

INTRODUCTION

The NAHB Research Center's Annual Builder and Consumer Practices Reports provide market demand data for building product and material usage in the United States and Canada. Market demand data on home improvement, maintenance, and repair purchases is obtained through the annual Consumer Practices Survey (CPS), an annual on-line survey of U.S. and Canadian households¹. The survey results are tabulated to show demand for building products and materials purchased for the repair and remodeling industry. These reports also provide key information on purchasing and installation practices, as well as demographic information of the respondents.

Historically, the CPS was fielded as a mail survey that received about 8,000 responses from owner-occupied households. In 2003, the NAHB Research Center expanded the CPS to capture data on remodeling projects in renter-occupied houses and implemented the on-line fielding of the survey, yielding more than 46,000 usable responses. This year, the Research Center increased the sample size to more than 60,000 respondents to further improve data quality.

The Consumer Practices Reports present data tables for *Product Usage*, *Incidence Rates*, *Purchase Rates*, *Demographics*, and *Households* for household purchases on repair and remodeling activities. *Product Usage* tables present the estimated total volume of product purchased for existing homes for the 50 states, nine Census Divisions, and U.S. Total. It also includes current year data and a five-year forecast of market demand for repair and remodeling purchases. *Purchase Rate* tables represent the average number of and types of products purchased annually by each household reporting purchases in a related product category. The *Incidence Rate* tables show the proportion of all U.S. households that purchased a product from the related product category during the study year. *Demographics* tables provide the general characteristics of **all** the survey respondents in one series of tables, and of all respondents who **purchased** a product within a related product category in another series of tables. The *Purchase Rates* and the *Demographics* tables are tabulated separately for owner-occupied and renter-occupied households. The *Households* table shows numbers of homes of each type for the current year, the previous five years, and a forecast of the coming five years.

SURVEY METHODOLOGY

The Consumer Practices Survey questionnaire is fielded in early January. The sample of occupied U.S. households was supplied by Survey Sampling, Inc. About 180,000 renter- and owner-occupied households were sent an e-mail invitation to participate in the online survey, and more than 60,000 usable responses were received.

The questionnaire is designed to capture the home improvement, repair, and maintenance projects undertaken on the primary residence of each respondent and to gather general demographic information. In order to obtain the broadest number of remodeling activities, respondents were asked to report all projects carried out by the survey respondent, professional remodelers, another household member, insurance company, property owner, and property manager.

PROGRAMMING METHODOLOGY

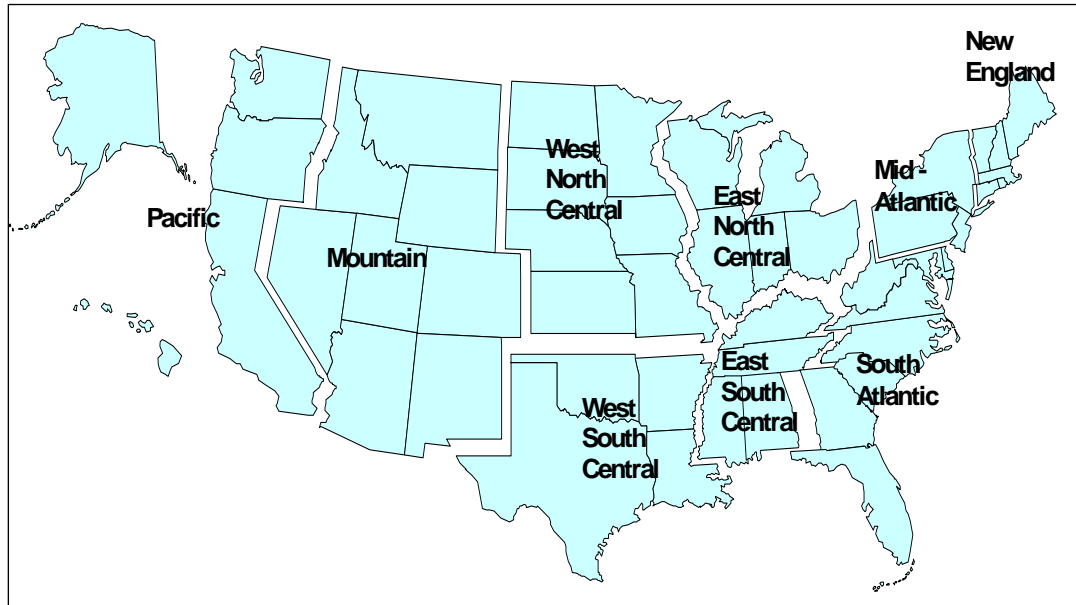
The CPS programming methodology uses incidence rates, purchase rates, and the number of households occupied by owners, separately from those occupied by renters, to estimate total product usage for the present year and to forecast the next five years. Adjustments are made to the data to assure it is representative of actual repair and remodeling expenditures, including correction for self-selection bias—those having purchases to report being more likely to respond—and corrections for geographic and demographic bias that is typical in sample surveys.

¹ A *household* consists of all people who occupy a particular housing unit as their usual residence, or who live there at the time of the interview and have no usual residence elsewhere.

(www.census.gov/hhes/www/housing/ahs/ahs01/appendixa.pdf, pg 9 of 30)

GEOGRAPHIC SAMPLING

Tabulations for the standard report are produced by the 32 State-Market-Areas, nine U.S. Census Divisions, individual 50 states, and U.S. totals. All data for owner-occupied households are tabulated for each of the 32 State-Market-Areas, while data for renter-occupied households are tabulated by the nine Census Divisions. States with relatively low housing starts have been grouped with another state or states to create a single State-Market-Area, while three states (California, Florida, and Texas) with a high level of new home construction activity are divided between two State-Market-Areas. When a state is split, the dividing line typically occurs along changes in climate or topography, and always along county lines.



The 32 State-Market-Areas utilized for the Consumer Practices Survey are listed below:

New England

- Connecticut, Massachusetts, Rhode Island
- Maine, New Hampshire, Vermont

Mid-Atlantic

- New Jersey
- New York
- Pennsylvania

South Atlantic

- Delaware, Maryland, the District of Columbia
- Georgia
- North Florida
- Central and South Florida
- North Carolina, South Carolina
- Virginia, West Virginia

East North Central

- Illinois
- Indiana
- Michigan
- Ohio
- Wisconsin

East South Central

- Alabama, Mississippi
- Kentucky, Tennessee

West North Central

- Iowa, Nebraska
- Kansas, Missouri
- Minnesota
- North Dakota, South Dakota

West South Central

- Arkansas, Oklahoma
- Louisiana, East Texas (Houston to Corpus Christi, and west to the semi-arid plains)
- West Texas (Dallas to San Antonio and west)

Mountain

- Arizona, Nevada, New Mexico
- Colorado, Utah
- Idaho, Montana, Wyoming

Pacific

- Northern California (Monterey, Kings, Tulare, Inyo counties and north)
- Southern California (San Luis Obispo, Kern, San Bernardino counties and south), Hawaii
- Oregon
- Alaska, Washington