

New Technology Eases The Pain Of Home Remodel Projects

Jennifer Castenson Contributor

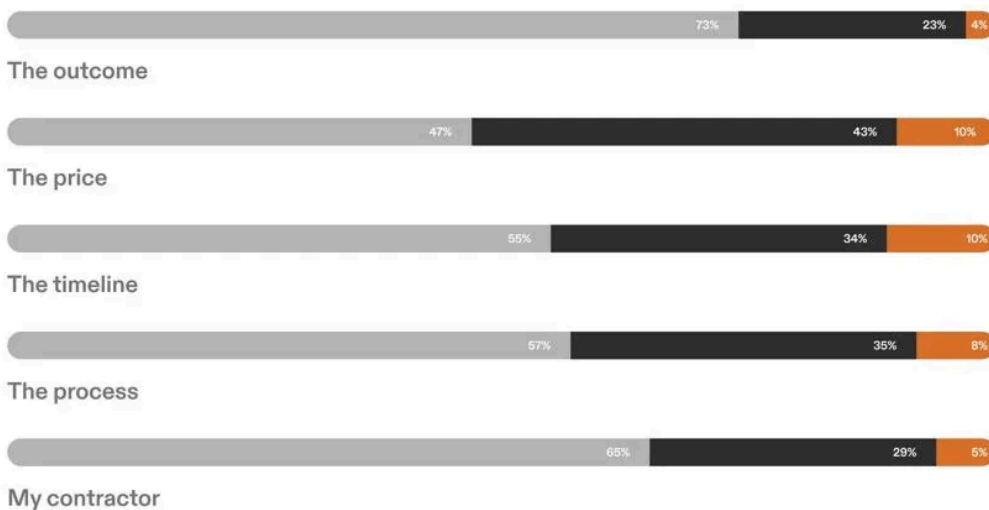
I focus on innovation in the built environment.

Follow



Apr 24, 2024, 02:41pm EDT

Many Homeowners Lukewarm with Aspects of Renovation



Ipsos and Hover Home Renovations Expectations Report of 500 Homeowners, March 2024



Home remodeling projects leave homeowners dissatisfied and less likely to take on another project ... [+] IPSOS AND HOVER HOME RENOVATIONS EXPECTATION REPORT

Can you think of the things that you do only three times in your life? Maybe have a baby? Graduate? Fall in love? The average American owns three homes in their lifetime, so the process of shopping for, purchasing and maintaining the home only happens three times.

And, maybe they only remodel one of the homes, so those big remodeling projects only happen once in a lifetime. Even having surgery is more common at nine times in a lifetime and will feel more routine than owning a home.

So, it seems that most homeowners don't know exactly what they are getting into when they first purchase a home or take on a remodeling project, which immediately puts a lot of pressure on the relationship that they have with their builder or contractor. When there is a lot of pressure on a relationship, the best thing to do is be honest and transparent. Fortunately, technology can help.

Data Shows Gap In Trust

Research group Ipsos and construction software platform [Hover](#) recently surveyed 500 adult respondents who just completed a home renovation project or are currently undergoing home renovation to share about their experience.

Homeowners spent about \$19,000 more than the quote



Remodels took an average of 40 days longer than expected



Ipsos and Hover Home Renovations Expectations Report of 500 Homeowners, March 2024

Homeowners reported spending more on remodeling projects and having large delays, leading to a less ... [+] IPSOS AND HOVER HOME RENOVATIONS EXPECTATIONS REPORT

MORE FOR YOU

Huawei's Pura 70 Ultra Beats iPhone With Pioneering New Feature



The Juan Soto Trade Has Helped Both The Yankees And The San Diego Padres



Four Reportedly Hurt After Army Horses Run Loose Through Central London



An astounding 58% of homeowners reported a time delay that averaged about 40 days. More than a third of homeowners said they paid more than the original quote, which added up to an average of \$19,000.

Investing Digest: Know what's moving the financial markets and what smart money is buying with Forbes Investing Digest.

Email address

Sign Up

By signing up, you agree to receive this newsletter, other updates about Forbes and its affiliates' offerings, our [Terms of Service](#) (including resolving disputes on an individual basis via arbitration), and you acknowledge our [Privacy Statement](#). Forbes is protected by reCAPTCHA, and the Google [Privacy Policy](#) and [Terms of Service](#) apply.

Nearly half of homeowners experienced a problem that they believe the contractor may have been able to control or avoid, which is demonstrative of the distrust in the homeowner and contractor relationship, and puts strain on the project.

These seemingly preventable problems make the homeowners stressed, and contribute to them avoiding future projects. More than a quarter of the homeowners surveyed said the project stressed them out and 16% had to leave their home during the project, 14% had to spend less time with friends or family, and 10% said it put a strain on personal relationships.

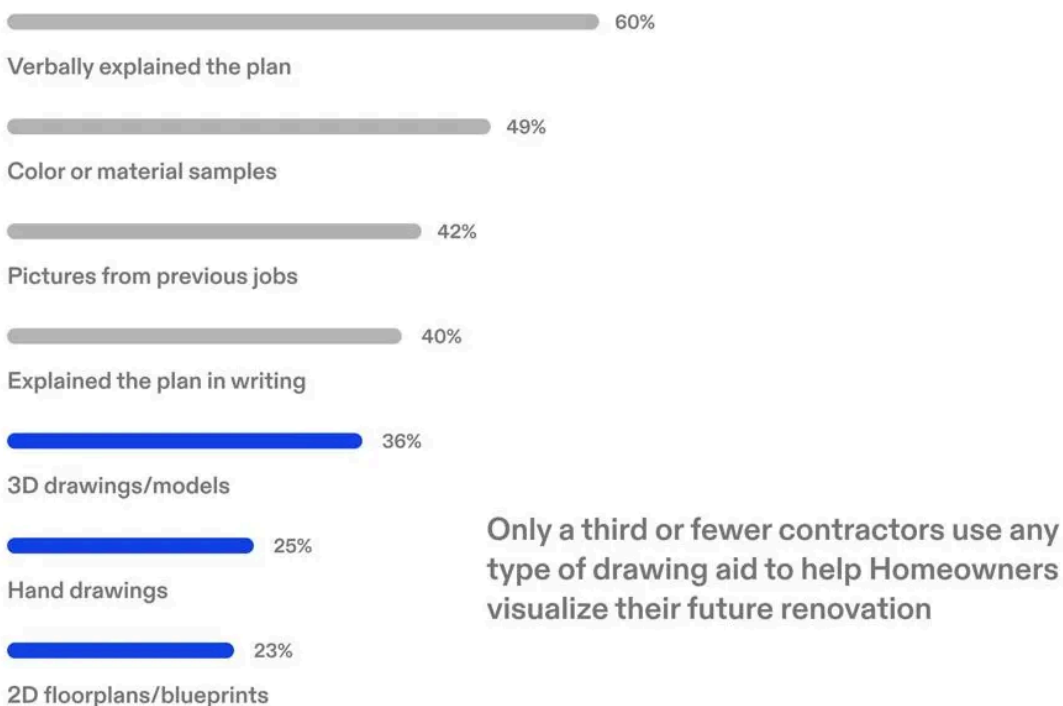
These factors led to 21% of homeowners who would not do another project. From that group, 1 in 4 would rather get a tooth pulled than go through another renovation process. Ouch!

Not entirely surprising, but homeowners rated the budgeting process the most difficult challenge (31%); followed by selecting a contractor (29%); researching products, materials, colors and cost (23%); deciding on

changes made to the home (23%); and the actual renovation process (23%).

Trust and reputation were the most important characteristics for homeowners when they were choosing a contractor. Half of homeowners also said offering a fair price was important, 40% said knowledge, and 35% rated good communication skills.

Few visualization tools used to aid Homeowners



Ipsos and Hover Home Renovations Expectations Report of 500 Homeowners, March 2024

Contractors stick to basic selling tools instead of engaging in technology that has proven to ... [+]
IPSOS AND HOVER HOME RENOVATIONS EXPECTATION REPORT

Only about one in three contractors used 3D drawings or models to help visualize design options. Instead, 60% of homeowners said they got a verbal explanation, 49% said the contractor shared color or material samples, 42% saw pictures from other jobs, and 40% received a written explanation.

Based on this data, there is a long runway for technology companies to improve the relationship.

Technologies Opening Up The View

“Hover’s mission is to transform homeownership to be easy, transparent, and fun,” said Kevin Sturm, head of industry and product marketing at Hover. “For decades that process has been to proceed with caution because consumers don’t have visibility to costs to be able to understand the budget. But now new technologies are allowing them to remove the difficulties and instead of proceeding with caution, they can proceed with confidence.”

Even though 3D modeling is late to the game in residential, the technology is proving out quickly to build the relationship and value engineer how projects are done by reducing waste, risk and profits.

Hover's 2024 ROI survey reported that contractors increased their close rate by an average of 22% when they started using Hover. Two-thirds of the contractors said Hover helped them upsell projects, and of those, 78% of respondents used the 3D model to improve their ability to upsell.

“It says, we are going to work on this together and make it exactly what you want,” Sturm said. “When price becomes an objection, the homeowner doesn’t want to do a project that they cannot see first. They want to see the visualization to help make the decision, and Hover offers them photorealistic versions.”

Hover has had a relationship with exterior building product manufacturer James Hardie for two years to help users visualize a new exterior finish on a home.

Bridget Kulla is director of digital marketing and demand generation at James Hardie and said that there was a 35% growth on the Hover Design Studio page on its site since it launched. The company plans to continue to

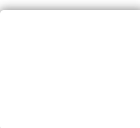
invest in solutions that provide the same type of seamless buying experience for siding as a homeowner might expect from other purchases.

Paul Trautmann is the president and CEO of [Timberland Exteriors](#), a company providing exterior remodeling projects in the Minneapolis area, and has benefitted from the technology.

“Using the 3D image of the house makes it a super interactive process so they spend more time with us and build a partnership together to create a home that they will love,” he said. “Using 3D to look at a house and spin it all the way around and focus in different areas has increased our close rate at least 50%.”

He found that the learning curve for using the technology was almost nonexistent, where a user can design, put on colors, and change the whole house with one click of the button. Homeowners can dream, look at a wish list and then build off of it to create the budget and have more control through all parts of the process.

Trautmann also finds it useful to use the technology to provide an installation guide to the subcontractors, which then leads to better accuracy and can also reduce construction waste.





Lowe's Style Studio gives a user access to 80 billion options for their space and the ease to select ... [+] LOWE'S

Big players like Lowe's also are entering the technology scene to solve customer's challenges and to be a tool for contractor-homeowner collaboration. The company launched [Lowe's Style Studio](#), designed exclusively for Apple Vision Pro and now available on the App Store.

Lowe's Style Studio starts users with four macro styles curated by Lowe's professional designers to explore and narrow down its 80 billion options to a perfect fit. A final design can be saved as a style board that translates a 3D vision into 2D to then be exported as a PDF that includes all the Lowe's product numbers.

“Spatial computing, which refers to merging the digital world with the physical in a seamless way, is a great tool to help reduce friction in home improvement—and is a tool we've been exploring to reimagine omnichannel retail experiences for over a decade,” said Cheryl Friedman who serves as vice president of Lowe's Innovation Labs. “Remodeling kitchens, in particular, is really complex and often the most challenging to visualize how everything will come together. We are using technology to solve this pain point for our customers.”

Users can navigate the digital world using eye movements and finger taps while wearing an Apple Vision Pro.



Lowe's launched the Lowe's Style Studio in collaboration with Apple Vision Pro to give users the ... [+] LOWE'S

“With fashion, for example, you go into a store, and if an item fits you and complements your style, you feel good about purchasing it,” Friedman said. “When it comes to home improvement, you are taking 2D images and piecing them together in a world that is 3D, and it can be hard to map it out in your head. With Lowe’s Style Studio, we allow customers to step into an immersive kitchen scene and bring their unique style to life in minutes.”

Users can just snap their fingers to produce a new version of their visual space and can do that more than 80 billion times using Lowe’s visual combinations.

For two days in March, the technology was shared with more than 125 SXSW Conference attendees who reported being impressed by the immersive 3D experience, along with the ability to customize their exact preferences.

Managing Risk

These new technologies not only ease the sales process, saving time and labor, but they also help manage the risks inherent in these typically one time only, short term relationships.

Megan Shapiro is a construction attorney and risk strategist at her firm [Radolovich | Shapiro](#) and says that the best way builders can protect themselves from unhappy homeowners is by creating and diligently following a documentation policy during the work.

“Although it is common for many conversations between the homeowners and the contractor to take place in person, it is important that the contractor document the conversations after the fact, either through text messages or emails that automatically get added to the project file,” she said. “Don't just leave the text messages on your phone; make sure copies of them make it into the file. A contractor can't have too much documentation on a project. This way, when the homeowners take action down the line, it won't be a he said/she said situation.”

In her experience, the most common lawsuit is related to complaints about quality and workmanship. In a remodel situation, homeowners may even include complaints about design elements and choices that they themselves made. For new construction, the lawsuits usually arise within a few years of the homeowners moving in as they start to notice things about their home that they aren't happy with.

Financiers, like [Slice by FNBO](#), also have baked in risk protection to their processes.

“At FNBO, we make sure the contractor responds to complaints and has a customer dispute process,” said Brett Worick, the senior vice president of point of sale lending at FNBO. “We also make sure the customer is fully aware and signs off on the project over time, getting input at every step along the way. That way we ensure if there is a problem it's addressed before things continue.”

Growing Project Appeal

Despite the challenges, there is growing appeal to do a remodel. A [new research](#) report from the Federal Housing Finance Agency says that the current low mortgage rates are creating a lock-in effect that has resulted in about 1.3 million fewer home sales than normal.

Worick said that FNBO sees average projects exceeding \$30,000, which means most have to be financed.

“Homeowners’ expectation for cheaper and easier financing options is growing and there is now higher demand for very large unsecured home improvement jobs, exceeding \$200,000,” he said. “As FNBO makes the experience faster and easier, people will continue to move in the direction of using those types of products over the historically used HELOC or Home equity Loan.”

Improving The Journey

As demand for remodeling and new home construction shows steady slight inclines, there is a big opportunity for contractors.

“Our survey results show that contractors are doing good work,” said Sturm. “Consumers like the end state, but the process of getting there when a quarter of them say they would rather get a tooth pulled means that it’s in the journey, not the end state. How do we improve the journey? We’re moving beyond 3D with innovation in generative AI. Homeowners and pros can visualize their vision by uploading a photo to get instant inspiration, and then customize it in real time.”

Hover is already proving out the technology benefits. More than two-thirds of its surveyed contractors say that they have less rework and 76% spend less time measuring, which both equate to more valuable time with the customer who also has more confidence from the 3D models of their project.

So, the big opportunity is for technology companies and contractors to make the journey better. More transparency and communication can remove the frustrations around cost, and better visuals and designs can remove the fear about what it will look like.

Follow me on [Twitter](#) or [LinkedIn](#). Check out my [website](#).



Jennifer Castenson

Follow

I serve as the vice president of ambassador and industry partner programs at Buildxact, providing leadership and collaboration across the various verticals involved

... **Read More**

[Editorial Standards](#)

[Reprints & Permissions](#)

ADVERTISEMENT

Join Our Conversation

One Community. Many Voices. Create a free account to share your thoughts. Read our community guidelines [here](#)

 [Log in](#)

Be the first to comment...



No one seems to have shared their thoughts on this topic yet

Leave a comment so your voice will be heard first.

