Communicating Energy Opportunities to Residential Remodelers

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The State of Practice in Residential Decarbonization—Recent Survey Findings

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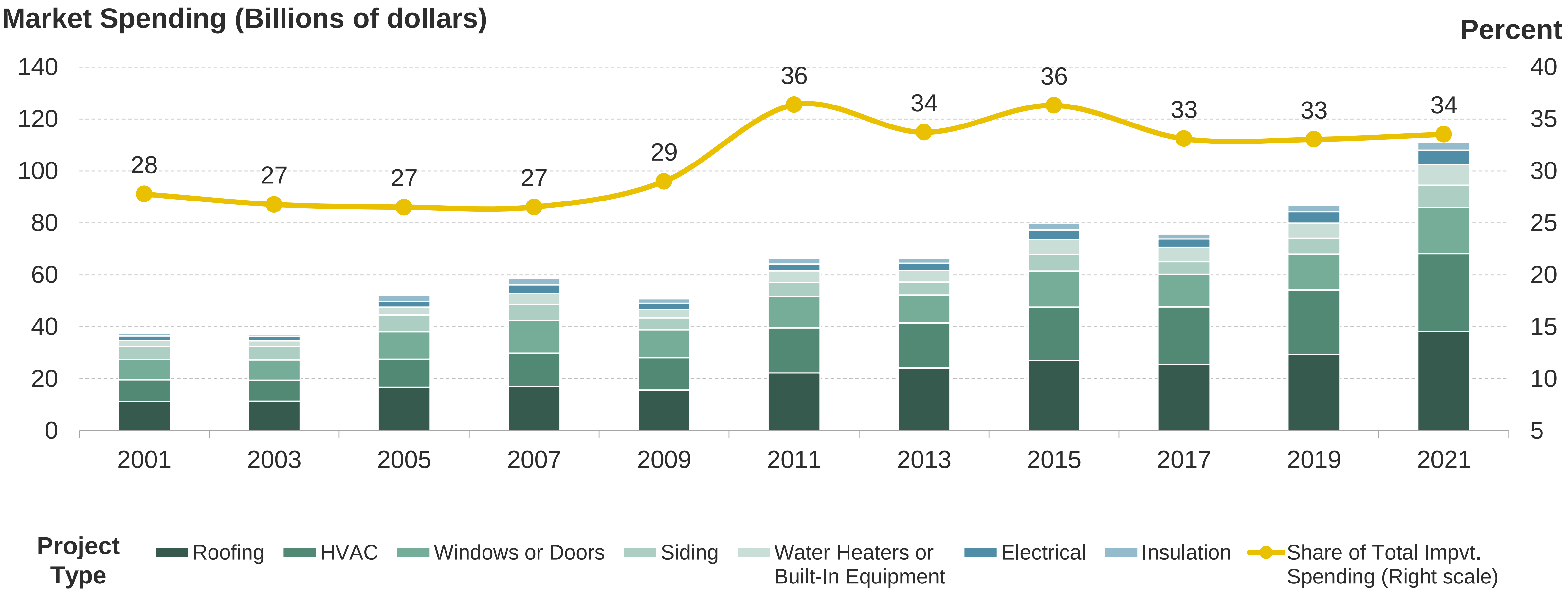
Background

The Harvard Remodeling Futures Program

The Energy Retrofit Challenge Project

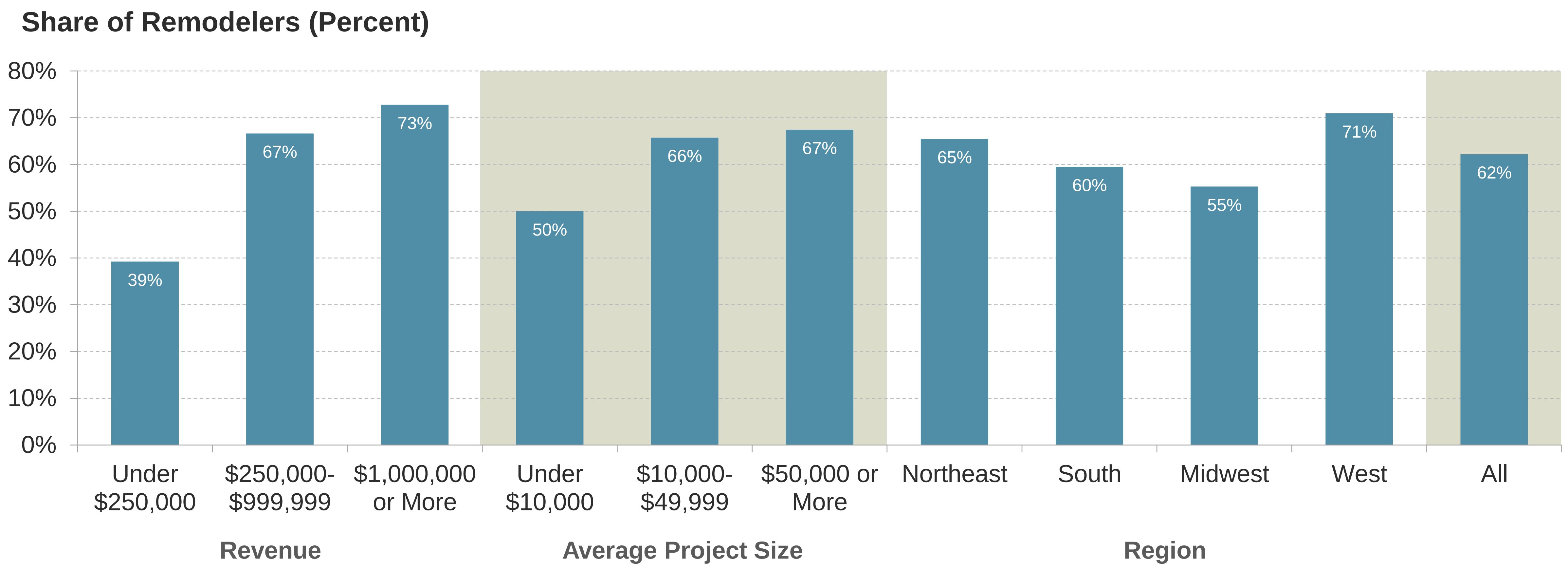
The Utility and Relevance of Surveys as a Data Collection Tool

A Significant Share of Owner Improvement Spending Goes Toward Energy-Related Projects



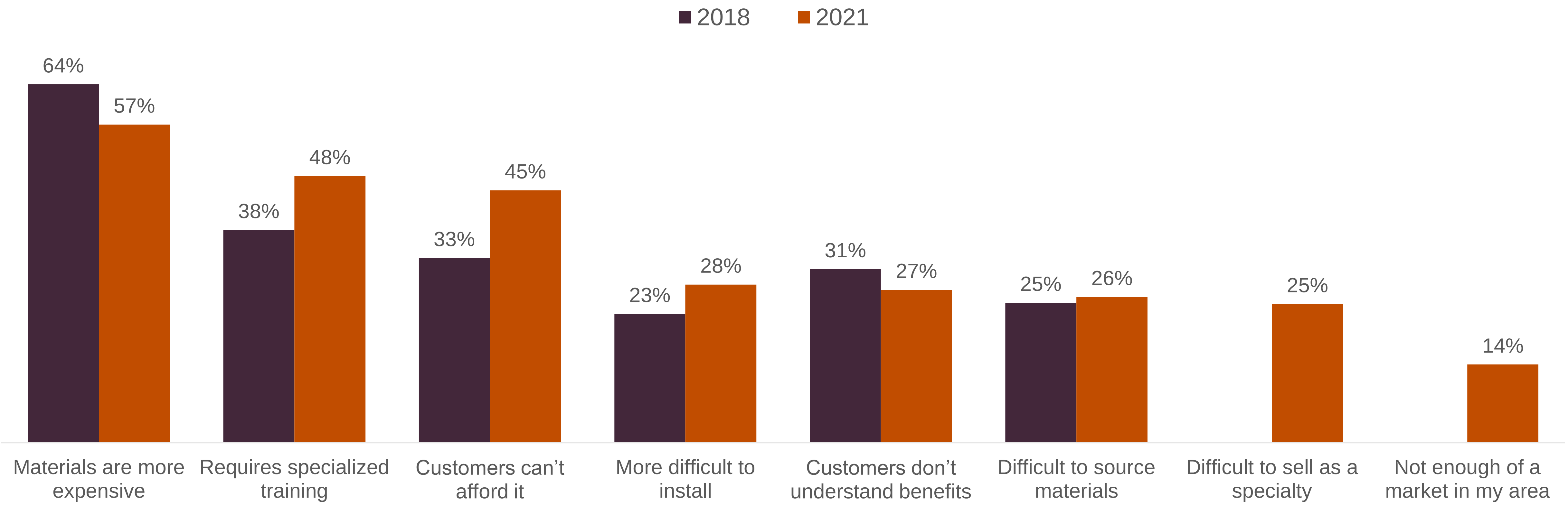
Notes: Built-in equipment includes dishwashers and garbage disposals. Spending for water heaters or built-in equipment before 2011 is partially estimated.
Source: JCHS analysis of HUD, American Housing Surveys.

Share of contractors reporting EE work in the past year, by contractor characteristic



Source: JCHS tabulations of The Farnsworth Group, 2021 Healthy Homes Survey of Contractors.

Contractor reported obstacles, 2018-2021



Source: JCHS tabulations of The Farnsworth Group, 2018 and 2021 Healthy Homes Surveys of Contractors.

Communicating to the Industry

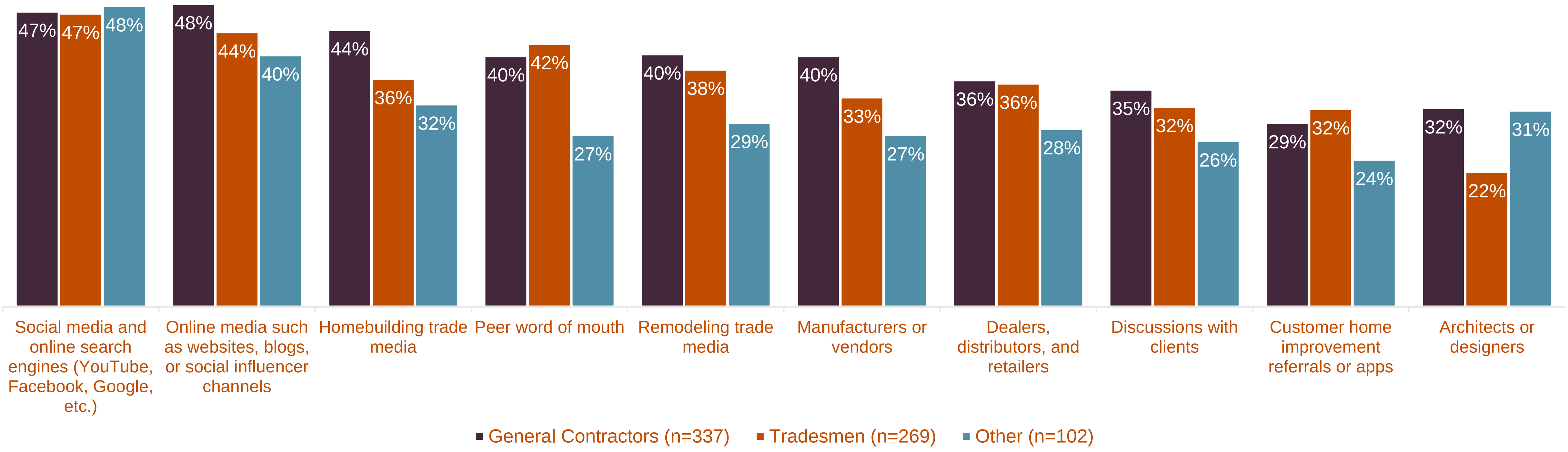
Scope and Method

- Original question
  - Which private dissemination channels and public information sources are effectively communicating information to the remodeling industry in general, and regarding energy-related remodeling technologies and programs specifically?
- IRA supplemental questions
  - Where and how are remodelers informed about the energy technologies, programs, and policies associated with the IRA? What is their familiarity with the IRA itself?
- Remodeler Survey
  - Representative sample of 708 remodeling industry professionals, including specialized trade firms
  - Harvard IRB-approved, Farnsworth
  - Piloted by Remodeling Futures Program' Steering Committee members
  - Fielded from December 2022 through February 2023
  - Report submitted in March 2023

Survey Core Questions

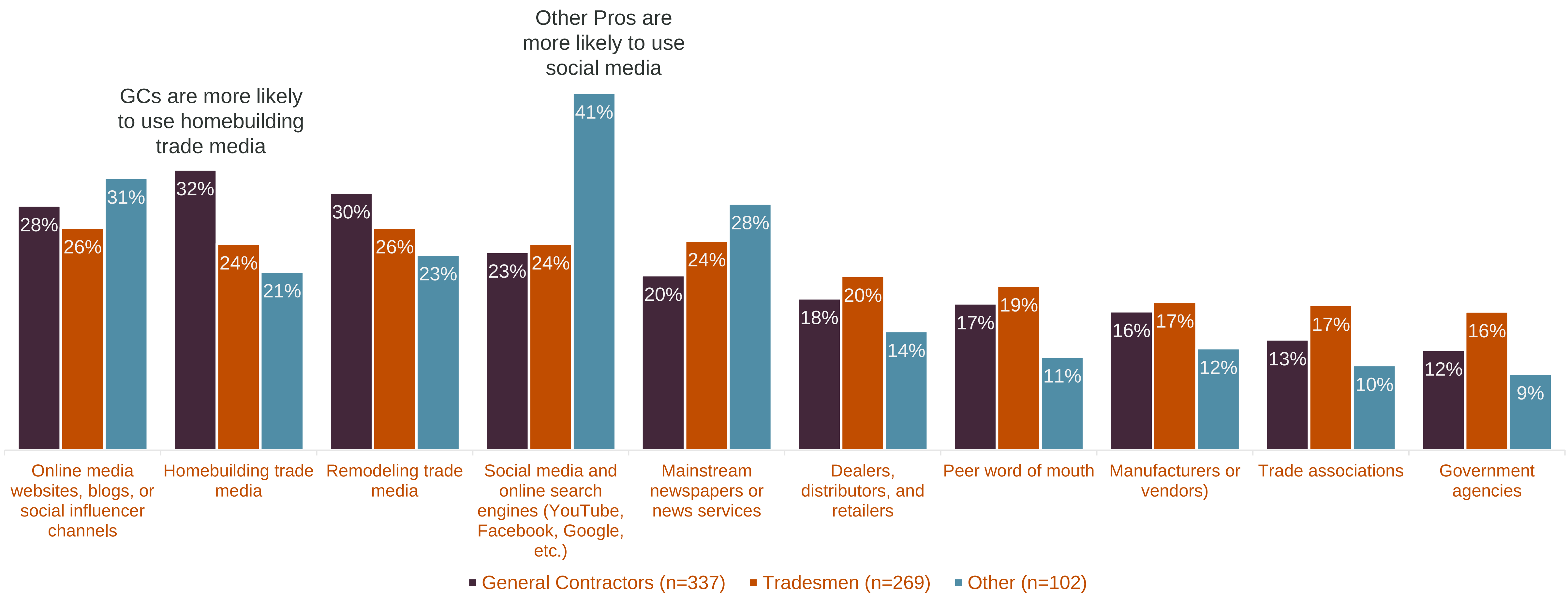
- What media and information sources are contractors using?
- How often do contractors use media for information and what is their preferred format for accessing?
- Where would contractors most likely find information on national policy changes or programs that affect the remodeling industry (products, techniques, and technologies) and what types of information would they like to see?
- How do pros access information on home energy retrofits and what types of information would they like to see on home entry retrofits?

Social media and online media are the most common channels used to obtain information about their industry in the past year.



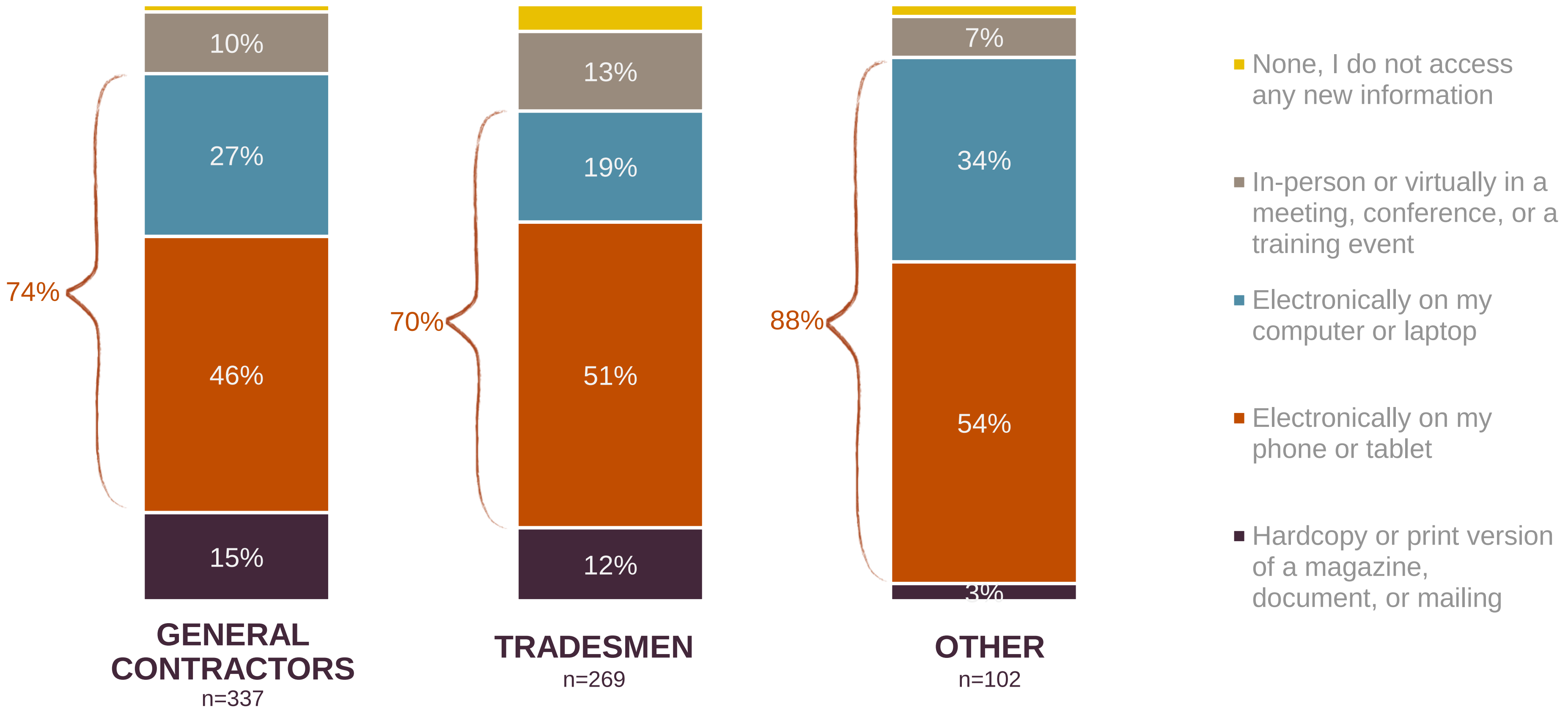
Q2a. Which of the following media and information channels have you used in the last year to obtain information about the remodeling industry or new products, techniques, or technologies that are relevant to your remodeling business ?

Important information that affects the industry is accessed mainly from online industry media and social media.



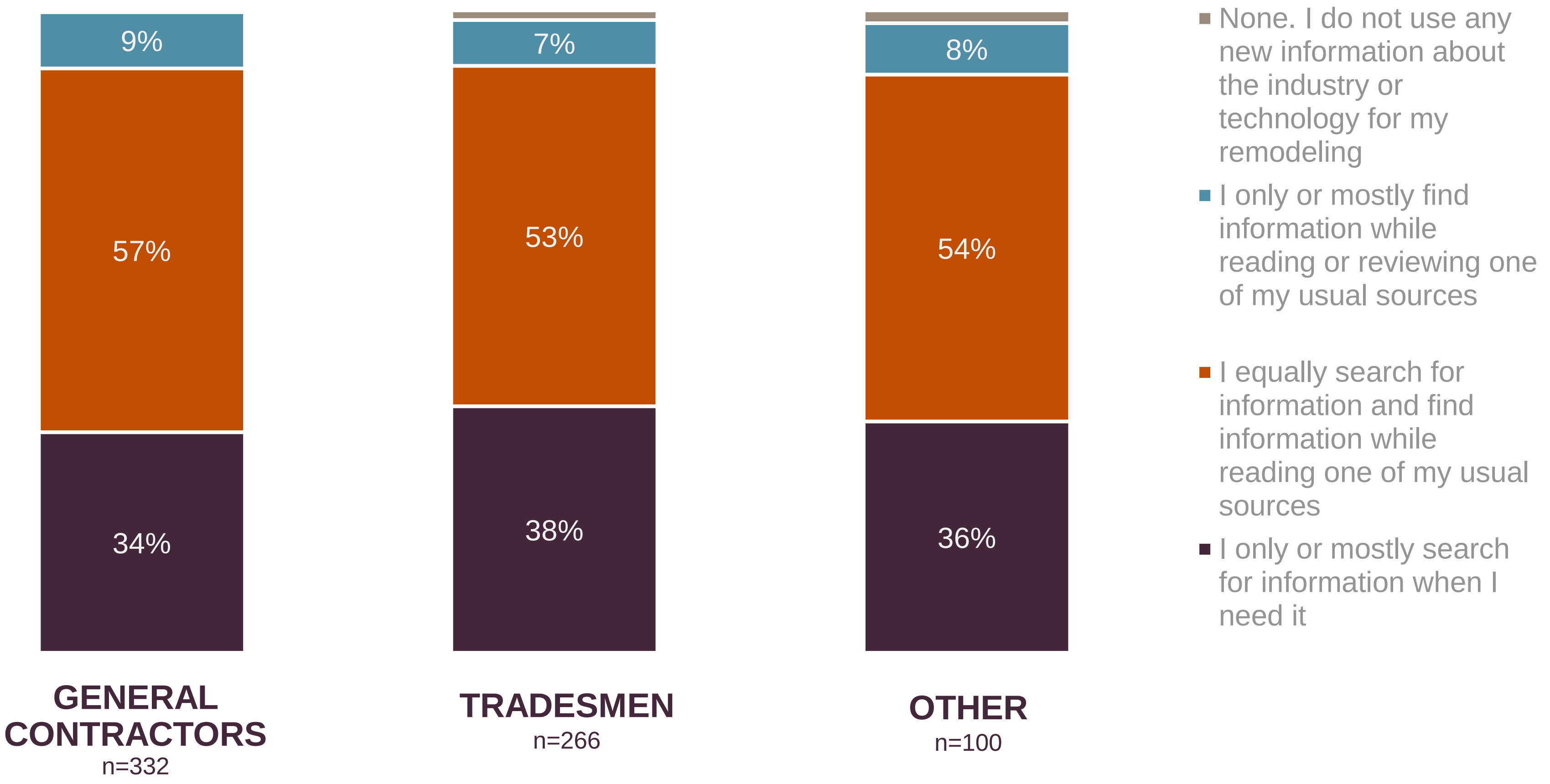
Q4a. Across all the media and information channels presented earlier, from which three (3) do you think you are most likely to find useful information about a national policy change or national program that will affect the remodeling industry or remodeling products, techniques, and technologies and that may be relevant to your remodeling business?

Professionals prefer to access information electronically by phone/tablet (46%-54%) or by computer/laptop (19%-27%).



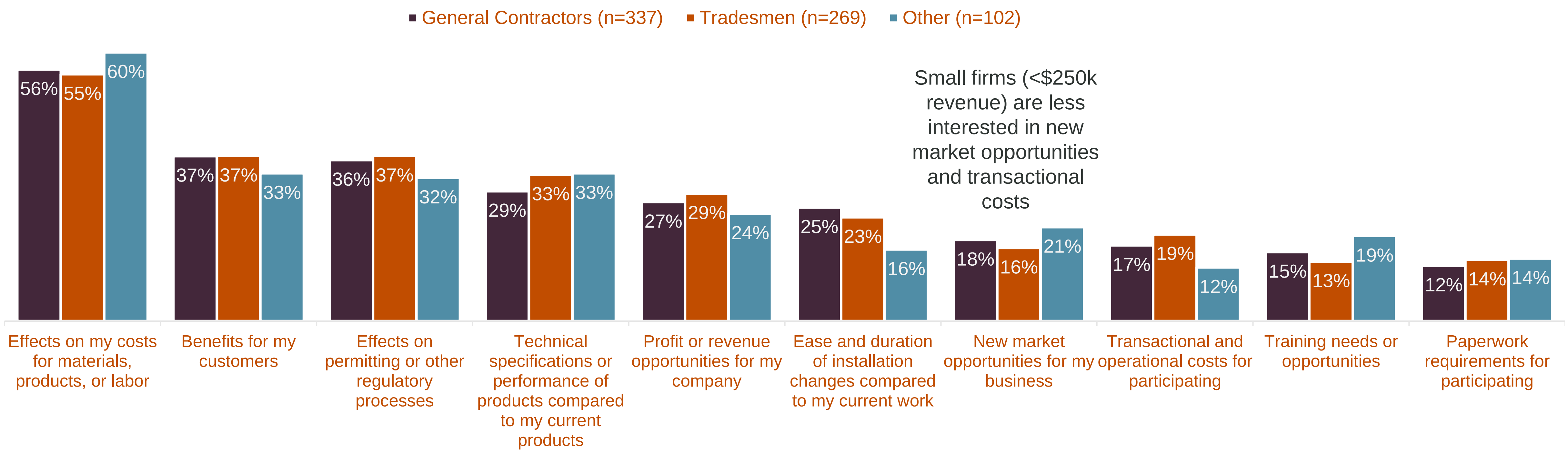
Q3i. Across all your sources, what is your preferred format for accessing information about the remodeling industry or new remodeling products, techniques, and technologies?

Most professionals both actively search for new information and come across it while reading usual sources.



Q3g. Across all your sources, how would you categorize your current process for accessing information?

Effects on costs for materials, products, or labor is the most important information about policy or program changes.



Q4b. Which three (3) of the following pieces of information would be of most interest to you about a national policy change or national program that affects the remodeling industry?

Effects on costs is the most important information—regardless of whether a remodeler is active in energy efficiency or not.

		Q5e Do you market your company as providing energy retrofit services?			Q5d Over the past year, about what share of your remodeling projects (on a dollar basis) involved one or more of these energy-improving products or installations?		
	Total	Yes, Sig. Or Exclusive	Yes, As A Range	No	50% +	25-49%	1-24%
N	695	171	307	217	172	191	268
Effects on my costs for materials, products, or labor	59.3%	51.5%	58.6%	66.4%	58.7%	55.0%	61.2%
Benefits for my customers	40.0%	35.1%	43.3%	39.2%	42.4%	37.7%	39.2%
Effects on permitting or other regulatory processes	27.6%	26.9%	29.6%	25.3%	26.7%	28.3%	31.7%
Technical specifications or performance of products compared to my current products	29.5%	34.5%	28.3%	27.2%	32.6%	27.7%	29.1%
Profit or revenue opportunities for my company	26.0%	25.7%	26.4%	25.8%	23.8%	29.8%	25.0%
Ease and duration of installation changes compared to my current work	27.6%	34.5%	26.7%	23.5%	24.4%	28.3%	29.5%
New market opportunities for my business	21.2%	27.5%	20.2%	17.5%	20.3%	25.7%	21.3%
Transactional and operational costs for participating	14.4%	15.8%	15.3%	12.0%	17.4%	15.7%	12.7%
Training needs or opportunities	13.4%	11.1%	14.7%	13.4%	15.1%	16.8%	10.8%
Paperwork requirements for participating	12.8%	14.0%	14.3%	9.7%	12.8%	14.1%	12.3%
Product warranty or project risk mitigation	8.6%	8.2%	9.8%	7.4%	8.7%	7.3%	8.2%
None/not applicable	1.9%	0.6%	0.3%	5.1%	0.6%	0.5%	1.5%

Which three (3) of the following pieces are of most interest to you when it comes to information about home energy retrofits or products that may be relevant to your remodeling business? Select 3

In contrast, “energy remodelers” are much more familiar with the IRA.

		Q5e Do you market your company as providing energy retrofit services?			Q5d Over the past year, about what share of your remodeling projects (on a dollar basis) involved one or more of these energy-improving products or installations		
N	Total	Yes, Sig. Or Exclusive	Yes, As A Range	No	50% +	25-49%	1-24%
Total Respondents	708	172	308	228	175	191	271
Not at all familiar	14.7%	4.7%	8.4%	30.7%	9.7%	8.9%	14.0%
Slightly familiar	25.4%	9.9%	26.0%	36.4%	17.1%	24.6%	27.7%
Moderately familiar	26.8%	19.8%	35.1%	21.1%	24.6%	31.9%	28.8%
Very familiar	33.1%	65.7%	30.5%	11.8%	48.6%	34.6%	29.5%

Are you familiar with the Inflation Reduction Act signed into law this year?

And “energy remodelers” are much more likely to already anticipate participating in its consequent incentive programs

		Q5e Do you market your company as providing energy retrofit services?			Q5d Over the past year, about what share of your remodeling projects (on a dollar basis) involved one or more of these energy-improving products or installations		
	Total	Yes, Sig. Or Exclusive	Yes, As A Range	No	50% +	25-49%	1-24%
N	604	164	282	158	158	174	233
I am waiting to hear more about how my remodeling business could be affected before deciding whether to participate	58.9%	34.1%	66.7%	70.9%	48.1%	62.6%	61.8%
I expect to participate in the programs it creates	30.6%	59.8%	24.1%	12.0%	44.3%	28.7%	27.9%
I am not interested in participating in the programs it creates	10.4%	6.1%	9.2%	17.1%	7.6%	8.6%	10.3%

If you are at least slightly familiar with the Inflation Reduction Act, please describe the level of your understanding of how it could affect your remodeling business?

Key Findings and Challenges

- Social and online media play an overwhelming role as the first outlets tapped by remodelers.
- However, there is still a wide distribution of sources used by industry players. Traditional remodeling industry media continue to play a large role followed by industry trade groups.
- Professionals of all specializations and business sizes typically tap into information sources several times a week, and most for a total of one to four hours a week.
- The effects on costs for materials, products, or labor is the most important piece of information for remodelers of all kinds and markets—regardless of whether they are already experienced or proficient with energy retrofits.
- Remodelers are almost universally familiar (85 percent) at least slightly with the residential energy provisions of the IRA. More than half of those with at least a slight familiarity (59 percent) report waiting to hear more about whether and how they will participate in the ensuring programs, while almost one third (31 percent) already expect to participate.