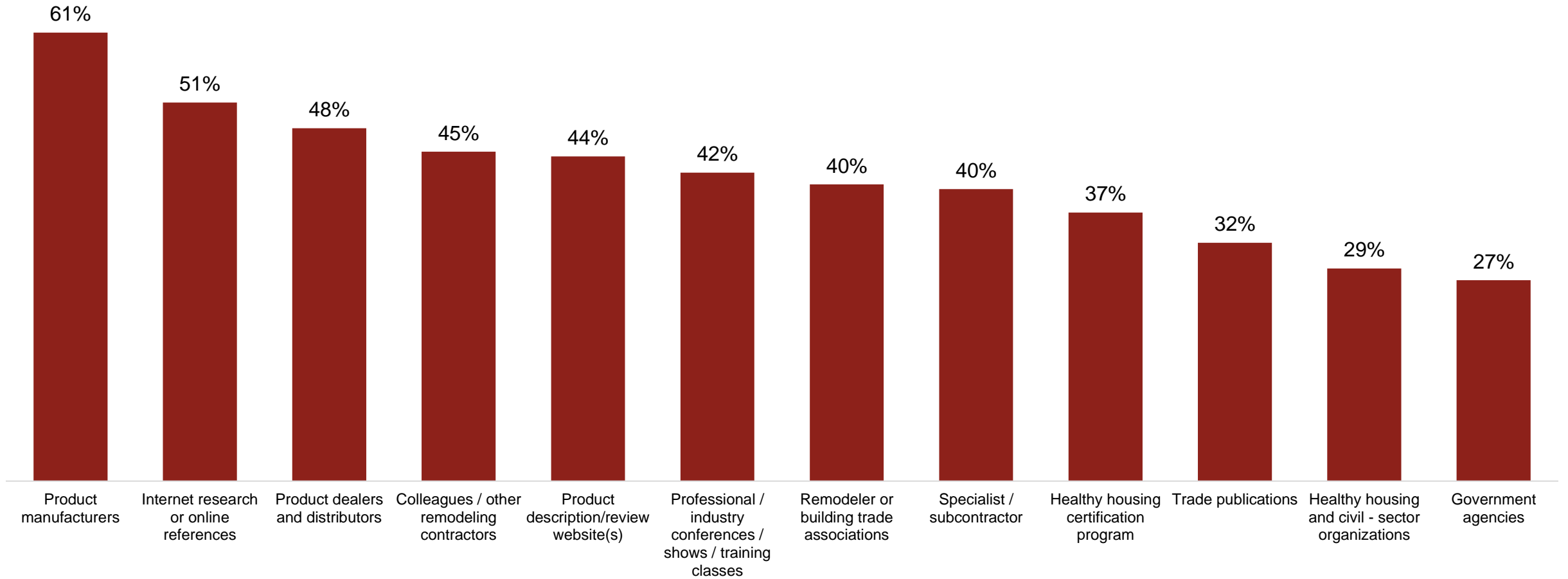
Q8. Who generally starts the conversation about incorporating components of health, safety, or wellbeing in a remodeling project?

Q9. Are you finding that homeowners are more knowledgeable about remodeling activities associated with health, safety, and wellbeing than they were before the COVID-19 pandemic?

Multiple sources are being used for research on healthy-home products with many relying on manufacturers and suppliers. Peer-to-peer trust also remains high. Gov't or regulatory oversight is least trusted.



Resources most trusted for Health, Safety, and Wellbeing information

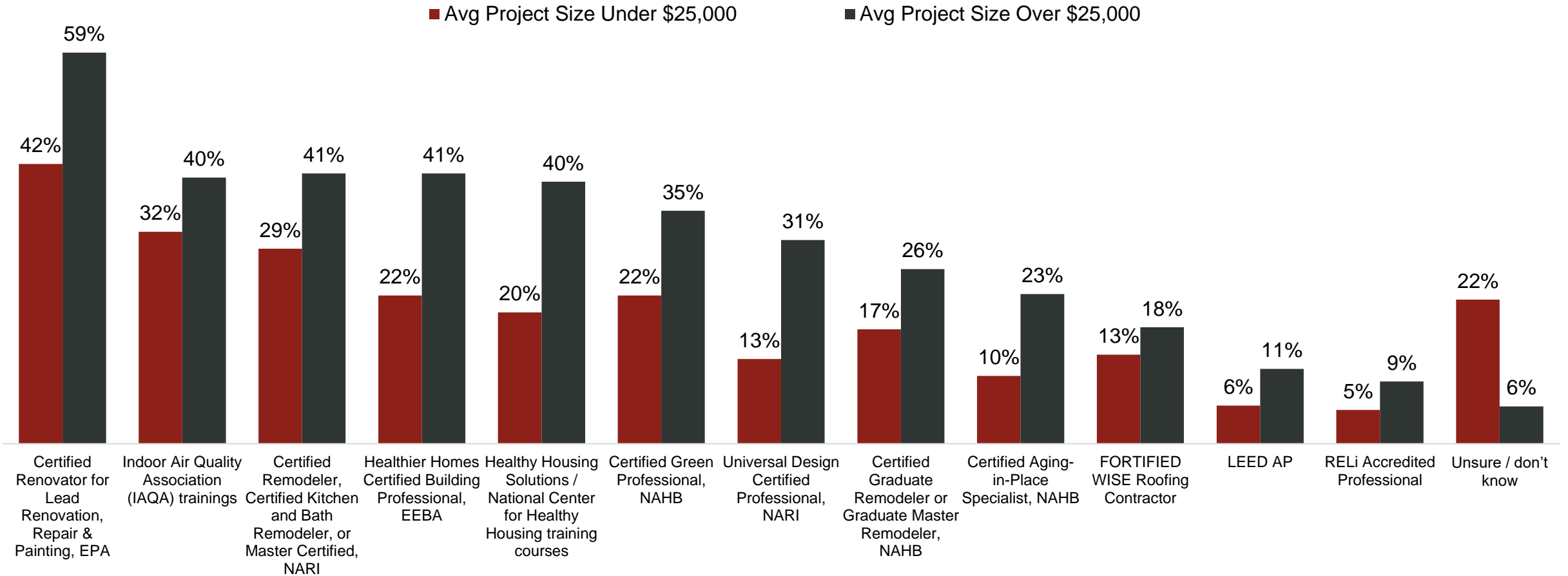


Q10. Among the following sources of information on remodeling activities associated with health, safety, and wellbeing, please indicate the resources you find most trustworthy and/or helpful to your current business practice.



Healthy home certification and training is more common with larger firms and therefore Remodelers involved with larger projects.

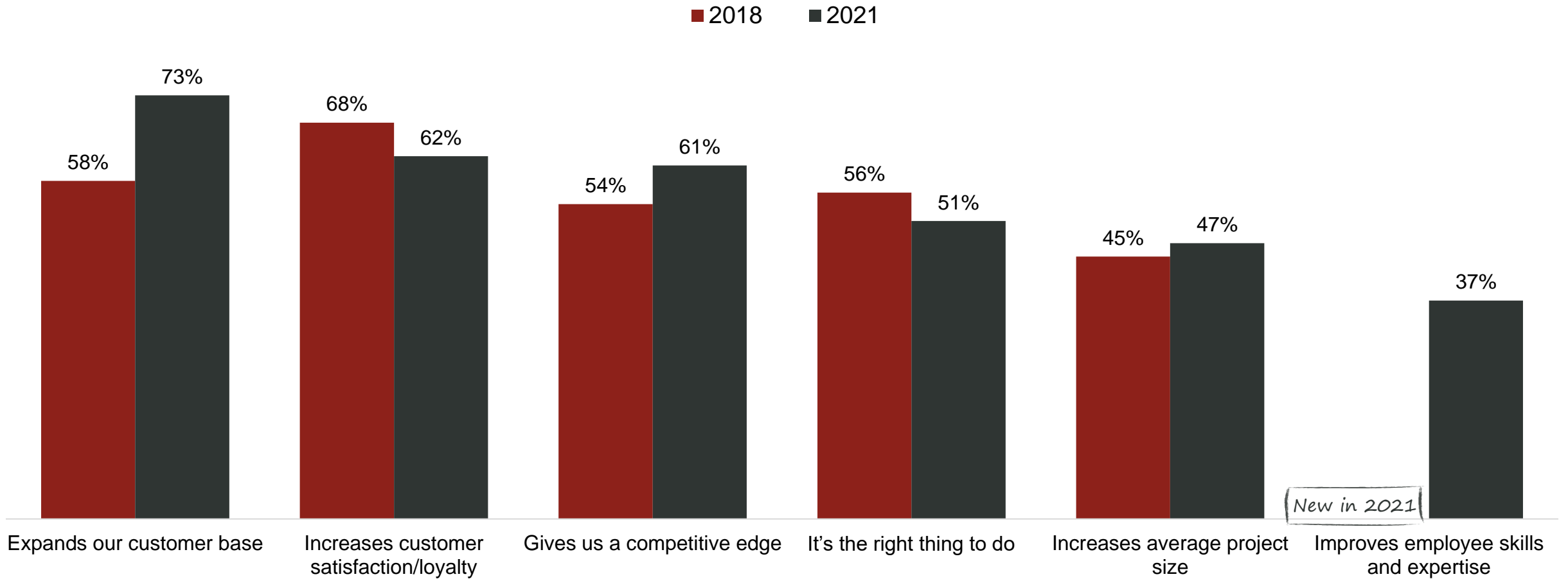
% of Remodelers that have participated in healthy home training or certification



Contractors are realizing healthy home projects gain opportunities to more customers, illustrating contractors' response to homeowner requests.



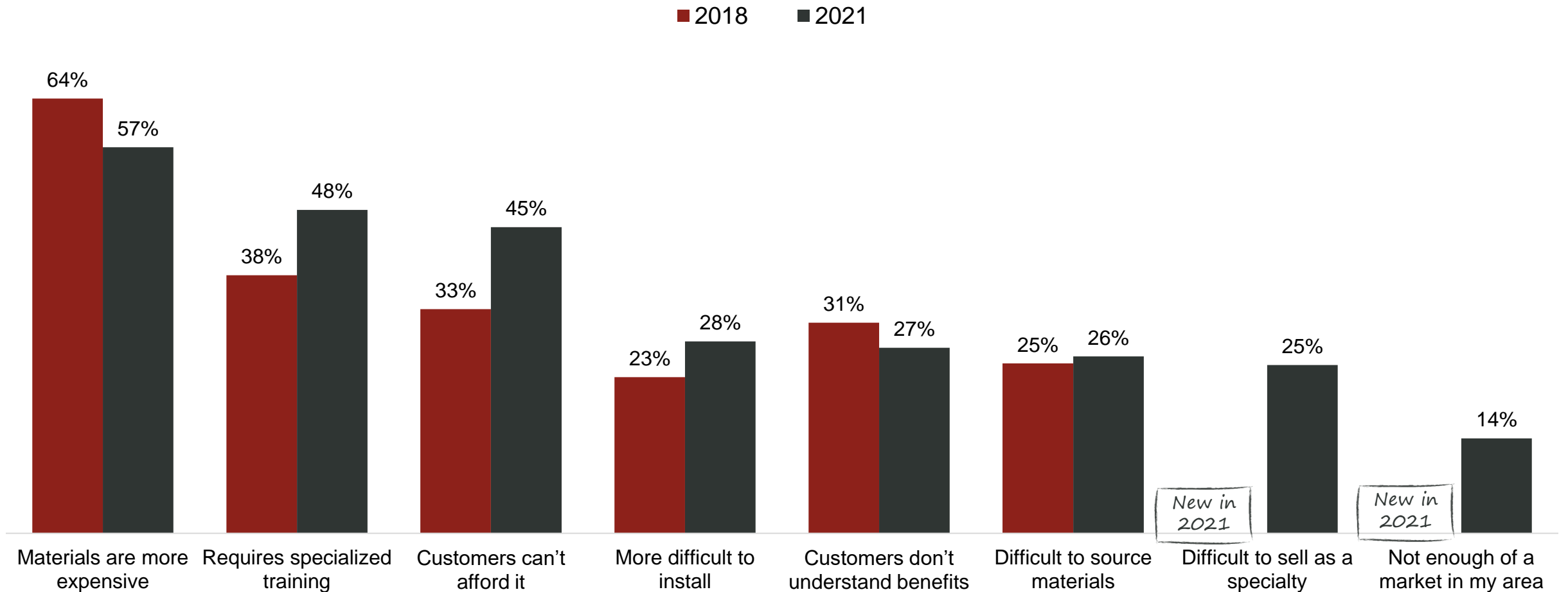
% of Remodelers stating benefits of doing health related project work



Costs/Budget remain challenges to adoption of health-related projects. Skill requirements are becoming more of a challenges, which may also reflect a limited labor market.



% of Remodelers stating constraints on health-related project work





CONTRACTOR SUMMARY

- Remodelers are incorporating many healthy home and efficiency products. However, larger firms are installing more, have more training, and have more certifications, which gives them a point of differentiation and ability to meet increasing homeowner request.
- Natural disaster preparedness seems to be a lower priority compared to healthy/wellness and energy efficiency.
- While contractors are incorporating more healthy home aspects to their projects, Homeowners are still viewed as 'experts' on the subject and must be a part of the conversation. This creates double duty for the industry by marketing to both audiences.
- Manufacturers, Suppliers, Peers remain staples of trust information. Interesting enough, regulated sources are less trusted.
- Cost challenges remain, and labor challenges are increasing. These will likely need to be solved with product development and increase support for contractors from manufacturers.



Tried and True: Your Experts



Grant Farnsworth

garnsworth@thefarnsworthgroup.com
303-886-5289



Adam Mowrey

amowrey@thefarnsworthgroup.com
412-720-9447



Andrew Ryan

andrew.ryan@thefarnsworthgroup.com
303-895-4532



Industry focused, custom research improves market strategy

Customer Behavior & Attitudes

- Profile customer for effective targeting
- Quantify product usage to define market opportunity
- Prioritize selection criteria to know what you must deliver
- Learn where they shop, when and why for marketing and sales opportunities throughout the path to purchase

Product Development

- Explore product uses and needs to establish viable concepts
- Validate concepts to increased success and adoption at launch
- Define price & feature combinations to win at point of sale
- Determine preferred messaging and packaging to attract buyers

Brand Health & Performance

- Monitor brand performance to measure marketing success
- Capture brand perceptions to define market position
- Understand brand equity to improve category growth success
- Define brand usage to determine share opportunity

Market Sizing & Structure

- Define total product sales volume to determine market potential
- Define brand share to determine acquisition opportunity
- Define product distribution structure to inform channel strategy
- Define share by customer type to develop marketing and sales strategy